



New Housing Pipeline

Quarterly report

December 2010



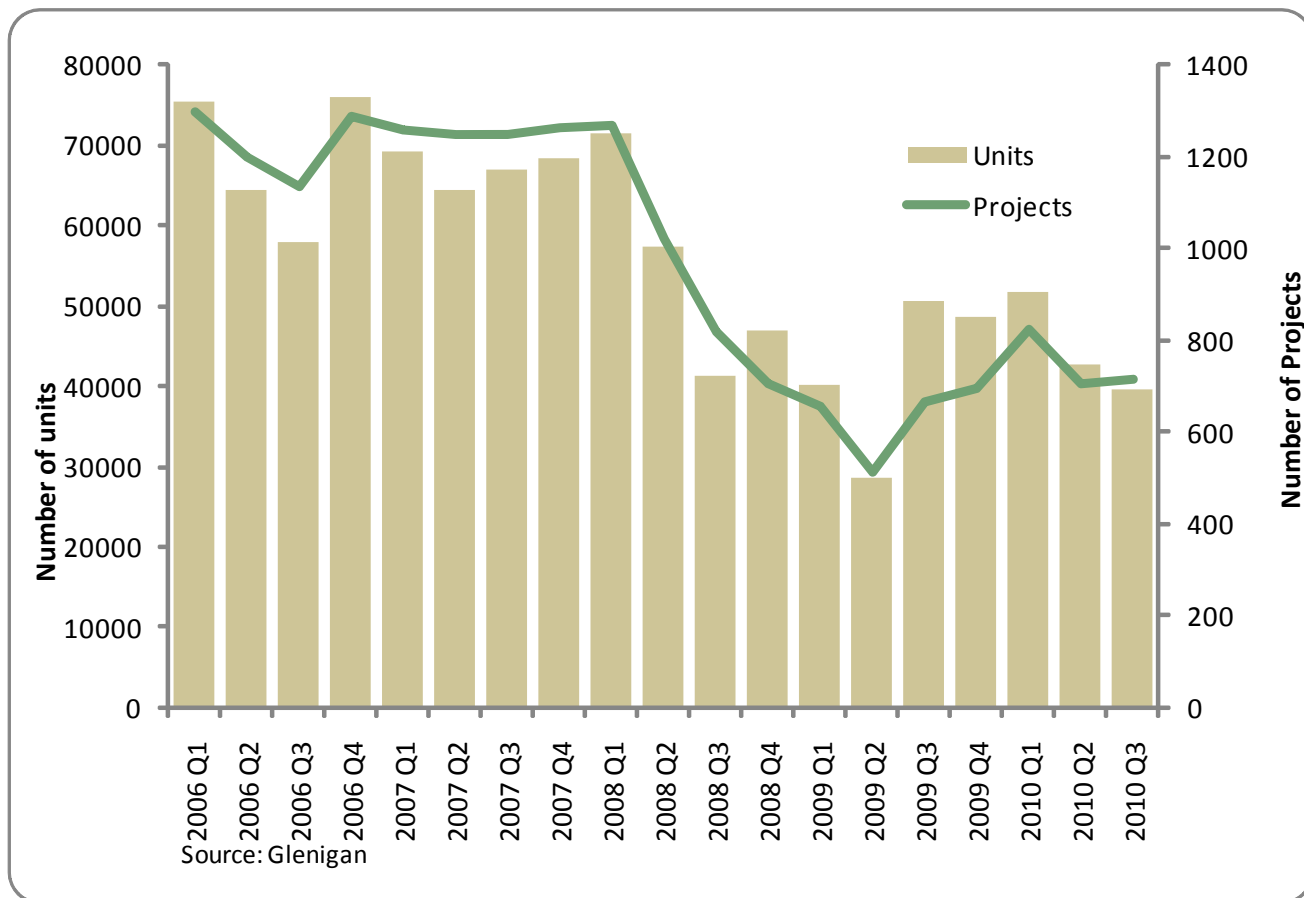
Analysis of market conditions and prospects prepared by
Glenigan.

New Housing Pipeline

A modest pick-up in the number of residential units being granted planning approval lost momentum during the second and third quarters of this year. Whilst the number of new homes being approved by local authorities remains above the low point reached during the first half of 2009, approvals are still sharply down on pre-recession levels seen during 2006 and 2007.

Glenigan recorded the approval of 36,400 residential units¹ during the third quarter of 2010 a 7% decline on the previous quarter and an 18% drop on a year ago. This compares to a low of 25,200 residential units approved during the second quarter of 2009 and a quarterly average of 64,500 during 2006 and 2007.

Chart 1: Residential planning approvals



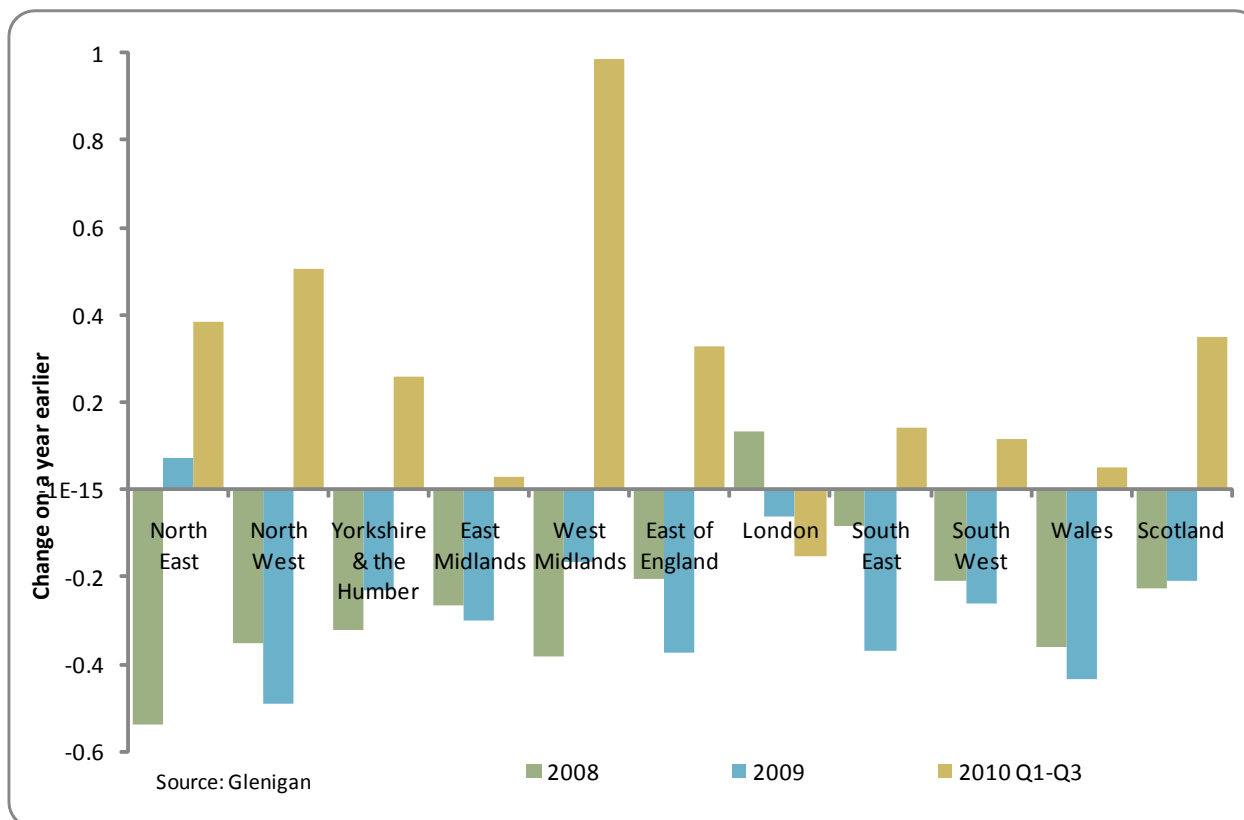
The approval of social housing projects (schemes consisting of predominately social housing) have particularly volatile over the last 18 months. The number of units covered by social housing project approvals rose from a low of 6,100 during the second quarter of 2009 to 13,700 during the first three months of this year. However the number of units has subsequently fallen back sharply to 9,000 during the third quarter of 2010.

The flow of private housing approvals has followed a similar, but less volatile pattern. Approvals have risen from a low of 22,100 units during second quarter of 2009 to 37,600 units during the first quarter of this year. Approvals have subsequently weakened, slipping back to 30,100 during the three months to September.

¹ Projects involving 10 or more residential units

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Chart 2: Residential planning approvals by region (No. of units)



Regionally the revival in residential approvals has been strongest across the Midlands and the North of England. Both parts of the country were among those that suffered the steepest decline in planning approvals during 2008 and 2009. The number of residential units securing planning approval during the first nine months of 2010 in the Midlands was 41% up on a year ago and 39% across the North of England. The number of residential approvals also strengthened in Wales and Scotland. In contrast there has been little sign of improvement in Southern England.

Table 1: Number of residential units approved

	North of England	Midlands	Southern England	All	Wales	Scotland	Great Britain
2006	67,565	36,580	119,549	223,694	9,416	30,514	263,624
2007	65,645	37,613	109,209	212,467	10,765	29,109	252,341
2008	40,892	25,290	102,377	168,559	6,894	22,541	197,994
2009	27,598	19,334	79,078	126,010	3,894	17,800	147,704
2010 Q1-Q3	25,947	15,839	62,970	104,756	2,859	13,545	121,160
2007	-3%	3%	-9%	-5%	14%	-5%	-4%
2008	-38%	-33%	-6%	-21%	-36%	-23%	-22%
2009	-33%	-24%	-23%	-25%	-44%	-21%	-25%
2010 Q1-Q3	39%	41%	1%	13%	5%	35%	15%

N.B. Projects involving 10 or more residential units.

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Notes:

This report is based upon an analysis of housing projects being tracked by Glenigan and held on its database of construction projects. The following restrictions and filters apply to the analysis:

1. Projects included are for 10 or more units.
2. Housing schemes are included where the development is primarily identified as being: Apartments/ flats, Bungalows, Houses/ Luxury Housing or Sheltered Housing. Key Worker Accommodation or Sheltered Housing.
3. In addition mixed used developments involving 10 or more residential units are also included in the analysis.
4. Elderly people's homes, Hostels and student accommodation have been excluded from the analysis.
5. Approvals are recorded at the detailed planning stage. Where a project has secured outline planning approval and the detailed consent is being resolved through the approval of reserve matters the date of 'detailed consent' is deemed to be that of the approval of reserve matters. In the case of some projects, the reserve matters are approved piecemeal; in these circumstances the earliest approval date has been used in order to avoid double counting.

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Housing Approvals

The tables provide a regional breakdown of new building planning approvals since 2006

Table 2: Number of housing units securing detailed planning approval by region & country

	North of England			Midlands		Southern England				England	Wales	Scotland	Great Britain
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West				
Q1 2006	3,087	7,558	7,667	5,287	4,098	4,721	19,926	6,979	3,863	63,186	1,960	7,707	72,853
Q2 2006	3,077	5,836	4,041	4,336	4,720	4,600	7,248	10,771	4,680	49,309	2,664	10,377	62,350
Q3 2006	1,818	8,189	4,622	3,493	4,331	8,709	5,428	5,966	4,723	47,279	3,248	5,480	56,007
Q4 2006	2,207	11,167	8,296	6,401	3,914	5,232	9,753	11,286	5,664	63,920	1,544	6,950	72,414
Q1 2007	2,615	11,034	5,154	4,749	4,758	5,460	7,175	8,914	5,607	55,466	1,353	6,940	63,759
Q2 2007	2,488	7,121	7,328	4,782	4,759	4,457	8,521	6,245	5,653	51,354	2,730	6,690	60,774
Q3 2007	3,722	7,352	3,871	3,975	5,007	4,860	9,960	7,179	5,727	51,653	4,874	6,670	63,197
Q4 2007	3,183	7,150	4,627	4,041	5,542	5,825	10,243	7,150	6,233	53,994	1,808	8,809	64,611
Q1 2008	2,366	10,980	5,975	3,730	3,987	5,217	11,397	7,904	6,888	58,444	2,102	6,256	66,802
Q2 2008	1,315	3,870	3,202	3,238	3,521	4,733	9,271	8,307	4,649	42,106	1,503	8,469	52,078
Q3 2008	963	3,788	1,794	3,100	3,388	3,059	7,826	4,375	3,793	32,086	1,555	3,599	37,240
Q4 2008	875	2,484	3,280	2,816	1,510	3,394	12,110	6,431	3,023	35,923	1,734	4,217	41,874
Q1 2009	1,082	3,136	1,898	1,754	2,293	2,423	9,871	4,263	3,805	30,525	987	3,950	35,462
Q2 2009	1,235	2,626	1,434	2,061	710	2,474	5,248	3,538	2,506	21,832	439	2,891	25,162
Q3 2009	929	2,454	3,900	2,907	1,487	3,000	17,778	4,133	3,555	40,143	1,298	3,182	44,623
Q4 2009	2,678	2,499	3,727	2,291	5,831	2,408	5,247	5,124	3,705	33,510	1,170	7,777	42,457
Q1 2010	2,859	4,851	3,852	2,098	3,548	3,085	12,667	3,483	4,010	40,453	1,069	4,098	45,620
Q2 2010	1,010	3,592	2,911	2,080	3,203	4,268	7,017	5,260	3,409	32,750	1,019	5,360	39,129
Q3 2010	624	3,923	2,325	2,737	2,173	3,141	8,193	4,865	3,572	31,553	771	4,087	36,411

Table 3: Number of housing projects securing detailed planning approval by region & country

	North of England			Midlands		Southern England				England	Wales	Scotland	Great Britain
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West				
Q1 2006	46	133	149	109	96	117	142	172	126	1,090	53	153	1,296
Q2 2006	46	123	101	77	103	111	116	197	143	1,017	49	130	1,196
Q3 2006	48	134	112	90	93	121	103	138	138	977	46	109	1,132
Q4 2006	46	142	130	108	92	126	125	199	148	1,116	44	125	1,285
Q1 2007	56	116	120	106	89	123	110	201	154	1,075	37	146	1,258
Q2 2007	47	154	111	106	107	102	120	165	141	1,053	57	139	1,249
Q3 2007	52	151	109	82	103	122	113	174	127	1,033	62	155	1,250
Q4 2007	60	136	125	84	103	142	135	182	134	1,101	45	114	1,260
Q1 2008	51	150	138	86	99	118	118	172	165	1,097	48	123	1,268
Q2 2008	37	93	84	67	76	103	103	170	122	855	40	126	1,021
Q3 2008	31	91	49	69	62	74	87	114	120	697	34	88	819
Q4 2008	19	68	74	48	43	68	86	96	74	576	34	94	704
Q1 2009	25	69	51	48	44	64	76	73	100	550	29	79	658
Q2 2009	19	54	37	37	28	58	58	67	69	427	19	67	513
Q3 2009	20	56	60	47	38	78	85	86	94	564	37	67	668
Q4 2009	23	64	56	56	49	60	75	88	104	575	24	95	694
Q1 2010	45	99	77	57	57	69	109	93	101	707	29	88	824
Q2 2010	18	74	54	58	51	79	70	119	82	605	17	82	704
Q3 2010	19	89	68	53	50	67	91	104	81	622	20	71	713

About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's 300 member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

Contact us

Home Builders Federation Ltd
1st Floor Byron House
7-9 St James's Street
London SW1A 1EE
Tel: 020 7960 1620
Fax: 020 7960 1601
Email: info@hbf.co.uk
Website: www.hbf.co.uk

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Website: www.glenigan.com
Tel: 01202 432121
Email: info@glenigan.emap.com

