

House Building: June Quarter 2008, England

August 2008



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- There were an estimated 33,400 seasonally adjusted housing starts in England in the June quarter 2008, up 2 per cent on the previous quarter but 19 per cent lower than the June quarter 2007.
- Private enterprise housing starts (non- seasonally adjusted) were 27 per cent lower than the June quarter 2007. In contrast, housing starts by Registered Social Landlords (non- seasonally adjusted) have risen 56 per cent over the same period. They are now at their highest quarterly level in eleven years.
- Annual housing starts figures for England continued to decline. They totalled 147,500 in the 12 months to June 2008, down by 12 per cent compared with the same period a year ago and almost 20 per cent below their 2005/06 peak.
- Housing completions in England fell by 9 per cent from the previous quarter to an estimated 36,600 (seasonally adjusted) in the June quarter 2008. Compared with the June quarter 2007, completions were down by 13 per cent. Quarterly completions exceeded starts for the third quarter in a row.
- Annual housing completions in England totalled 161,100 in the 12 months to June 2008, down by 4 per cent compared with the previous year.

housing

This quarterly Statistical Release presents National Statistics on new house building starts and completions in England and its regions up to June 2008. The figures in this release have been revised back to June quarter 2006 to incorporate late information provided by local authorities in their returns to Communities and Local Government and to improve the estimates.

Data for the UK, Scotland, Wales and Northern Ireland are also included in the accompanying tables. These data are published separately by the devolved administrations; these figures are correct at the time of publication but may be superseded before the next England house building release.

Starts and completions in England

Figure 1: Seasonally adjusted trends in starts and completions, England

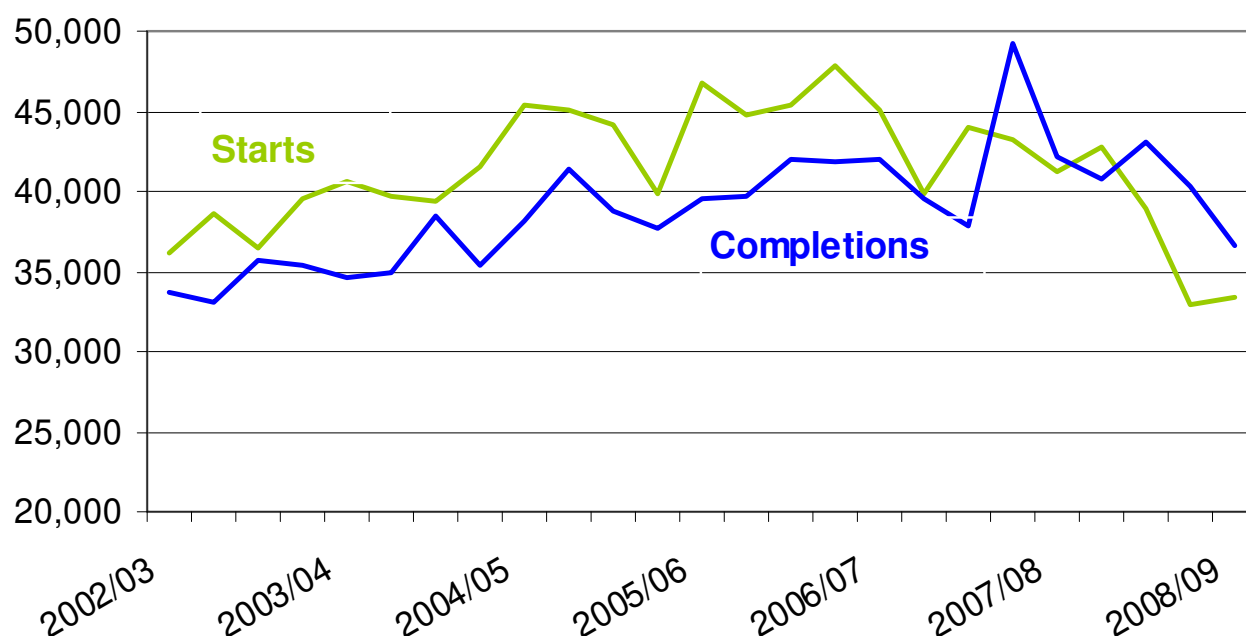


Figure 2: Quarterly starts and completions, England, seasonally adjusted

Financial Year	Quarter	Starts		Completions	
		Dwellings	% Change on previous quarter	Dwellings	% Change on previous quarter
2006/07	Apr-June	45,020	-6%	41,940	0%
	July-Sept	39,900	-11%	39,560	-6%
	Oct-Dec	43,980	10%	37,920	-4%
	Jan-Mar	43,230	-2%	49,170	30%
2007/08	Apr-June	41,150	-5%	42,180	-14%
	July-Sept	42,730	4%	40,820	-3%
	Oct-Dec	38,930	-9%	43,100	6%
	Jan-Mar	32,860	-16%	40,330	-6%
2008/09	Apr-June	33,360	2%	36,640	-9%

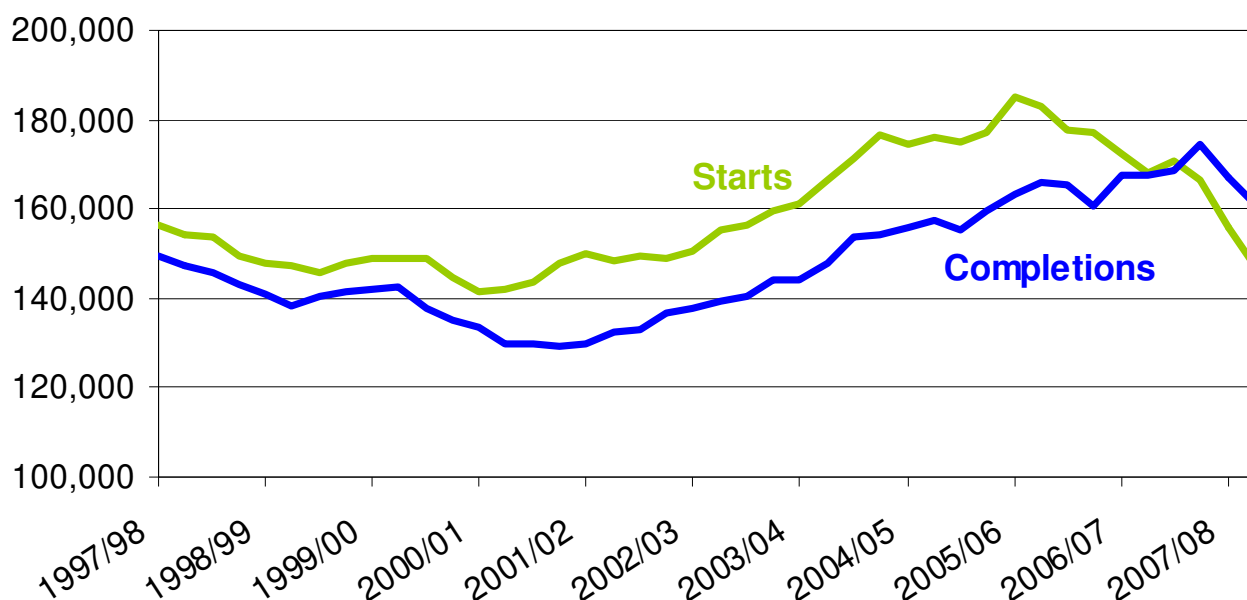
Seasonally adjusted housing starts in England rose by nearly 2 per cent from 32,900 in the March quarter 2008 to 33,400 in the June quarter 2008. This is the first upward movement since the September quarter 2007.

Seasonally adjusted housing starts were 19 per cent lower in the June quarter 2008 than in the June quarter 2007. This compares with a decline of 24 per cent last quarter.

Housing completions in England (seasonally adjusted) fell by 9 per cent to 36,600 in the June quarter 2008, from 40,300 in the previous quarter. This is the second successive quarterly fall and puts completions at their lowest level since the March quarter 2004.

Seasonally adjusted housing completions were 13 per cent lower in the June quarter 2008 than in the June quarter 2007. This compares with a decline of 18 per cent last quarter.

Figure 3: Trends in starts and completions, England, 12-month rolling totals



Annual housing starts rose from a low of 141,700 in 2000/01 to a peak of 184,900 in 2005/06. A downward trend has followed, and in the 12 months to June 2008 there were 147,500 starts in England, 20 per cent lower than the 2005/06 peak.

Annual housing completions increased from 129,900 in 2001/02 to 163,400 in 2005/06, and then following a small drop in the 12-months to December 2006 continued to rise to a peak of 174,500 in the year ending December 2007. Completions have followed a downward trend in 2008 with the latest annual total to June 2008 standing at 161,100 completions.

Tenure trends

Comparisons between tenures in this section are based on the non-seasonally adjusted series. It is our policy only to seasonally adjust the private enterprise England figures therefore, to make comparisons with other tenures, non-seasonally adjusted figures are required.

Figure 4: Quarterly housing starts by tenure, England

Financial Year	Quarter	Private Enterprise	Registered Social Landlord	Local Authority	Total Starts
2006/07	Apr-June	42,740	4,210	90	47,040
	July-Sept	36,000	3,840	30	39,860
	Oct-Dec	37,340	4,750	30	42,120
	Jan-Mar	39,170	4,060	50	43,270
2007/08	Apr-June	38,940	3,740	70	42,760
	July-Sept	38,630	4,000	30	42,660
	Oct-Dec	33,900	3,710	50	37,660
	Jan-Mar	28,410	4,300	90	32,800
2008/09	Apr-June	28,380	5,840	130	34,350

Private enterprise housing starts in the June quarter 2008 were 27 per cent lower than in the June quarter 2007. In comparison, Registered Social Landlord housing starts rose 56 per cent and at 5,840, are now at their highest quarterly level since the March quarter 1998.

Figure 5: Quarterly housing completions by tenure, England

Financial Year	Quarter	Private Enterprise	Registered Social Landlord	Local Authority	Total Completions
2006/07	Apr-June	38,350	4,840	60	43,250
	July-Sept	32,340	5,270	60	37,670
	Oct-Dec	36,550	5,620	50	42,220
	Jan-Mar	38,450	6,010	90	44,540
2007/08	Apr-June	38,490	4,600	170	43,260
	July-Sept	33,950	4,680	60	38,680
	Oct-Dec	41,210	6,810	30	48,050
	Jan-Mar	29,940	7,000	60	37,000
2008/09	Apr-June	31,560	5,620	140	37,320

In the June quarter 2008, private enterprise housing completions were 18 per cent lower than in the same period in 2007. In contrast, completions from Registered Social Landlords were up 22 per cent over the same period.

Regional trends

Figure 6a: Trends in starts in the North East, North West and Yorkshire and the Humber, 12-month rolling totals

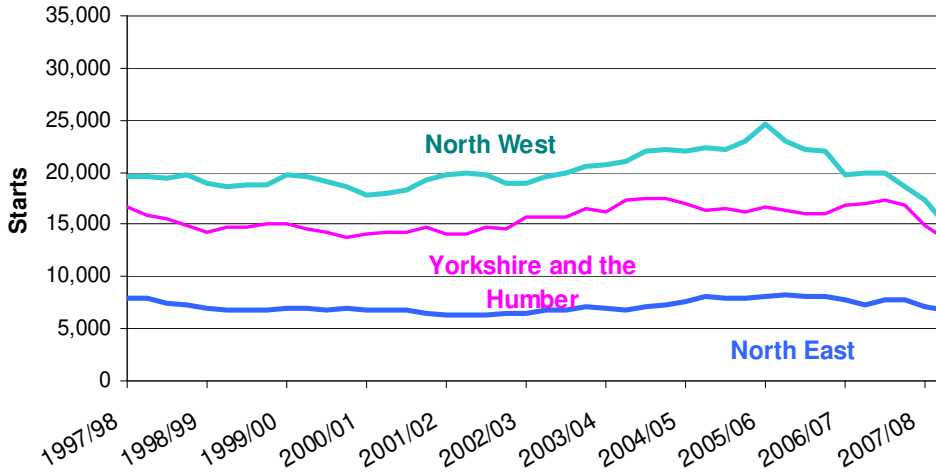


Figure 6b: Trends in starts in the East of England, East Midlands and West Midlands, 12-month rolling totals

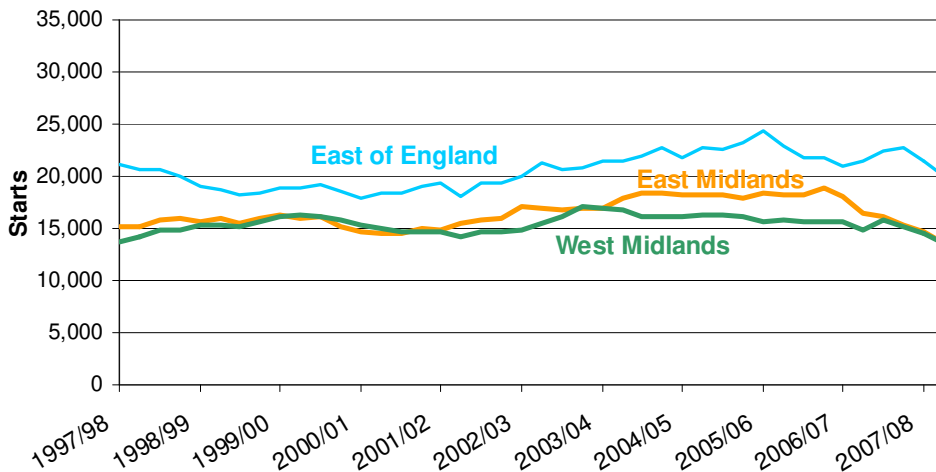


Figure 6c: Trends in starts in London, the South East and South West, 12-month rolling totals

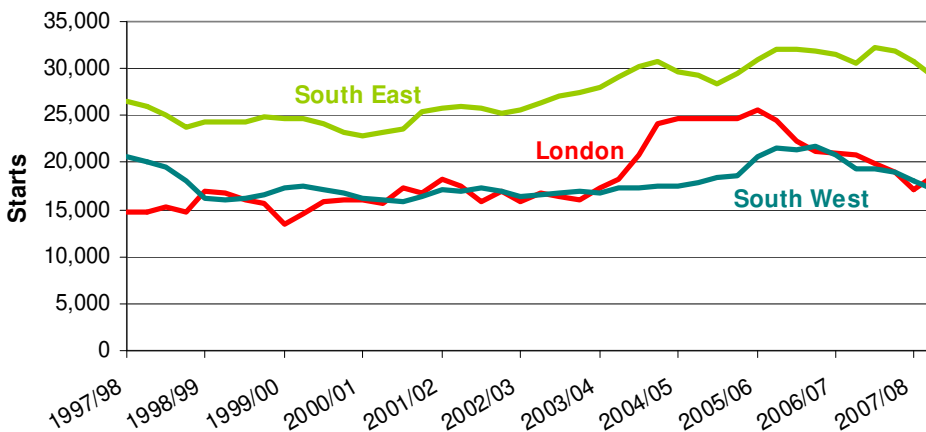


Figure 7a: Trends in completions in the North East, North West and Yorkshire and the Humber, 12-month rolling totals

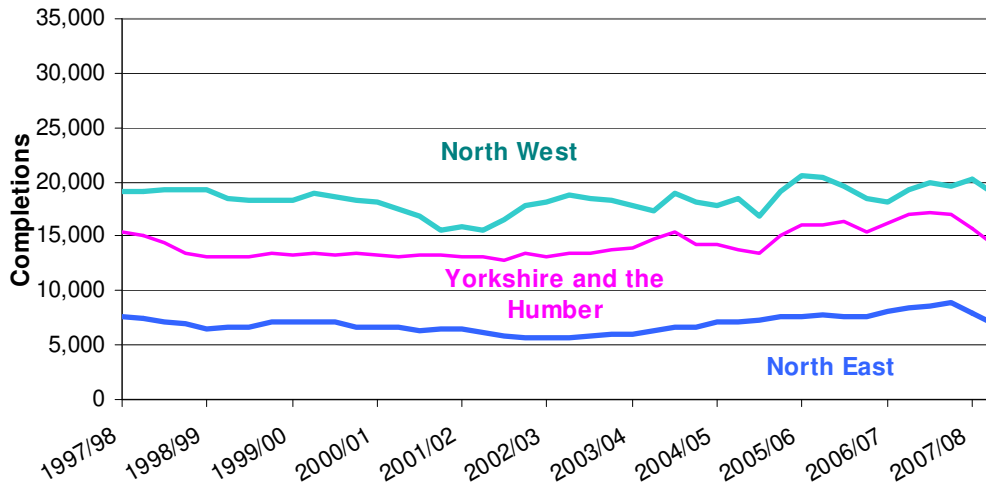


Figure 7b: Trends in completions in the East of England, East Midlands and West Midlands, 12-month rolling totals

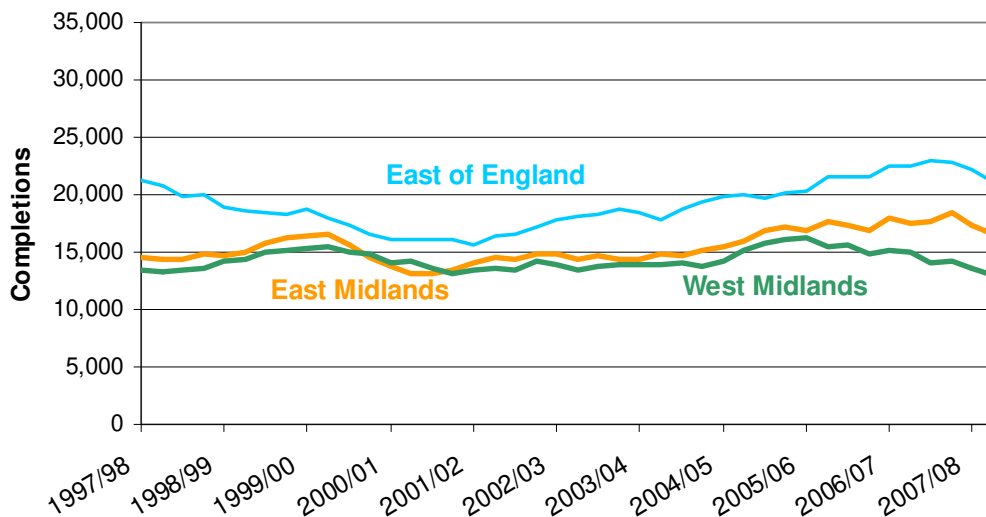
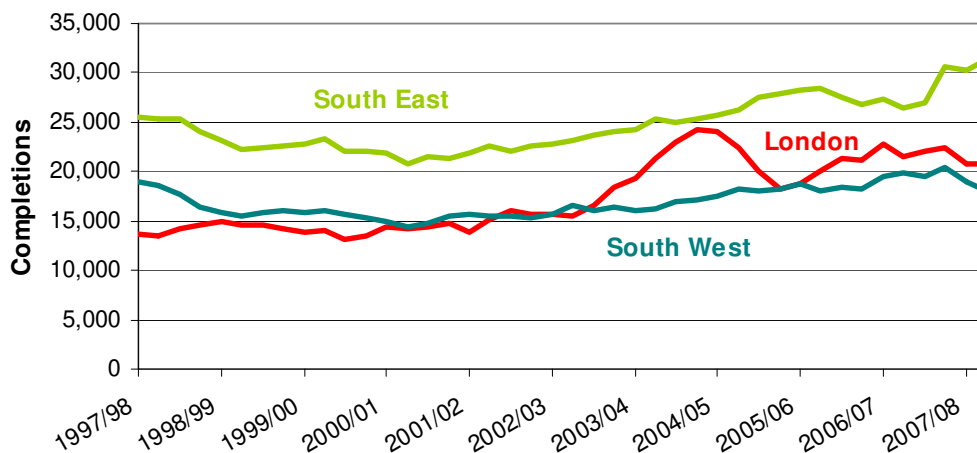


Figure 7c: Trends in completions in London, the South East and South West, 12-month rolling totals



Comparisons between regional and national figures in this section are based on the non-seasonally adjusted series. It is our policy only to seasonally adjust the private enterprise England figures.

In the 12 months to June 2008, the number of housing starts was highest in the South East and lowest in the North East, accounting for 20 per cent and five per cent respectively of starts in England. The pattern of completions across the regions is very similar to that of starts.

Starts were lower in the June quarter 2008 than the June quarter 2007 in all regions with the exception of London. Especially large falls, contributing most to the national drop in starts, were experienced in the North West, South East, East of England and Yorkshire and the Humber.

Annual trends in starts show all regions experienced a decrease between the 12 months to June 2007 and 12 months to June 2008.

Between June quarter 2007 and June quarter 2008, seven regions experienced a fall in completions, contributing to the 14 per cent fall in national completions between these two quarters. Only one region, the South East, saw an increase in completions during this period. Completions in London remained stable.

Similarly, annual trends in completions show all regions, with the exception of the South East, experienced a decrease between the 12 months to June 2008 and the same period a year earlier.

House building targets

House building figures are a leading indicator for monitoring the 2007 Comprehensive Spending Review (CSR07) target to increase the number of net additional homes provided per annum to 240,000 by 2016. Progress against the above net additional homes target is published on an annual basis; the latest figures for 2006/07 show that net additions reached 199,200.

New build completions were stable between 2006/07 and 2007/08. However, completions in the year to June 2008 were 4 per cent lower than in the previous year. If this downward trend continues it is likely that net supply will fall between 2007/08 and 2008/09.

Data collection

This release takes information from two data sources on building control:

- around half of the new build activity is recorded through P2 quarterly house building returns submitted to Communities and Local Government by local authority building control departments; and
- quarterly information from the National House Building Council (NHBC) on the volume of building control inspections they undertake in each local authority.

Strengths and weaknesses of the data

The NHBC figures record all starts and completions inspected by NHBC building control.

The P2 data received from local authorities record starts and completions inspected by local authority building control. The P2 data include imputation for a small number of missing returns; in the June quarter 2008, a 91 per cent response rate was achieved.

In addition, house building starts and completions can be certified by other Approved Inspectors in addition to NHBC. This release does not include activity for these other Approved Inspectors and, as such, the numbers in this release are underestimates of the true level of starts and completions but represent our best estimates at this time. In the future we plan to collect information regularly from other Approved Inspectors to provide a complete picture of house building activity.

The house building data in this release are not used directly to monitor progress towards the Department's net additional homes target, but the figures are used to provide an early indication of trends in net additional dwellings and more generally to provide information on the state of the housing market.

Accompanying tables

Accompanying tables are available to download alongside this release:

Tables:

- 1a** House building starts and completions, including seasonally adjusted series: England;
- 1b** House building starts and completions unadjusted: North East
- 1c** House building starts and completions unadjusted: North West
- 1d** House building starts and completions unadjusted: Yorkshire and the Humber
- 1e** House building starts and completions unadjusted: East Midlands
- 1f** House building starts and completions unadjusted: West Midlands
- 1g** House building starts and completions unadjusted: East of England
- 1h** House building starts and completions unadjusted: London
- 1j** House building starts and completions unadjusted: South East
- 1k** House building starts and completions unadjusted: South West
- 2a** House building starts and completions: Wales;
- 2b** House building starts and completions: Scotland;
- 2c** House building starts and completions: Great Britain;
- 2d** House building starts and completions: Northern Ireland;
- 2e** House building starts and completions: United Kingdom;

Additional tables, earlier quarterly data and historic series can be accessed in the 'Live tables' section ("Live tables on house building") at www.communities.gov.uk/housingstatistics.

Background notes

1. The starts and completions are for new house building and exclude conversions and change of use.
2. Figures in the accompanying tables are presented rounded to the nearest 10 dwellings. This is a change from previous releases.
3. Sources are shown at the foot of individual tables.
4. The charts give seasonally adjusted quarterly house building trends and annual trends by showing a rolling 12-month total. Only the private enterprise England series is seasonally adjusted.
5. Table 1a gives non-seasonally adjusted and seasonally adjusted England figures. All figures for other countries and the English regions are shown on an unadjusted basis only.
6. The Registered Social Landlord (RSL) category includes dwellings built for housing associations and Local Housing Companies that are registered with the Housing Corporation

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- and also for unregistered social landlords.
7. Figures on housing starts and completions are from records kept for building control purposes. It is sometimes difficult for data providers to identify whether a dwelling is being built for a housing association or for a private developer. This may lead to an understatement of Registered Social Landlord starts and completions recorded in these tables, and a corresponding overstatement of private enterprise figures. This problem is more likely to occur with starts than completions.
 8. National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs.
 9. The tables and charts accompanying this release are shown above in the 'Accompanying tables' section. Tables are provided in MS Excel.
 10. Additional tables showing house building starts and completions by type and size of property and for individual local authorities can be found in the Communities and Local Government Housing Live Tables.
 11. Data in this release have been revised back to the June quarter 2006 to incorporate any changes made by local authorities in their returns to Communities and Local Government. The data for 2007/08 and the June quarter 2008 in this release are provisional subject to revision. Seasonally adjusted figures have also been revised as part of the annual reporting cycle.
 12. The next quarterly release will be published on Thursday 20 November 2008, and will cover house building up to the September quarter 2008.

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