Department for Levelling Up, Housing & Communities

Statistical release

Housing

Housing supply; indicators of new supply, England: January to March 2022

In this release:

Building control figures (seasonally adjusted):

- According to building control figures, the number of dwellings where building work has started on site was 42,350 in January to March 2022. This is a 1 per cent increase when compared to last quarter but is a 7 per cent decrease when compared to the same quarter of the previous year.

- According to building control figures, the number of dwellings completed was 43,160 in January to March 2022. This is a 3 per cent increase when compared to last quarter but is an 11 per cent decrease when compared to the same quarter a year ago.

Other housing supply indicators:

- There were 216,490 net additional dwellings between April 2020 and March 2021, an 11 per cent decrease on the net additional dwellings created between April 2019 and March 2020.
- There were 57,640 new dwelling EPCs lodged in England in the quarter ending March 2022, an 8 per cent decrease when compared to the same quarter last year.
- There were 238,500 new dwelling EPCs lodged in England in the 12 months to March 2022, an increase of 8 per cent on the 12 months to March 2021.
- There was a net increase of 232,710 in the number of domestic properties with a council tax band in England between April 2021 and March 2022. This increase was 15 per cent more than that seen in the same period of the previous year.

Release date: 22 June 2022

Date of next release: September 2022

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Introduction

The purpose of this release is to provide an indication of the levels of and trends in new housing supply in England (please refer to the Technical Notes document for information on statistics in Scotland, Wales, and Northern Ireland). This statistical release presents National Statistics on building control reported estimates of housing supply in England up to 31 March 2022. This release also presents estimates of housing supply in England using other additional data sources.

The ‘new build dwelling’ figures are based on building control inspection data, submitted to the Department by local authorities, the National House Building Council (NHBC) and other independent approved building control inspectors. This series began in 1946 based solely on Local Authority building control. NHBC data were added from 1985 and, after 2007, legislation allowed data from independent approved inspectors.

The Department for Levelling Up, Housing and Communities (DLUHC) also publishes an annual release entitled ‘Housing supply: net additional dwellings’, which is the primary and most comprehensive measure of housing supply. This includes figures for new house building, conversions (for example a house into flats), change of use of an existing building (for example a shop into a house or a barn conversion), other gains/losses, and demolitions. The next release of ‘Housing supply: net additional dwellings’ will be in November 2022 and will cover the year ending March 2022. The indicators of new supply release should be regarded as a leading indicator of overall housing supply.

Changes to this release

On 26 March 2020, DLUHC published a consultation on proposed changes to further improve the house building statistics. The consultation is available at the following link: https://www.gov.uk/government/consultations/house-building-statistics-proposed-changes

In this release, further improvements have been implemented to the interactive dashboard which is available at the following link: https://www.gov.uk/government/statistics/housing-supply-indicators-of-new-supply-england-january-to-march-2022

Building control reported new build starts and completions

It is estimated that the building control sourced data currently provides information on about 80% of house building in England, further details are available in the technical notes that support this release. These figures should therefore be used as a leading indicator of trends in total housing supply which is published in the net additional dwellings release in November.

Quarterly figures

Quarterly figures for new build dwelling starts and completions are seasonally adjusted. These should be used for quarterly comparisons to see trends.

Starts – March quarter 2022

New build dwelling starts in England were estimated to be 42,350 (seasonally adjusted) in the March quarter 2022, a 1 per cent increase compared to the December quarter 2021 but a 7 per cent decrease compared to the same quarter a year ago. Starts are 13 per cent below their March quarter 2007 peak and are 147 per cent above their trough in the June quarter 2020.

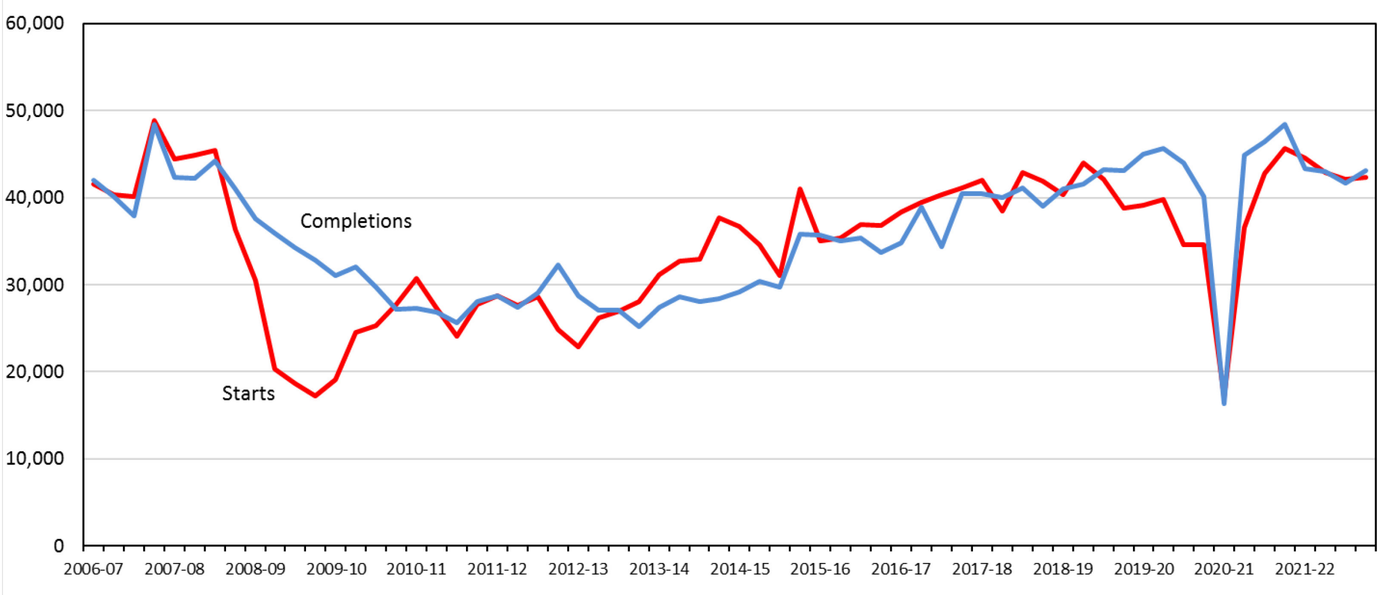
Completions – March quarter 2022

New build dwelling completions in England were estimated to be 43,160 (seasonally adjusted) in the March quarter 2022, a 3 per cent increase compared to the December quarter 2021 but an 11 per cent decrease compared to the same quarter a year ago. Completions are 11 per cent below their peak in the March quarter 2021 and are 164 per cent above their June quarter 2020 trough.

Long term trends

As can be seen from Figure 1 below, trends in starts and completions were similar up to 2008. During the economic downturn of 2008, both starts and completions fell. Completions fell more slowly than starts, but over a longer period. From 2009, starts began to recover and during the next three years both series converged and levelled out. From 2013 to 2018, both starts and completions gradually grew again. Since 2019, there was a sustained decrease in starts whilst completions continued to grow. In 2020, there was a steep fall in starts and completions reflecting the restrictions introduced during Spring 2020 in response to the COVID-19 pandemic. Following a sharp uptick in the September quarter 2020, starts and completions both continued to increase up to the March quarter 2021. Since then, starts and completions have been falling, although they have both experienced a slight increase in the most recent quarter.

Figure 1: Seasonally adjusted trends in quarterly building control reported new build dwelling starts and completions, England, 2006-07 to 2021-22

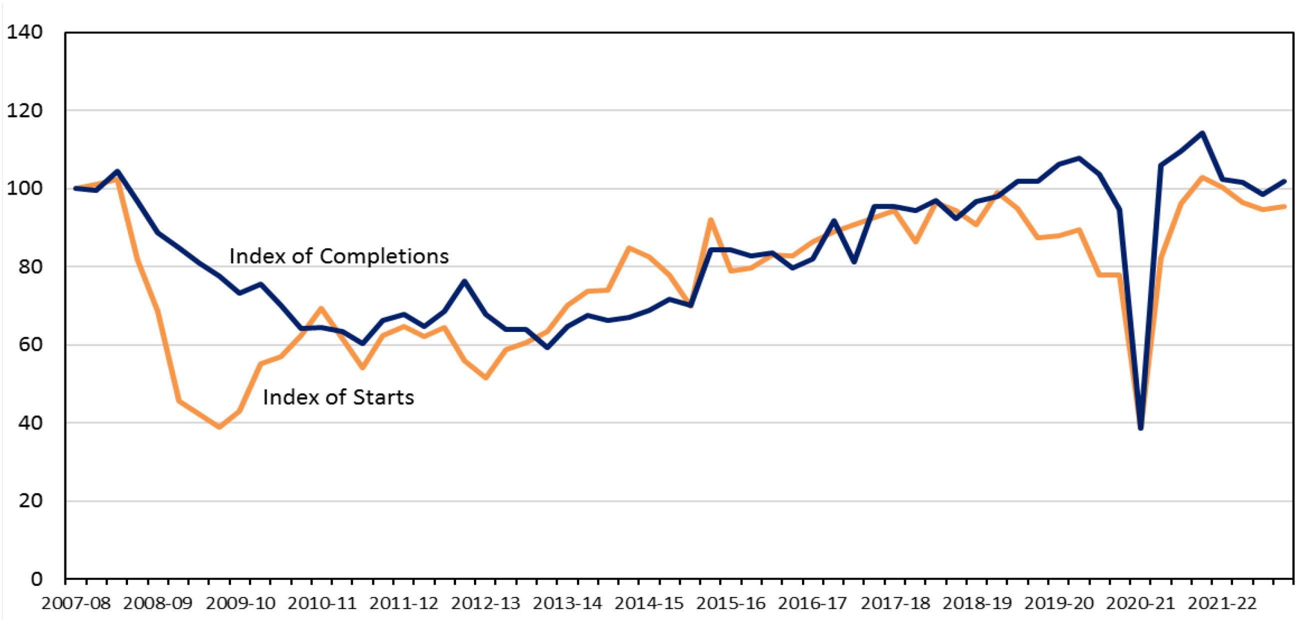


The chart includes data from independent approved inspectors from June quarter 2007.

Quarterly Index

Figure 2 below shows the quarterly trends of starts and completions as an index starting at 100 in the June quarter 2007. This should be used when looking at the rate of change of starts and completions rather than the numeric change. The index shows a similar pattern to the seasonally adjusted quarterly estimates with the recent slight increase in starts and completions evident.

Figure 2: Index of building control reported new build dwelling starts and completions, quarterly (Seasonally Adjusted), England, 2007-08 to 2021-22



The chart includes data from independent approved inspectors from June quarter 2007.

Annual figures

These figures are not seasonally adjusted and give annual estimates for house building over a rolling 12-month period. These can be used to make year on year comparisons.

<u>Starts – year ending March 2022</u>

There were an estimated 172,930 new build dwelling starts in England in the year to March 2022, a 23 per cent increase compared to the year to March 2021.

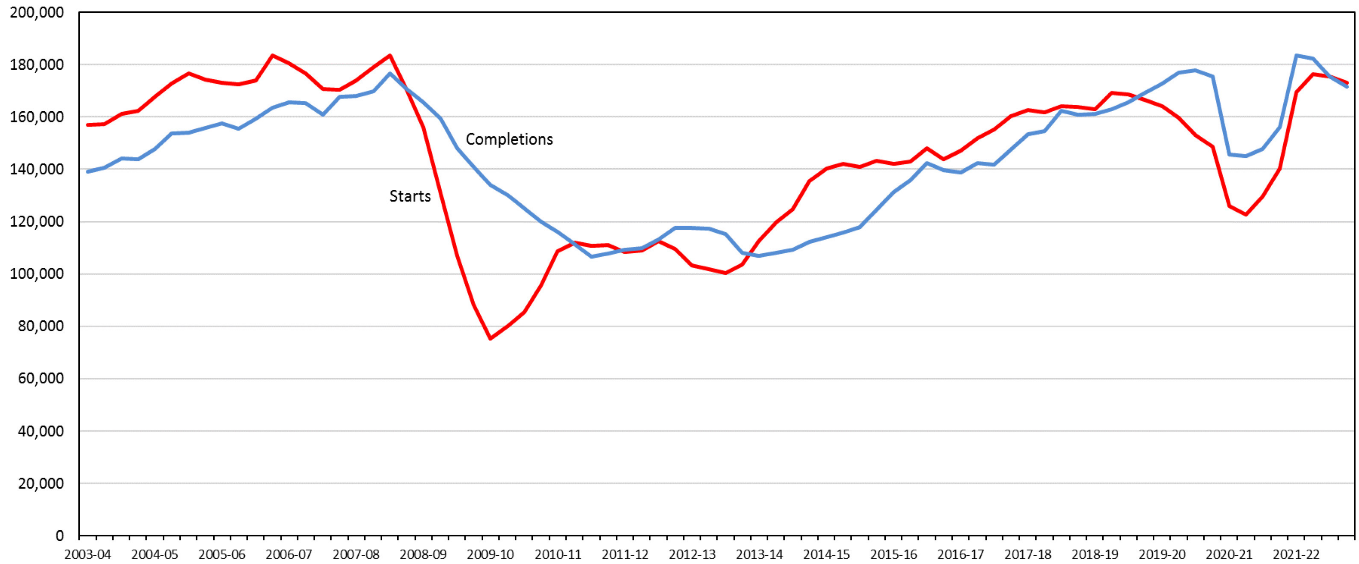
<u>Completions – year ending March 2022</u>

There were an estimated 171,630 new build dwellings completed in England in the year to March 2022, an increase of 10 per cent compared to the year to March 2021.

Long term annual trends

As can be seen from Figure 3 below, annual new build dwelling starts were broadly increasing from 2003-04 until reaching a peak of 183,600 in the year ending December 2007. Starts then fell sharply to a low of 75,350 in the year ending June 2009 following the economic downturn. Over the following decade, starts increased to reach 169,200 in the year ending September 2018, before falling to 148,520 in the year ending March 2020. Starts then dropped steeply due to the restrictions introduced in response to the COVID-19 pandemic but rose sharply to 176,440 in the year ending September 2021. Starts have since fallen to 172,930 in the year ending March 2022. Similarly, annual new build dwelling completions generally increased from 2003-04 until the year ending December 2007. Completions then gradually fell, reaching a low of 106,720 in the year ending December 2010. Thereafter, completions increased steadily to 177,880 in the year ending December 2019. Completions then dropped steeply in Spring 2020 due to the restrictions introduced in response to the COVID-19 pandemic. Completions recovered to a peak of 183,430 in the year ending June 2021, then declining to 171,630 in the year ending March 2022.

Figure 3: Trends in building control reported estimates of starts and completions, 12 month rolling totals (not seasonally adjusted), England, 2003-04 to 2021-22



The chart includes data from independent approved inspectors from June quarter 2007.

Table 1: Estimated annual building control reported new build dwelling starts and completions (not seasonally adjusted), England, 2008 to 2022

Year Ending			All Starts		All Completions	
			Starts in previous 12 months	% change on previous year	Completions in previous 12 months	% change on previous year
2008	Jan-Mar		170,440	0%	170,610	2%
2009	Jan-Mar		88,010	-48%	140,990	-17%
2010	Jan-Mar		95,560	9%	119,910	-15%
2011	Jan-Mar		111,150	16%	107,870	-10%
2012	Jan-Mar		109,570	-1%	117,580	9%
2013	Jan-Mar		103,520	-6%	107,980	-8%
2014	Jan-Mar		135,410	31%	112,330	4%
2015	Jan-Mar		143,390	6%	124,640	11%
2016	Jan-Mar		143,740	0%	139,710	12%
2017	Jan-Mar		160,230	11%	147,510	6%
2018	Jan-Mar		163,790	2%	160,890	9%
2019	Jan-Mar		166,370	2%	169,050	5%
2020	Jan-Mar		148,510	-11%	175,330	4%
2021	Jan-Mar		140,200	-6%	155,950	-11%
2022	Jan-Mar	*P*	172,930	23%	171,630	10%

Further indicators of supply

This section of the release provides analysis of other indicators of housing supply. It is intended that these indicators, along with the building control data, provide a suite of information which give a rounded estimate of the current trends in housing supply and what the more complete estimate of housing supply (net additional dwellings) will show when it becomes available in November.

Energy Performance Certificates

The Department for Levelling Up, Housing and Communities (DLUHC) publishes quarterly experimental official statistics on the Energy Performance of Buildings Certificates in England[1] which includes statistics on Energy Performance Certificates (EPCs) lodged for new dwellings.

These can be compared to the previously mentioned annual ‘Housing supply: net additional dwellings’ release, which is the primary and most comprehensive measure of housing supply. EPCs provide a very close estimate to net additions. As with the net additional dwellings figures, those from the EPC data include new build dwellings, dwelling conversions and change of use. They are therefore not a direct comparison with the building control figures shown earlier in this release. This is the reason for the use of other sources to estimate new build completions.

In 2020, DLUHC also started publishing weekly EPC data because they were judged to be of immediate value to interested parties to help meet demands for statistics measuring the impact of the COVID-19 pandemic. Weekly data is timelier than the quarterly statistics but differs from the

[1] Whilst the Energy Performance of Building Certificates statistical release covers England and Wales, the accompanying tables also have data for England and Wales separately.
https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates

quarterly figures due to overlaps in the weekly figures. For example, the week commencing 28 December 2020 contains days in December 2020 which would count in the December quarter 2020 as well as containing days in January 2021 which would instead count in the March quarter 2021. Following publication, weekly data may also contain certificates that are cancelled or not for issue and will therefore be an overcount. This represents around 2 per cent of weekly EPC data.

Annual comparison: new dwelling EPCs and net additional dwellings

Since 2012-13, the low point following the economic downturn, both net additional dwellings and EPCs lodged for new dwellings in England have been steadily increasing. In 2019-20, net additions reached 242,700 and new dwelling EPCs totalled 254,720. In 2020-21, net additions fell to 216,490, a decrease of 11 per cent from 2019-20, and new dwelling EPCs fell to 220,730, a decrease of 13 per cent from 2019-20. In 2021-22, new dwelling EPCs increased to 238,500, an 8 per cent increase from 2020-21, although 6 per cent below the 2019-20 peak.

Quarterly comparison: new dwelling EPCs and new build completions

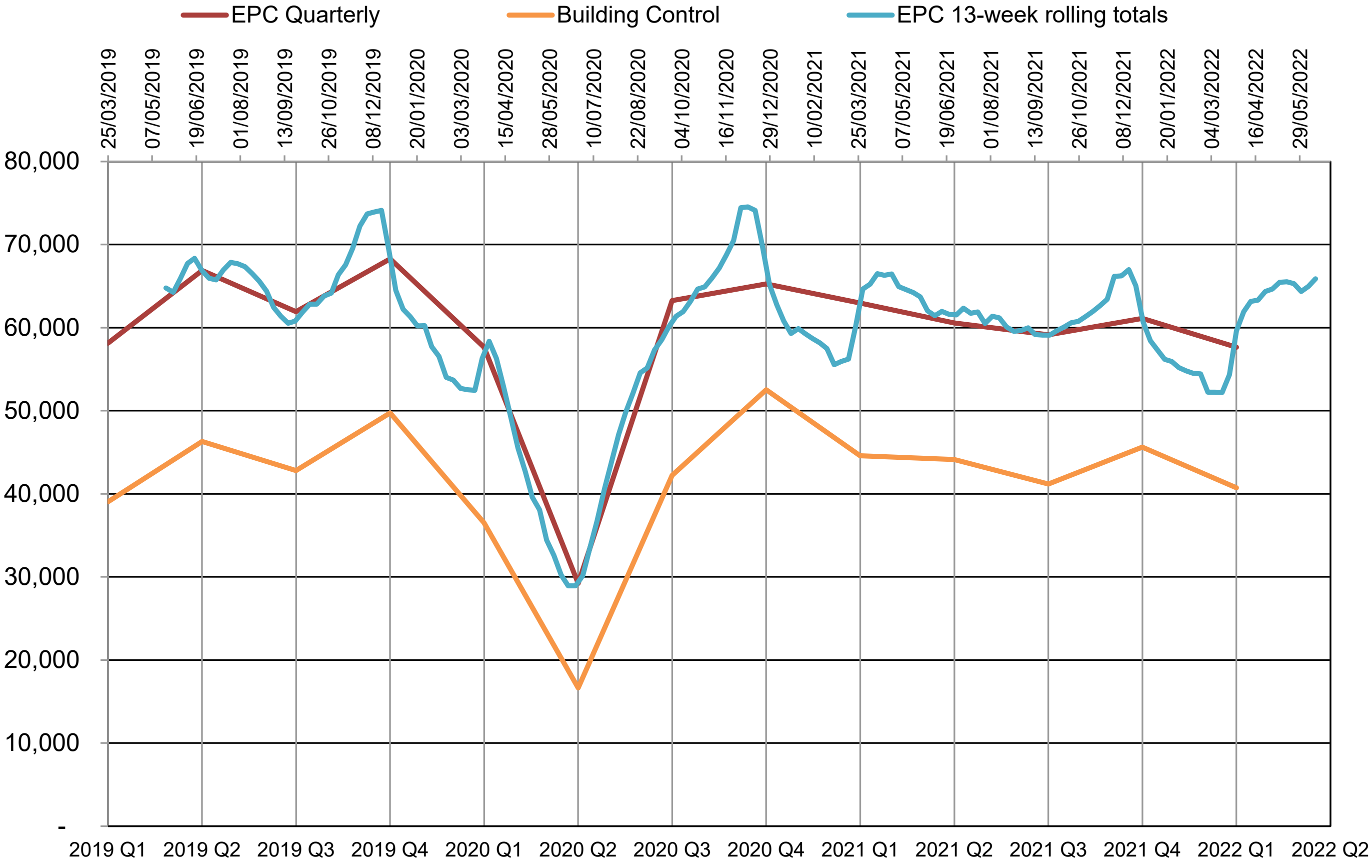
Since 2009-10, quarterly figures on EPCs lodged for new dwellings have followed a similar trend to quarterly new build dwelling completions. There were 57,640 new dwelling EPCs lodged in England in the quarter ending March 2022, representing an 8 per cent decrease when compared to the same quarter last year. Whereas there were 40,720 new build dwelling completions (not seasonally adjusted) in the March quarter 2022, a decrease of 9 per cent when compared to the same quarter last year. The number of new dwellings EPCs lodged are higher than the quarterly new build completion figures as they comprise of new builds, conversions and change of use. One of the reasons for the difference between the two sets of figures is partly due to an increase in the number of new dwellings created through change of use.

Weekly figures: new dwelling EPCs

There were 65,870 EPCs lodged for new build dwellings in the 13 weeks to the week commencing 13 June 2022, a 6 per cent increase on the 13 weeks to the week commencing 14 June 2021. Decreases in the weekly EPC series at the end of each year do not necessarily reflect the trends in housing completions as fewer EPCs are lodged in the Christmas period.

Figure 4 below shows a comparison of EPCs lodged for new build dwellings from the quarterly series and the weekly series with the weekly series presented with 13-week rolling totals. The figure shows the 13-week rolling totals closely follow the quarterly series.

Figure 4: Quarterly new build dwellings EPCs lodged, 13-week rolling new build dwellings EPCs lodged, building control new build completions (not seasonally adjusted), England, 2019 Q1 to 2022 Q2



Sources:
Energy Performance of Buildings Certificates in England and Wales: January to March 2022, Live Table NB1;
Building control reported new build dwellings, Live Table 213;
Weekly EPCs lodged for domestic properties (new dwellings).

Council Tax Stock of Properties

The Valuation Office Agency publishes annual official statistics on the number of domestic properties with a council tax band in England[2] which includes statistics on the net increase in the stock of domestic properties.

These can similarly be compared to the net additional dwellings statistics, which are the primary and most comprehensive measure of housing supply, though it is an approximate comparison as the VOA figures include communal accommodation and properties moving between the business rates list and the council tax list (for example, re-classification of holiday lets to a dwelling). This can over or under-estimate net additional dwellings. The Council Tax stock of properties also includes new builds, conversions and change of use. Therefore, they are also not a direct

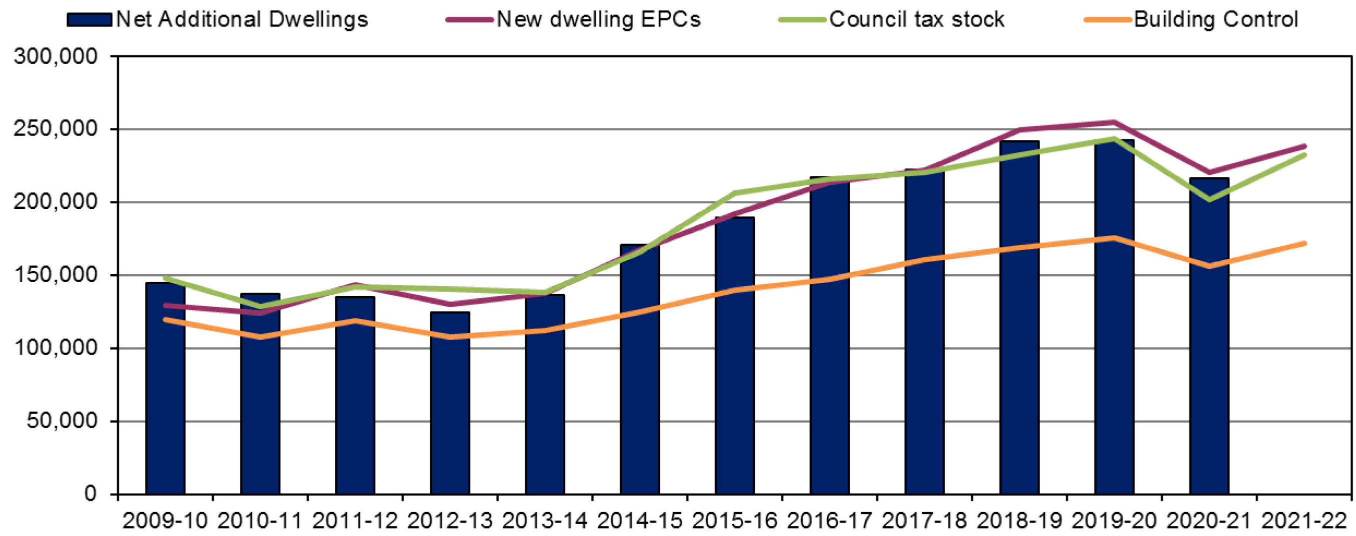
[2] Whilst the Council Tax statistical release covers England and Wales, the accompanying tables also have data for England and Wales separately.

https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics comparison with the building control figures and again this is the reason for the use of other sources to estimate new build completions.

Annual comparison: net change in domestic properties and net additional dwellings
Net additional dwellings and the change in the Council Tax stock of properties in England steadily increased, from 2012-13 and 2013-14 respectively, the low point following the economic downturn. In 2019-20, net additional dwellings reached 242,700, whilst the change in the Council Tax stock of properties totalled 243,720. In 2020-21, net additions fell to 216,490, a decrease of 11 per cent from 2019-20 and the change in the Council Tax stock of properties totalled 201,850, a decrease of 17 per cent on the previous year. In 2021-22, the change in Council Tax stock of properties totalled 232,710, an increase of 15 per cent in the same period of the previous year, although 5 per cent below the 2019-20 peak.

Figure 5 below shows the other measures of housing supply directly compared directly to the primary and most comprehensive measure of housing supply, net additional dwellings.

Figure 5: Net additional dwellings, new build dwelling EPCs lodged, annual change in the Council Tax stock of properties and building control new build completions, England, 12-month totals, 2009-10 to 2021-22



Sources:
Housing supply: net additional dwellings, England: 2020 to 2021, Live Table 120;
Energy Performance of Buildings Certificates in England and Wales: January to March 2022, Live Table NB1;
Council Tax: stock of properties, 2022, Table CTSOP1.0;
Building control reported new build dwellings, Live Table 213.

Regional figures

Starts
In the year to March 2022, starts increased in all regions from the year to March 2021. The largest percentage increase was 51 per cent in the East Midlands. In London, starts were 24 per cent higher in the year to March 2022 than in the year to March 2021.

Completions
In the year to March 2022, completions increased in all regions except for London and Yorkshire and the Humber from the year to March 2021. Similarly, the largest percentage increase was 23 per cent in the East Midlands. In London, completions decreased by 11 per cent in the year to March 2022 than in the year to March 2021.

Figure 6 shows the starts and completions per 1,000 dwellings by each English region in the 12 months to March 2022. The highest rates of annual starts per 1,000 dwellings was in the East Midlands followed by the East of England and the highest rates of annual completions per 1,000 dwellings was in the East Midlands followed by the South East.

Figure 6: Starts per 1,000 dwellings (left) and completions per 1,000 dwellings (right) for each English region in the 12 months to March 2022

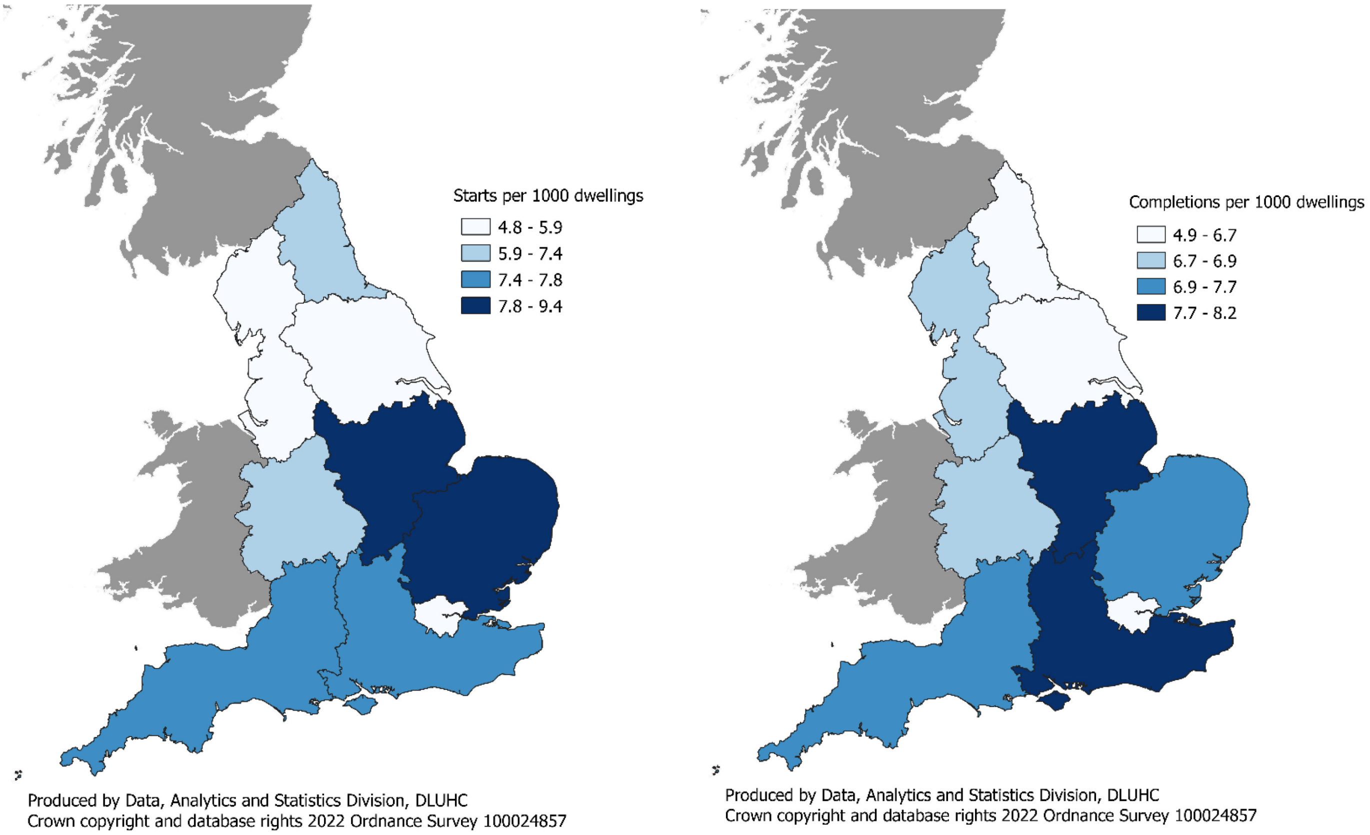


Figure 6 shows the number of starts and completions per 1000 dwellings in each of the 9 English regions over the year to March 2022. To show house building in proportion to the size of each district we divide the number of starts or completions in the year by the existing dwelling stock. The result is multiplied by 1,000 to give a figure that is easier to interpret. For example, a region with 100,000 dwellings where, over the previous year, 570 new dwellings are started would give a value of 5.7 new dwellings per thousand of existing stock and would therefore be shaded in light blue in the coloured map for starts.

Local Authority and Local Enterprise Partnership

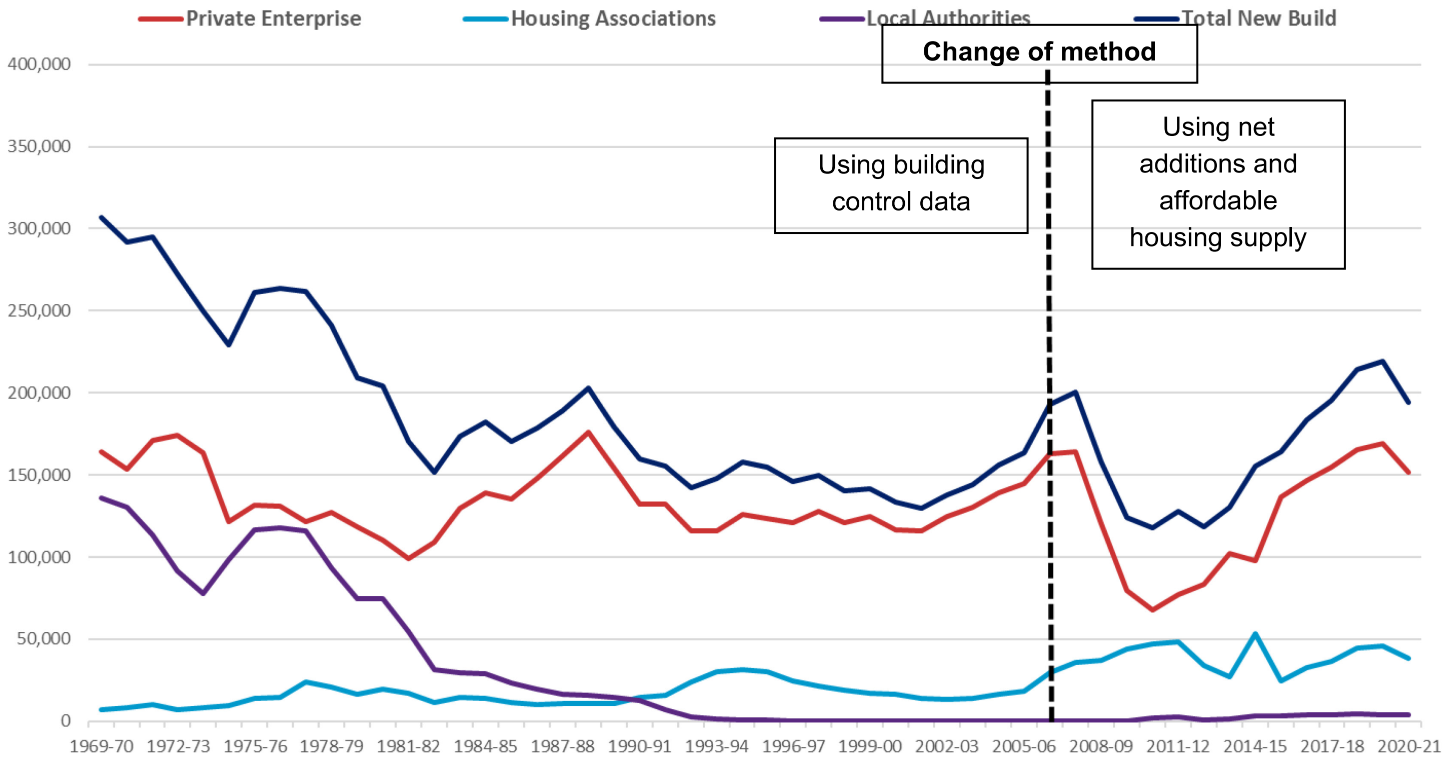
Local Authority level building control reported house building statistics are found in Live Table 253 and 253a. Figures aggregate to Local Enterprise Partnership geographies are in Live Table 255.

New build completions final tenure estimate

The final tenure is the final usage of the new dwelling, whether they are for private ownership, housing associations or local authority housing stock. This is different to the tenure of the developer as private developers also build dwellings for housing associations and local authorities.

Figure 7 below shows the estimated final tenure split of new build completions. In 2020-21, it is estimated that Private Enterprise (new dwellings built for private sale, private renting, and by non-registered providers) delivered 78%, Housing Associations 20% and Local Authorities 2% of total new build dwellings. Since 2006-07, this has been estimated using a modelled approach based on the Affordable Housing Supply Statistics. Further details are in the methodology section below.

Figure 7: Number of permanent new build dwellings completed, by final tenure, England, 1969-70 to 2020-21

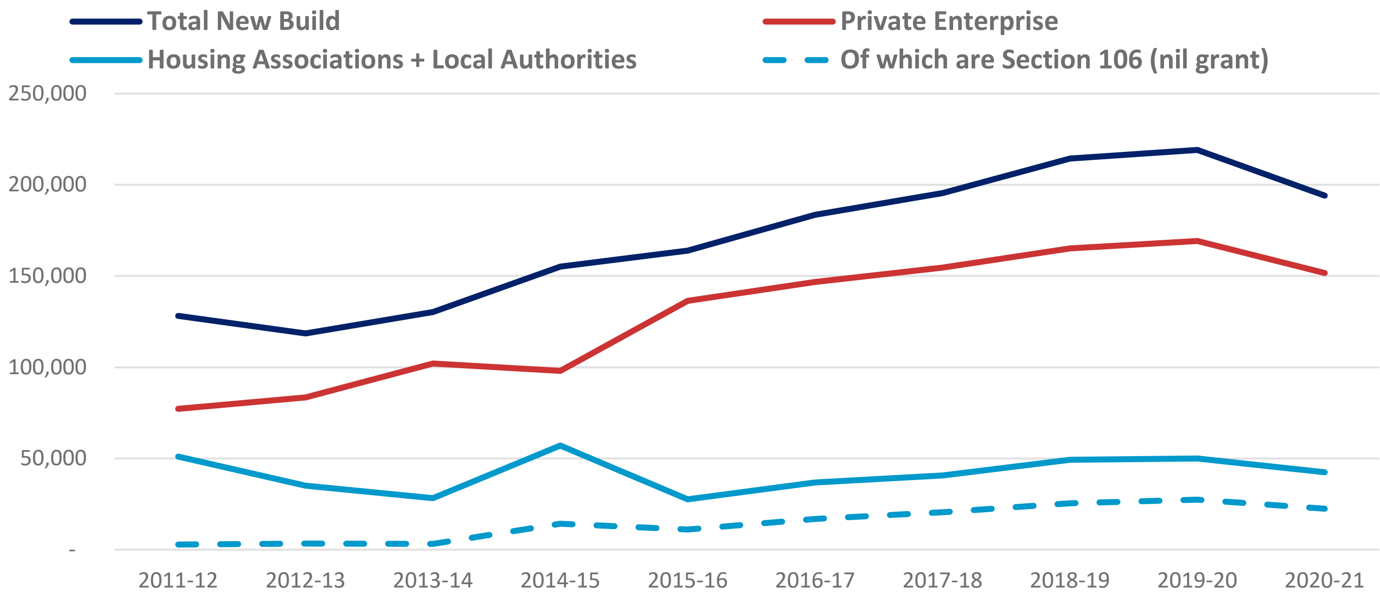


Sources:
1969-70 – 2005-06:
Building control reported new build dwellings, Live Table 213
2006-07 – 2020-21:
Total New Build: Housing supply: net additional dwellings, England: 2020 to 2021, Live Table 120
Housing Association New Build: Affordable housing supply in England: 2020 to 2021, Open Data
Local Authority New Build: Affordable housing supply in England: 2020 to 2021, Open Data
Private Enterprise New Build: Modelled as Total New Build - Housing Associations - Local Authorities

Figure 8 below includes the number of units whose final tenure is either Housing Association or Local Authorities having been provided under Section 106 (nil grant) agreements since 2011-12. The Section 106 (nil grant) figures before 2011 are not included as the data were not collected. In

2020-21, over half of the completions delivered through Housing Associations or Local Authorities were under Section 106 (nil grant) agreements.

Figure 8: Number of permanent new build dwellings completed, by final tenure, England, 2011-12 to 2020-21



Sources:
Total New Build: Housing supply: net additional dwellings, England: 2020 to 2021, Live Table 120
Housing Association and Local Authority New Build: Affordable housing supply in England: 2020 to 2021, Open Data
Private Enterprise New Build: Modelled as Total New Build - Housing Associations - Local Authorities
Section 106 (nil grant): Affordable housing supply in England: 2020 to 2021, Open Data

In Figures 7 and 8, non-registered providers and unknown providers contributing towards affordable housing delivery are included in the Private Enterprise estimate.

Methodology

The estimated final tenure split uses the total new build completions component from the net additional dwellings statistics and the completions delivered by Housing Associations (HAs) and Local Authorities (LAs) from the Affordable housing supply statistical release to estimate the Private Enterprise (PE) delivery.

Prior to 2005-06, the tenure split was estimated using the building control reported data, which reports on the provider type. However, this is not the same as providing an estimate of the final tenure of the dwellings once they are completed since it is not always possible, nor is it the responsibility, of a building control inspector to know the final tenure. This is likely to have caused an over estimation of the supply for private enterprise.

From 2006-07 onwards, net additional dwellings and the affordable housing statistics are used to model the tenure split. This method will be more accurate in providing the final tenure of new housing supply. This series begins at 2006-07 as this is when the new build component in the net additional dwellings estimates was first published.

Planning applications

The Department for Levelling Up, Housing and Communities (DLUHC) also produces planning applications statistics measuring the number of applications submitted and granted.

Residential units

The figures collected by the department are the numbers of decisions on planning applications submitted to local planning authorities, such as the number of homes in the case of housing developments, rather than the number of units included in each application. The department supplements this information by obtaining statistics on housing permissions from a contractor, Glenigan[3]. The latest provisional figures show that permission for 307,000 homes was given in the year to 31 March 2022, down 2 per cent from the 314,000 homes granted permission in the year to 31 March 2021.

Revisions have been made following a review by Glenigan of the most relevant types of planning approval to be included in the figures to achieve accurate measurement whilst minimising double counting. These figures are provided here to give contextual information to users and have not been designated as National Statistics. Further details are provided in the Planning statistics release: https://www.gov.uk/government/collections/planning-applications-statistics

Table 2: Number of housing units granted planning permission, England, annual totals to March 2022

Year Ending			Units Granted	
			Number	**% change on previous year**
2016	Jan-Mar		270,000	
2017	Jan-Mar		329,000	22%
2018	Jan-Mar		314,000	-4%
2019	Jan-Mar		327,000	4%
2020	Jan-Mar		315,000	-4%
2021	Jan-Mar	*R*	314,000	0%
2022	Jan-Mar	*P*	307,000	-2%

When considering the above figures in relation to the central governments ambition of raising housing supply to 300,000 homes per year on average by the mid-2020s, it should be noted that, in practice, many permissions do not result in a home being delivered. This is due to a range of reasons relating to the circumstances of landowners and developers as well as the local and national economy. In addition, i) time lags in building can affect the number of homes built in a particular period; and ii) the methodology used cannot guarantee that all double counting of permissions is removed from the above figures.

These figures show a similar trend to the building control reported starts and completions.

[3] Glenigan routinely collects data on planning applications submitted to all English local planning authorities and records the information by maintaining a 'planning application' for every project. The data have been updated over time as subsequent applications are submitted and decisions made, with all new applications being matched against the existing database at entry stage. This has involved an automated process supplemented by manual checking to identify any further matching project.

Accompanying tables and open data

Symbols used

The following conventions have been used in the tables:
.. Not available;
- Fewer than 5 dwellings;
P Figure provisional and subject to revision;
R Revised from previous release.

Totals may not equal the sum of component parts due to rounding to the nearest 10.

Tables

Accompanying tables are available to download alongside this release. These tables can be accessed at http://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building

These data are also available in a dashboard that can be access at https://www.gov.uk/government/collections/house-building-statistics.

Open data

The EPC statistics are available in fully open and linkable data formats at Open Data Communities: http://opendatacommunities.org

Technical Notes

Please see the accompanying technical notes document for further details. This can be found at https://www.gov.uk/government/collections/house-building-statistics.

Information on Official Statistics is available via the UK Statistics Authority website: https://www.statisticsauthority.gov.uk/

Information about statistics at DLUHC is available via the Department's website: https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/statistics

This document/publication is also available on our website at http://www.gov.uk/dluhc

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