



## PLANNING PERMISSIONS DROUGHT CONTINUES

21 December, 2011

### ***New stats show Government must stand firm on planning proposals***

Figures released today in HBF's latest Housing Pipeline report reveal that approvals for just 32,900 homes across England were granted in Q3 of this year, a 10% decrease on the same period last year. This number is half that required to build the homes needed to meet demand – and half the permissions granted each quarter in 2006 and 2007.

These figures demonstrate clearly why Government must stand firm on its proposals for planning and commitment to growth, if the other positive measures announced recently to boost house building are to have a chance of succeeding;

#### **The report, compiled for HBF by Glenigan reveals;**

- **Approval for just 32,900 units were granted in Q3 – 10% down on Q3 2010**
- **Number of social units approved in Q3 down 58% on Q3 2010**
- **Overall no of units approved in first 9 months of 2011 down 17% on 2010**
- **Quarterly average in 2011 now 33,280 compared to 38,500 in 2010**
- **Quarterly average in 2006 and 2007 was 64,500**

Planning permissions granted now will, in the main, be built during the next three or four years. At a time when fewer homes are being built in England than at any time since the 1920s, the figures reveal the potential for intensifying the country's housing crisis.

The social effects of continuing to undersupply homes are obvious: five million people languish on local authority waiting lists, millions more live in over-crowded and substandard accommodation, whilst first-time buyers have all but disappeared – further stagnating the housing market. An additional 140,000 homes a year are needed to meet demand. Economically, delivering these could create half a million jobs.

The Government is currently considering responses to its consultation on the National Planning Policy Framework that will provide the nuts and bolts of its new planning system. Its draft proposal empowers local people, businesses and charities to shape growth in their communities. It strikes a balance between economic growth, a presumption in favour of sustainable development and existing environmental protection.

#### **Speaking today, Stewart Baseley, Executive Chairman of the HBF, said;**

“These figures demonstrate clearly why Government must stand firm and deliver a robust planning system that provides enough land to meet the nation's housing needs. Its recent Housing Strategy contained some very positive

measures, but if they are to bear fruit, the planning system must be fit for purpose.

“Continuing to under-deliver housing is storing up huge social and economic problems for the years ahead and it must be addressed.

“Building the homes we need would take millions off social housing waiting lists and enable beleaguered first time buyers to buy their own home. It could also create half a million new jobs, so giving the country a huge economic boost.”

Allan Wilén, Glenigan’s Economics Director, commented, “The flow of residential approvals remains extremely weak. Whilst the number of units approved during the third quarter of 2011 was off the two year low seen during the previous three months, approvals were still 10% down on a year ago and running at half the level seen prior to the recession. ”

**ENDS -**

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#### **Notes to editors**

1. The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF’s 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: [www.hbf.co.uk](http://www.hbf.co.uk)

2. With over 30 years experience, Glenigan is the genuine market leading provider of UK construction and civil engineering project, company and market information. Part of the Insight Division of Emap Limited, one of the UK’s largest media businesses providing must-have information, magazines and events, Glenigan users enjoy small business intimacy combined with business security

3. The Housing Pipeline report for Q4 2011 will be published in February

4. Housing need figures based on DCLG Household Formation Projections. The number of households is projected to grow from 21.7m in 2008 to 27.5m in 2033, a rise of 5.8m (27%), or 232,000 per year. The latest projections have reduced household growth by approximately 20,000 per year compared with the previous, 2006-based projections.

<http://www.communities.gov.uk/documents/statistics/pdf/1780763.pdf>

#### **Useful stats**

- The number of households is projected to grow from 21.7m in 2008 to 27.5m in 2033, a rise of 5.8m (27%), **or 232,000 per year**. (DCLG Household Formation Projections.)
- According to Government figures, even in its current crisis state, housing supply accounts for around 3% of UK GDP and provides between 1 and 1.25 million jobs in the UK.
- Jobs Calculator:
- Each home built creates 1.5 full-time jobs -[Michael Ball](#) report
- Increasing house-building by 130,000 units per year (to Government household projection levels) would

create 195,000 jobs.

- HBF estimates twice that number of jobs are created in the supply chain – close to 400,000 jobs.
- HBF's Housing Market Report (May'11) shows that 91% of house builders now see the lack of mortgage availability as a 'major constraint;' on their ability to sell, and thus build, homes
- Over the last three years, home builders have invested almost £1billion in shared equity schemes to help maintain housing construction whilst helping close to 30,000 first time buyers get a foot on the ladder
- The number of new homes completed in England in 2010 slumped 13% on the previous year to 103,000 – itself the lowest peacetime number on record since 1923
- 1.8 million families (5 million people) are currently on Local Authority waiting lists in England
- 18% of females and 29% males aged 20-34 still live with parents – ONS social trends Or; Over 1 million women and 1.7 million men aged between 20 and 34 are still living at home
- FTBs aged between 22 and 29 have to save 45% of their take home pay every month for five years to afford a deposit
- Whilst over 80% of people believe Britain needs more homes, particularly for first time buyers, only 50% of people would welcome more homes in their area - NHMB survey, Nov 2010.