



Home approvals 'fall 26% over last 12 months'

By **Michael Donnelly** Friday, 26 August 2011

The government must ignore 'scaremongering' and push ahead with its planning reforms, according to housing industry body the Home Builders' Federation as it reports a significant drop in planning permissions for new homes.

The HBF's latest *Housing Pipeline* report reveals that across the UK 29,100 residential units were approved during the second quarter of 2011; a 23 per cent drop on the previous three months, and 26 per cent lower than the same period a year ago.

25,171 residential planning permissions were granted in England in the second quarter of 2011, 24 per cent fewer than were granted in the first quarter and the second lowest number of permissions granted in a quarter in the last 5 years, the report says.

Regionally, the North of England saw a 24 per cent drop compared to the first half of 2010; the Midlands a 10 per cent drop and Southern England a 21 per cent drop, according to the report.

Scotland saw a 42 per cent fall compared to the first half of 2010. Wales is the only part of the UK to see an increase in overall approvals so far this year with a 35 per cent rise, the report says.

The HBF says around 60,000 homes are required per quarter to meet the current housing shortfall.

Although the report does not give reasons for the fall, a statement from the HBF said the main "short term constraint" on house building was mortgage lending, whereby the large deposits required have resulted in people being unable to buy a home.

"Obviously developers can't build if no-one can buy, so the economic climate has undoubtedly led to less applications being put in", it said.

However, the statement added that the "main long term constraint, going back years, has been that there is not enough viable developable land coming through the planning system in places where people want to live".

It said: "So when mortgage lending does return in two or three years we still won't be able to build the homes needed to house our population. We are thus pushing to ensure that the debate over the NPPF etc is a sensible one, that isn't hijacked by anti-development groups, who at the end of the day don't want anything built anywhere, and ensures that the resultant system will enable us to build what is required.