



# House Building: June Quarter 2012, England

16 August 2012



## Contents

1. Quarterly figures.....	2
2. Annual figures.....	4
3. Sub-national trends.....	6
5. Data collection.....	10
6. Data quality.....	11
7. Uses of house building statistics.....	15
8. Related statistics.....	15
9. Revisions policy.....	19
10. Revisions in this release...	20
11. Definitions.....	20
12. Accompanying tables.....	22
13. Background notes.....	22
14. User consultation.....	23
15. Enquiries.....	23

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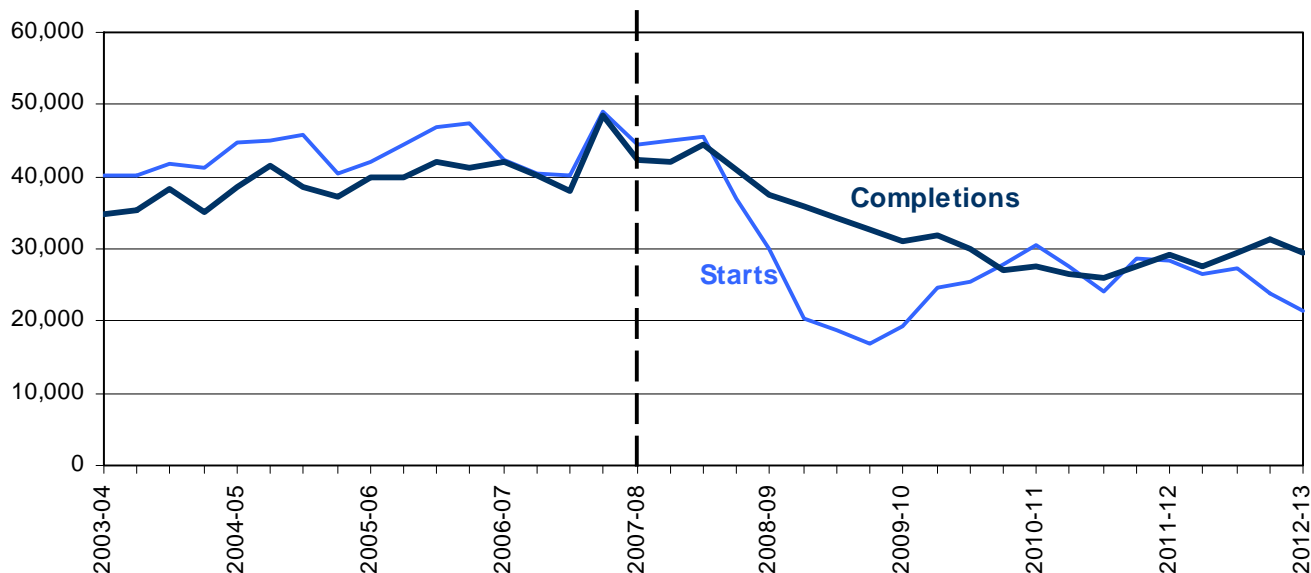
- Seasonally adjusted house building starts in England stood at 21,540 in the June quarter 2012. This is 10 per cent lower than in the March quarter 2012.
- Completions (seasonally adjusted) also fell, down 6 per cent to 29,470 in the June quarter 2012.
- Private enterprise housing starts (seasonally adjusted) were 7 per cent lower in the June quarter 2012 than the previous quarter, whilst starts by housing associations were 23 per cent lower.
- Seasonally adjusted private enterprise completions fell by 5 per cent and housing association completions fell by 11 per cent from the previous quarter.
- Seasonally adjusted starts are now 27 per cent above the trough in the March quarter 2009 but 54 per cent below the December quarter 2005 peak. Completions are 39 per cent below their March quarter 2007 peak.
- Annual housing starts totalled 98,670 in the 12 months to June 2012, down by 10 per cent compared with the year before. Annual housing completions in England reached 118,330 in the 12 months to June 2012, an increase of 8 per cent compared with the previous 12 months.

housing

## Quarterly figures

Quarterly figures for house building starts and completions are given on a seasonally adjusted basis. Seasonally adjusted figures should be used for quarterly comparisons.

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



The chart includes data from independent approved inspectors from 2007-08 as marked by the vertical dashed line.

Starts experienced a period of sustained growth from 2001 until 2005. From 2005 starts were broadly steady, averaging around 44,000 units each quarter until late 2007. Completions increased gradually reaching a similar level to starts by 2007.

Starts were strongly affected by the economic downturn and from the start of 2008 there was a period of rapid decline to a trough in the March quarter of 2009. Completions fell more slowly than starts but over a longer period. From 2009 starts began to recover and during the next two years both series converged and levelled out. Over the last year and a half completions have tended to show a slight rise, but starts have fallen somewhat in the last two quarters.

### Starts - June quarter 2012

Seasonally adjusted housing starts in England fell to 21,540 in the June quarter 2012 from 23,820 in the March quarter. This is a 10 per cent quarter on quarter fall. Starts are now 54 per cent below their December quarter 2005 peak, but 27 per cent above the trough in the March quarter of 2009.

Seasonally adjusted starts fell in both the private enterprise and housing association tenures. As with the previous quarter, the fall in starts was greatest in the housing association tenure where starts fell 23 per cent from the March quarter to the June quarter 2012. Private enterprise housing starts fell 7 per cent from the previous quarter. Starts by local authorities increased but this sector is small and can be quite volatile.

### Completions - June quarter 2012

Seasonally adjusted completions for the June quarter 2012 were 29,470. This was down from

31,350 in the previous quarter, a fall of 6 per cent. Completions are now 39 per cent below their peak in the March quarter 2007.

Seasonally adjusted completions fell in both private and housing association tenures. In the private sector completions fell 5 per cent to the June quarter 2012 from the March quarter. Completions by housing associations fell 11 per cent from the previous quarter.

**Table 1a: Quarterly housing starts by tenure, England, seasonally adjusted<sup>1,2</sup>**

		Private Enterprise		Housing Associations		Local Authority	All Tenures	
		Starts	% change on previous quarter	Starts	% change on previous quarter	Starts	Starts	% change on previous quarter
2009-10	Apr-June	14,490	17%	4,740	4%	50	19,280	14%
	July-Sept	19,030	31%	5,600	18%	30	24,660	28%
	Oct-Dec	19,630	3%	5,680	1%	50	25,360	3%
	Jan-Mar	21,750	11%	5,810	2%	200	27,750	9%
2010-11	Apr-June	R 22,670	4%	7,130	23%	610	30,420	10%
	July-Sept	R 21,010	-7%	6,400	-10%	280	27,700	-9%
	Oct-Dec	R 19,010	-10%	4,650	-27%	350	24,010	-13%
	Jan-Mar	R 21,680	14%	6,450	39%	400	28,540	19%
2011-12	Apr-June	R 22,060	2%	5,680	-12%	590	28,330	-1%
	July-Sept	R 21,420	-3%	4,960	-13%	270	26,640	-6%
	Oct-Dec	R 21,870	2%	4,980	0%	380	27,230	2%
	Jan-Mar	R 19,730	-10%	3,990	-20%	100	23,820	-13%
2012-13	Apr-June	P 18,280	-7%	3,080	-23%	180	21,540	-10%

**Table 1b: Quarterly housing completions by tenure, England, seasonally adjusted<sup>1,2</sup>**

		Private Enterprise		Housing Associations		Local Authority	All Tenures	
		Completions	% change on previous quarter	Completions	% change on previous quarter	Completions	Completions	% change on previous quarter
2009-10	Apr-June	24,420	-7%	6,610	4%	130	31,160	-5%
	July-Sept	23,530	-4%	8,210	24%	90	31,830	2%
	Oct-Dec	23,770	1%	6,170	-25%	30	29,970	-6%
	Jan-Mar	21,000	-12%	5,850	-5%	110	26,960	-10%
2010-11	Apr-June	R 21,440	2%	5,970	2%	160	27,560	2%
	July-Sept	R 21,290	-1%	5,200	-13%	80	26,570	-4%
	Oct-Dec	R 19,800	-7%	5,630	8%	440	25,870	-3%
	Jan-Mar	R 20,680	4%	6,510	16%	460	27,650	7%
2011-12	Apr-June	R 22,220	7%	6,380	-2%	660	29,260	6%
	July-Sept	R 21,180	-5%	6,110	-4%	410	27,690	-5%
	Oct-Dec	R 22,000	4%	6,840	12%	700	29,550	7%
	Jan-Mar	R 23,720	8%	7,510	10%	130	31,350	6%
2012-13	Apr-June	P 22,460	-5%	6,710	-11%	300	29,470	-6%

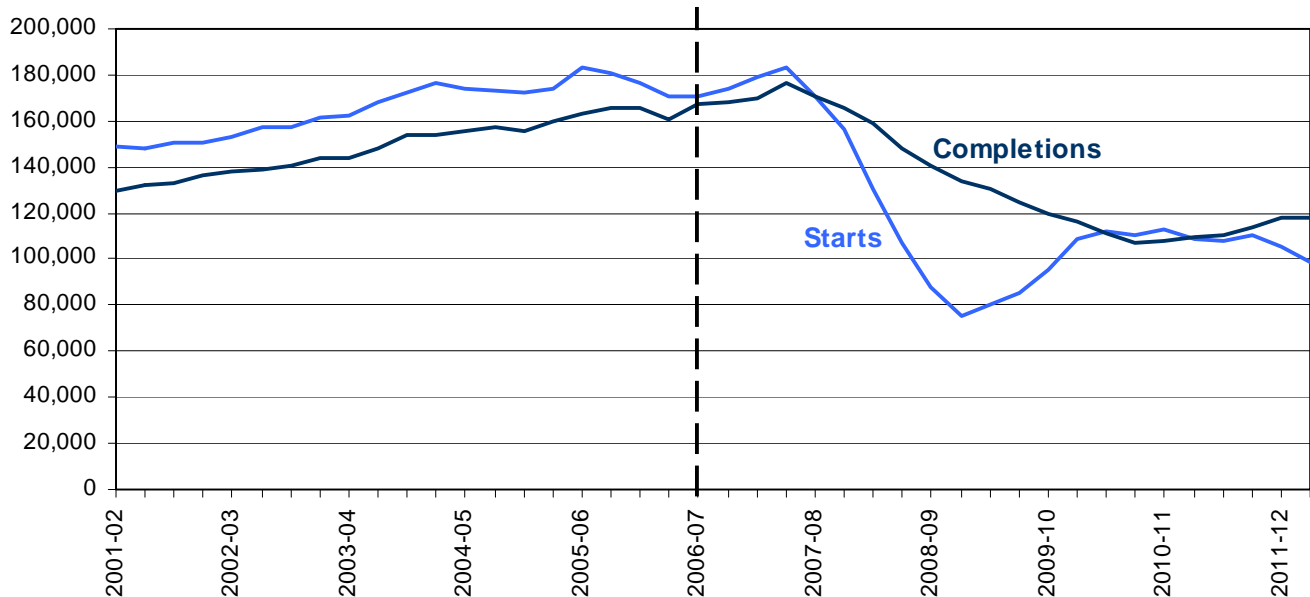
1. Because the number of local authority housing starts and completions is very small, quarterly comparisons can be very volatile. Accordingly, percentage changes are not shown for this tenure.

2. Seasonally adjusted data have not been constrained to annual totals. Non-seasonally adjusted data are presented in the tables accompanying this release.

## Annual figures

Annual figures are not seasonally adjusted and give the actual figures for house building over 12 month periods. These data can be used to make year on year comparisons. For quarter on quarter comparisons the quarterly seasonally adjusted series (above) should be used.

**Figure 2: Trends in starts and completions, England, 12 month rolling totals**



The chart includes data from independent approved inspectors from 2007-08 as marked by the vertical dashed line. Note that, because the graph shows rolling totals, the three quarters immediately following the dashed line will be a combination of quarters that do include approved inspector data and quarters that do not.

Annual housing starts increased from 140,000 in the 12 months ending March 2001 to a peak of 183,000 in the year ending March 2006. From 2006 the number of starts remained fairly stable until the beginning of 2008 but fell sharply during the downturn to a low of 75,000 in the year ending June 2009. Starts recovered somewhat during 2009 and 2010, remaining broadly stable through 2010 and 2011 at around 110,000 starts per year. In the two most recent quarters starts have fallen somewhat, with 99,000 starts in the 12 months to June 2012

Annual completions increased from 130,000 in the 12 months ending December 2001, reaching a peak of 177,000 in the year ending December 2007. Completions fell through 2008, 2009 and 2010 to give 107,000 completions in the year ending December 2010. Since 2010 completions have increased slightly to stand at 118,000 completions in the 12 months to June 2012.

### Starts - year ending June 2012

98,670 homes were started in the 12 months to June 2012, a 10 per cent decrease from the 12 months to June 2011. This is 46 per cent below the peak in the year to March 2006, but up 31 per cent compared with the trough in the year to June 2009.

Private enterprise starts were down 4 per cent compared with the previous year but housing associations showed a much greater fall, down 28 per cent compared with a year before.

## Completions - year ending June 2012

118,330 houses were completed in the 12 months to June 2012. This is 8 per cent up on the previous year. The current level of completions is 33 per cent below the peak level of 2007.

Private enterprise housing completions were 6 per cent higher than in the year before whilst completions by housing associations increased by 15 per cent over the same period.

**Table 2a: Annual total housing starts by tenure, England, not seasonally adjusted<sup>1,2</sup>**

Starts		Private Enterprise		Housing Associations		Local Authority	All Tenures	
		Starts in previous 12 months	% change on previous year	Starts in previous 12 months	% change on previous year	Starts in previous 12 months	Starts in previous 12 months	% change on previous year
Year to end								
2009-10	Jun 2009	55,520	-57%	19,590	-24%	240	<b>75,350</b>	<b>-52%</b>
	Oct 2009	60,010	-43%	19,760	-22%	260	<b>80,030</b>	<b>-39%</b>
	Dec 2009	64,990	-21%	20,460	-15%	140	<b>85,600</b>	<b>-20%</b>
	Mar 2010	73,770	13%	21,470	-3%	320	<b>95,560</b>	<b>9%</b>
2010-11	Jun 2010 R	83,340	50%	24,420	25%	890	<b>108,640</b>	<b>44%</b>
	Oct 2010 R	85,580	43%	25,240	28%	1,140	<b>111,960</b>	<b>40%</b>
	Dec 2010 R	84,850	31%	24,370	19%	1,440	<b>110,660</b>	<b>29%</b>
	Mar 2010 R	85,850	16%	25,310	18%	1,650	<b>112,800</b>	<b>18%</b>
2011-12	Jun 2011 R	84,120	1%	23,290	-5%	1,630	<b>109,030</b>	<b>0%</b>
	Oct 2011 R	84,620	-1%	21,900	-13%	1,610	<b>108,130</b>	<b>-3%</b>
	Dec 2011 R	86,880	2%	22,200	-9%	1,640	<b>110,720</b>	<b>0%</b>
	Mar 2012 R	84,300	-2%	19,470	-23%	1,340	<b>105,110</b>	<b>-7%</b>
2012-13	Jun 2012 P	80,990	-4%	16,750	-28%	930	<b>98,670</b>	<b>-10%</b>

**Table 2b: Annual total housing completions by tenure, England, not seasonally adjusted<sup>1,2</sup>**

Completions		Private Enterprise		Housing Associations		Local Authority	All Tenures	
		Completions in previous 12 months	% change on previous year	Completions in previous 12 months	% change on previous year	Completions in previous 12 months	Completions in previous 12 months	% change on previous year
Year to end								
2009-10	Jun 2009	106,640	-24%	26,990	11%	480	<b>134,110</b>	<b>-19%</b>
	Oct 2009	101,620	-24%	28,060	10%	510	<b>130,190</b>	<b>-18%</b>
	Dec 2009	97,620	-19%	26,990	2%	360	<b>124,970</b>	<b>-16%</b>
	Mar 2010	93,030	-18%	26,520	-1%	370	<b>119,910</b>	<b>-15%</b>
2010-11	Jun 2010 R	89,850	-16%	25,920	-4%	400	<b>116,160</b>	<b>-13%</b>
	Oct 2010 R	87,840	-14%	23,250	-17%	390	<b>111,480</b>	<b>-14%</b>
	Dec 2010 R	83,280	-15%	22,650	-16%	790	<b>106,720</b>	<b>-15%</b>
	Mar 2010 R	83,200	-11%	23,550	-11%	1,140	<b>107,890</b>	<b>-10%</b>
2011-12	Jun 2011 R	83,960	-7%	23,920	-8%	1,640	<b>109,510</b>	<b>-6%</b>
	Oct 2011 R	83,980	-4%	24,610	6%	1,960	<b>110,550</b>	<b>-1%</b>
	Dec 2011 R	86,050	3%	25,880	14%	2,230	<b>114,160</b>	<b>7%</b>
	Mar 2012 R	89,130	7%	27,180	15%	1,890	<b>118,190</b>	<b>10%</b>
2012-13	Jun 2012 P	89,330	6%	27,470	15%	1,540	<b>118,330</b>	<b>8%</b>

1. Because the number of local authority housing starts and completions is very small, quarterly comparisons can be very volatile. Accordingly, percentage changes are not shown for this tenure.
2. Non-seasonally adjusted figures for each individual quarter are available in the accompanying tables.

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## Sub-national trends

Comparisons between national, regional and district figures in this section are based on the non-seasonally adjusted series. It is our policy only to seasonally adjust figures at the national level. The graphs in this section use 12-month rolling totals to show trends in non-seasonally adjusted results.

### Regional starts

In the 12 months to June 2012 starts increased in three regions and fell in six compared with the previous year. The largest increases were in the North East and North West where starts increased in both regions by 8 per cent. The biggest fall was in London where starts fell 22 per cent followed by Yorkshire and the Humber where starts fell 18 per cent. (See Figures 3a, 3b and 3c below).

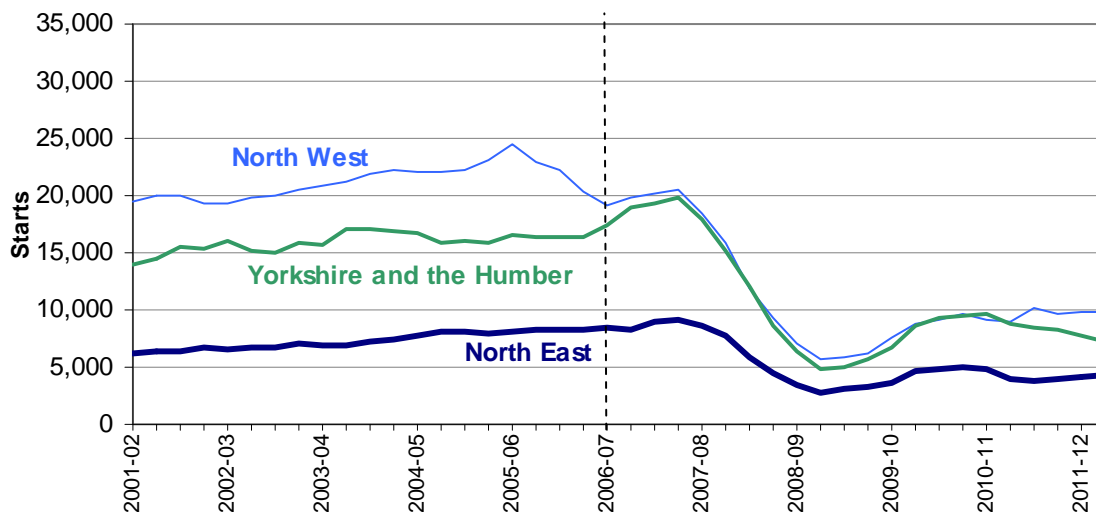
In the 12 months to June 2012 the greatest number of starts were in the South East, accounting for 18 per cent of all starts in England. London had the second greatest number and accounted for 16 per cent of all starts. The fewest starts were in the North East with 4 per cent of starts in England. This partly reflects the fact that the North East is the smallest region in terms of housing stock with only 5 per cent of English dwellings.

### Regional completions

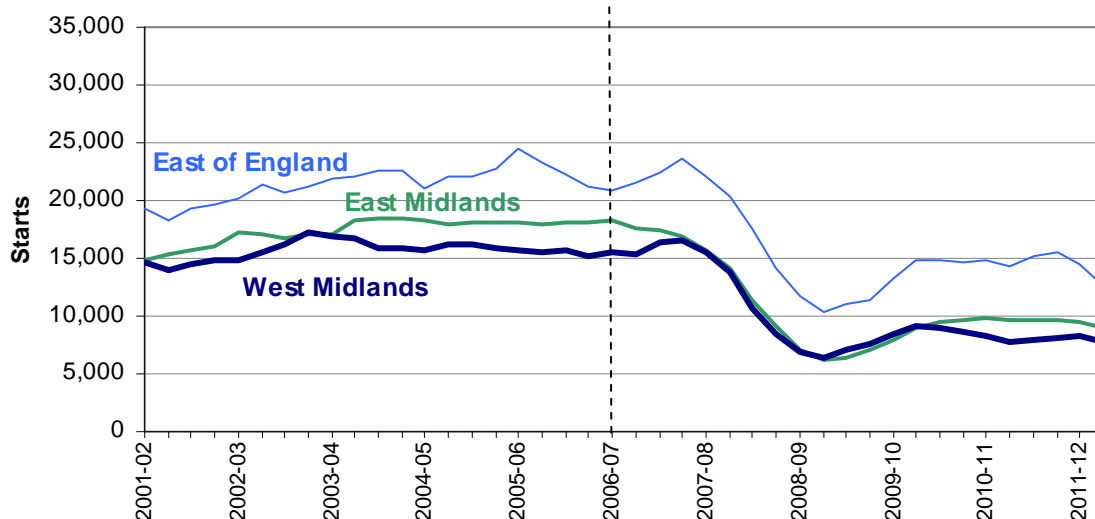
Completions increased in most regions in the 12 months to June 2012, falling in only the East and West Midlands. The largest increase was in London where completions rose by 23 per cent compared with the previous year. The North East and South West saw increases of 15 per cent and the South East had 14 per cent more completions than the previous year. In the East Midlands annual completions fell by 6 per cent and in the West Midlands by 5 per cent. (See Figures 4a, 4b and 4c below).

The South East saw the greatest number of new build homes completed in the 12 months to June 2012 with 19 per cent of all completions in England. The North East had the fewest completions, accounting for 4 per cent of the England total.

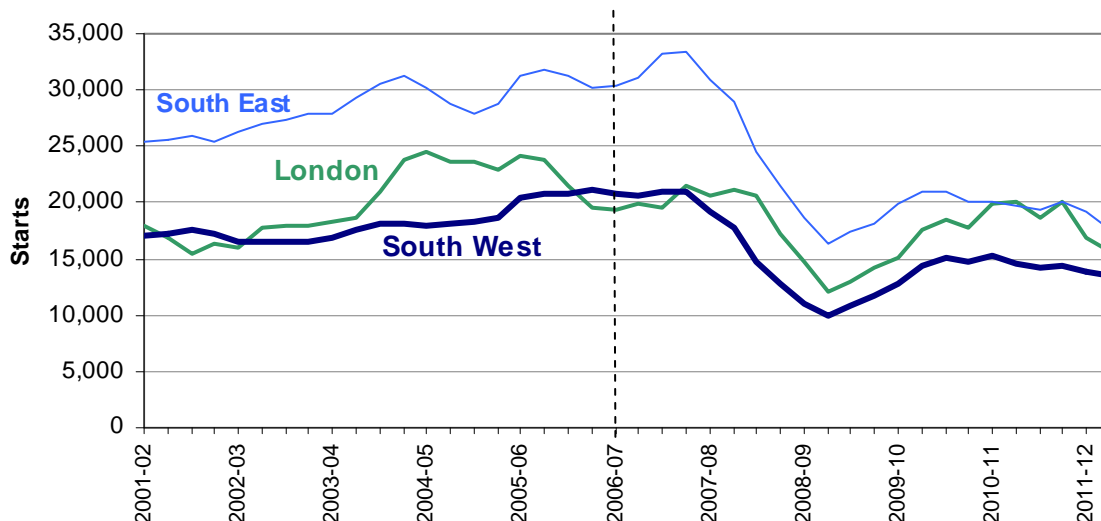
**Figure 3a: Trends in housing starts in the North East, North West and Yorkshire and the Humber, 12 month rolling totals**



**Figure 3b: Trends in housing starts in the East of England, East Midlands and West Midlands, 12 month rolling totals**

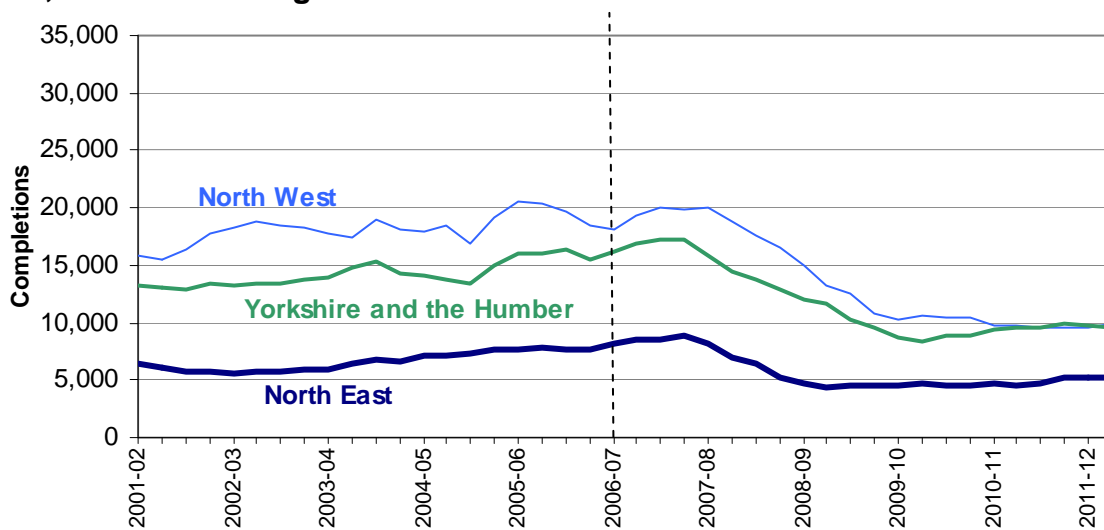


**Figure 3c: Trends in housing starts in London, the South East and South West, 12 month rolling totals**

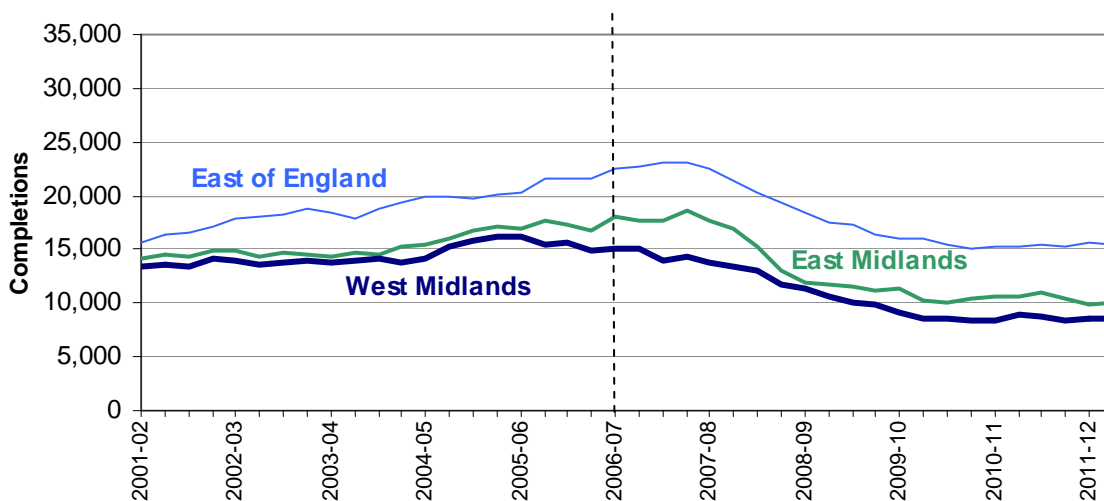




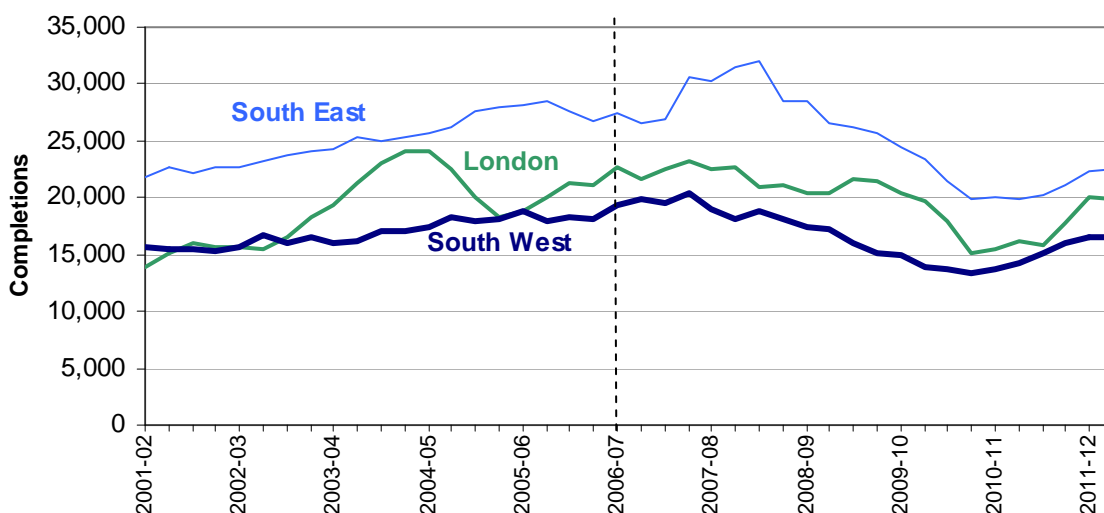
**Figure 4a: Trends in housing completions in the North East, North West and Yorkshire and the Humber, 12 month rolling totals**



**Figure 4b: Trends in housing completions in the East of England, East Midlands and West Midlands, 12 month rolling totals**



**Figure 4c: Trends in housing completions in London, the South East and South West, 12 month rolling totals**

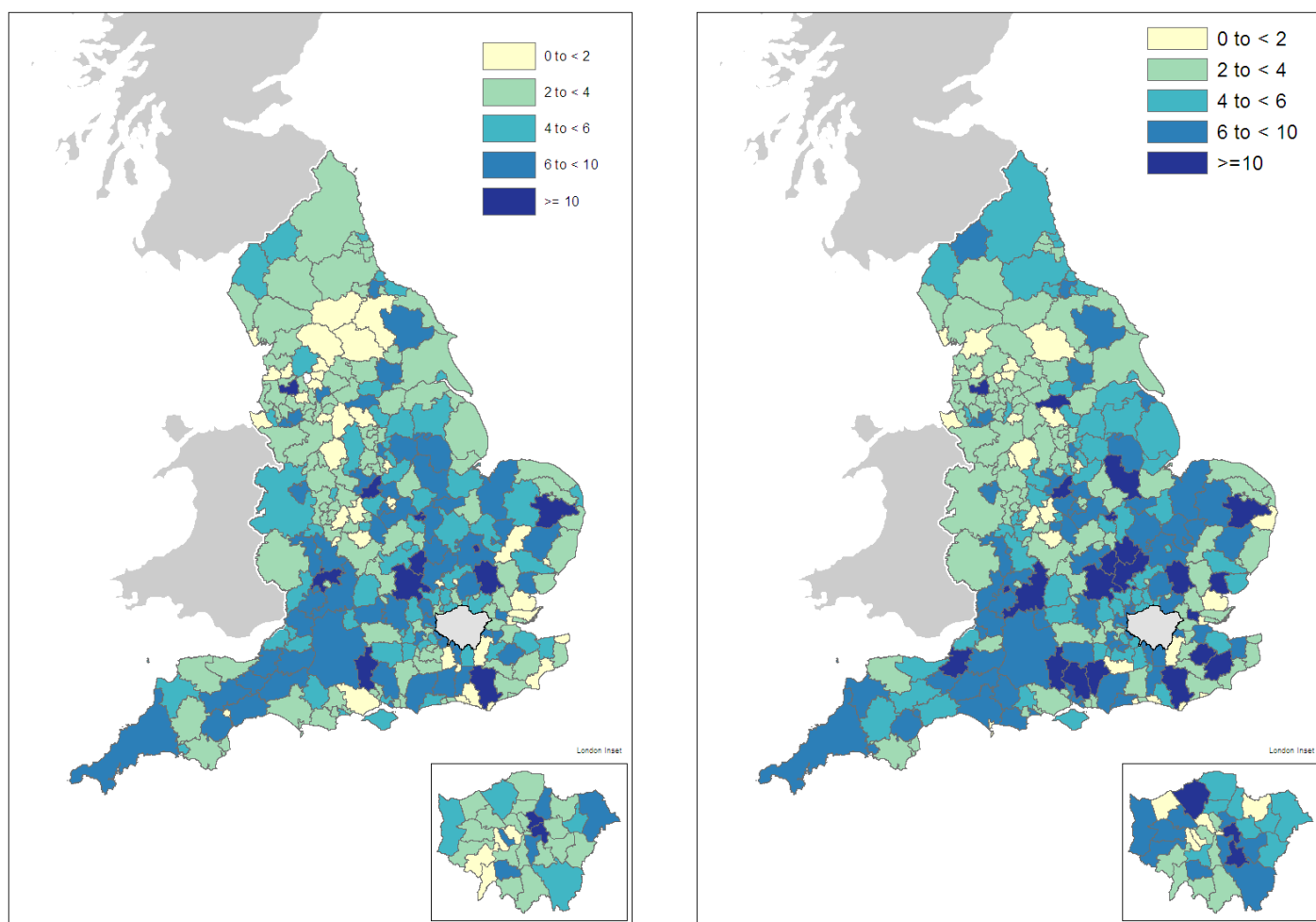




## Geographic distribution of house building

The maps in figure 5 below shows start rates (left) and completion rates (right) in each of the 326 local authority districts over the year to June 2012. 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 1000 to give a figure that is easier to interpret. Consider a hypothetical local authority district with 100,000 dwellings where, over the next year, 150 new dwellings are started. This would give a value of 1.5 new dwellings per thousand of existing stock and would therefore be shaded in light yellow in the coloured map for starts.

**Figure 5: Starts per 1000 dwellings (left) and completions per 1000 dwellings (right) for each local authority district in the 12 months to June 2012**



A majority of the local authority districts seeing the highest rates of building (in the darker shades of blue) are in the southern half of England. Areas north west of London in Buckinghamshire and Bedfordshire show some of the highest levels of building. Other areas of high building rate are largely concentrated along transport routes. There are bands of building along the M4, M5 and A303 corridors which extend into Wiltshire, Hampshire and the Cotswolds. There are also relatively high levels of building activity along the M11 running up into the East Midlands. The lowest building rates (in yellow) are most common in Yorkshire and Lancashire, with other low level areas running from the North West down to the West Midlands. There are also lower building rates around some south eastern coastal areas.



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## Data quality

### District level data

House building data are collected at local authority district level, but it is important to treat figures at this level with care. House building is unevenly distributed both geographically and over time and patterns of housing development can produce clusters of new homes which make the figures at a low geographic level volatile and difficult to interpret.

Consider a district averaging 100 starts in a quarter: one or two major residential developments starting in that district would produce a large increase in starts in a year. Similarly once work on the developments has started those starts would drop out of the statistics which could at first glance be interpreted as a large fall in housing supply in that district. In the next year a new development might occur in a neighbouring district and produce similar effects. Neither of these events would in themselves be unusual but in both cases it would be unwise to infer any form of trend from the figures. A better interpretation might be to look at both districts together with neighbouring areas.

In addition, the precise timing with which starts and completions are recorded in the statistics can vary from one housing development to the next, depending on factors such as the timing of building control inspections or differences between data providers' administrative systems. Such factors tend to cancel out over time or when figures are aggregated to higher geographic levels, but can be acute at the individual district level.

District level data are available in live table 253 which includes annual district level data back to 1998-99. For more information about live tables see "Accompanying tables" section below.

### Response rate

The P2 data received from local authorities record starts and completions inspected by local authority building control. These data also include imputation for a small number of missing returns. In the June quarter 2012 a 94 per cent local authority response rate was achieved.

Other approved inspector data are collected from independent building control companies. In the June quarter 2012 an 82 per cent response rate was achieved. Where an approved inspector company has previously provided returns but has not provided a return for the current period the data include imputed values for that company.

The NHBC data include all starts and completions inspected by NHBC building control.

### Imputation

The process to impute for a missing P2 local authority return works by picking up all data recorded in completed returns for that local authority over the previous five years and comparing it to data for other similar local authorities for the same periods. It then looks at the data provided for the current period by those other local authorities and imputes a figure for the missing local authority return which matches the proportion found in the comparison of data for the previous five years.

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Imputation for other approved inspectors is performed using post stratification. Stratification is on the basis of the most recent previous total of starts and completions reported. Once approved inspectors have been stratified non-response weights are calculated and these weights applied to all responding approved inspectors for the quarter. Where insufficient recent data exist to sensibly include a response or non-response in the stratification (for example where there are no recent data) or where the status of the approved inspector is unclear for that period (for instance it is not certain that they were operating in the that period or are a duplicate entry) the approved inspector is not included in the post stratification process. This may result in a small level of under coverage but ensures that only genuine non-response is weighted for and minimises the risk of overestimating the numbers of starts and completions inspected by approved inspectors.

Non-response weighting for approved inspectors is used only at an England level.

### **Independent approved inspectors**

In the March quarter 2012 release the house building data was revised to include data from independent approved building control inspectors. This affected all quarters from the June quarter 2007.

The change to include data from approved inspectors was made in response to increased participation by private companies in the building control market. Following regulatory changes in 2005 it became easier for independent providers to operate in the private house building market for building control. The Department for Communities and Local Government began a quarterly data collection in the June quarter of 2007 to obtain data about this sector.

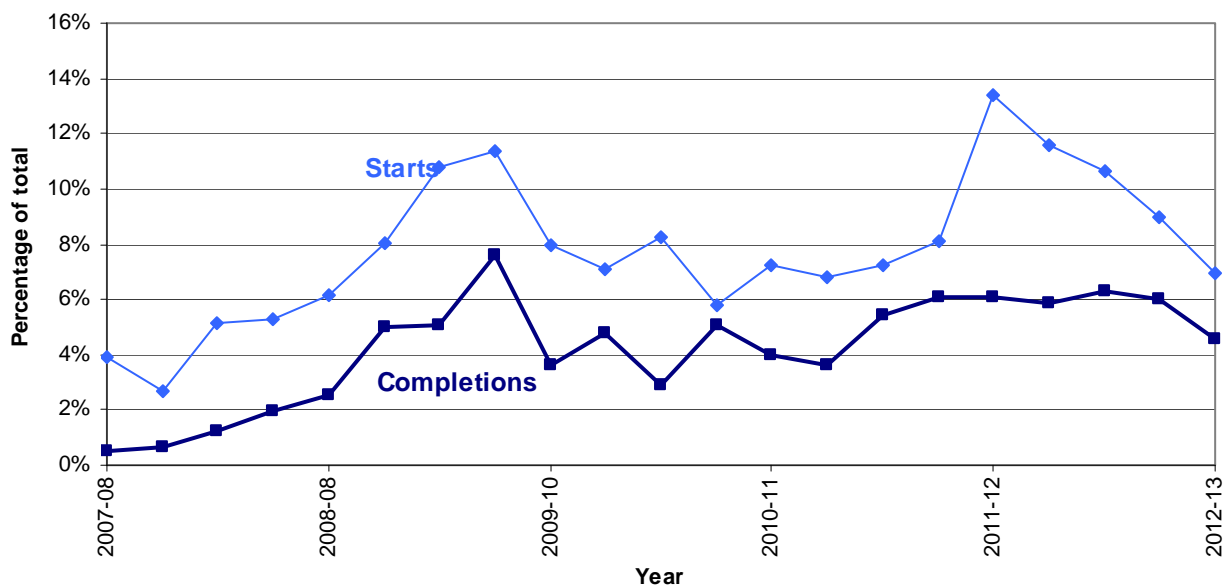
Results from this data collection showed that the approved inspectors' share of the building control market was at that time insufficient to merit changing the sources used for producing the house building statistics. However, the share held by the independent approved inspector market sector was increasing. In 2011 it was decided that the level of inspections by approved inspectors was sufficient to merit making the change to include the data in the statistics.

Using the data which had been collected the series was revised back to 2007. This minimised the impact and the overall effect on the trend was slight. However, there was inevitably a step change at the point of first inclusion. For completions this step change is small, with an estimated 216 completions inspected by independent approved inspectors in the quarter. The change in the starts series is more pronounced with 1,855 additional starts in the June quarter of 2007.

The inclusion of the approved inspectors was an improvement to the coverage of these statistics in response to the recent growth of this sector of the market but not a fundamental change to the methodology. The inclusion of the approved inspector data should bring coverage back in to line with the statistics from before 2005 and the entry of approved inspectors into the building control market for private housing. In this sense the section of the series which differs from the rest is the 18-month portion from mid 2005 to April 2007 during which approved inspectors could operate but for which data are not included.

Figure 7 shows that the percentages of all starts and completions reported by approved inspectors have increased since 2007, with both showing particular increases during the early period. Approved inspector completions were less than 1 per cent of total completions in the June quarter of 2007 while starts comprised around 4 per cent of the total. It is likely that the 2007 data collection picked up very early activity for completions but that inspections relating to starts were already more advanced by the time of the collection began. Partial data from a survey of approved inspectors for 2006/07 supports this conclusion.

**Figure 7: Approved inspector reported starts and completions as a proportion of total starts and completions**



For more detail about the inclusion of data from independent approved inspectors, see pages 11-14 of the House Building statistical release for the March quarter of 2012, available from the following link.

<http://www.communities.gov.uk/publications/corporate/statistics/housebuildingq12012>

### Tenure

Figures on housing starts and completions are from records kept for building control purposes. It is sometimes difficult for the building control officers who record the data to identify whether a dwelling is being built for a housing association, a local authority or for a private developer. This may lead to an understatement of housing association and local authority starts and completions recorded in these tables, and a corresponding overstatement of private enterprise figures. This problem is more likely to affect starts than completions.

There are two other sources of official statistics on affordable housing supply which should be considered as an alternative by users interested specifically in the affordable sector. Please refer to the “Related statistics” section of this publication for further information.

### From start to completion

A wide range of factors can influence the length of time it takes for a new home to be constructed

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from start to completion. This period can vary from just a few months to several years.

There are some circumstances in which starts might exceed completions. Information gathered from data providers indicates that the most common of these is where a new dwelling is started but never completed because the developer is no longer able or willing to complete the development.

Also, in principle a dwelling is regarded as completed when it becomes ready for occupation or when a completion certificate is issued, whether it is in fact occupied or not. In practice the reporting of some completions may be delayed and some completions may be missed if no completion certificate was requested by the developer or owner; this is unusual because most property owners would want to have a completion certificate for the purposes of selling the property on.

These circumstances do not disproportionately affect particular regions or types of area, although private housing development may be more likely to be affected than public.

In general the number of starts will be a strong indicator of the likely trend in completions in the near future but we have seen differences over the short and medium term. It sometimes appears that an imbalance exists in the statistics when the overall number of starts differs from the overall number of completions over a number of years. For example, over the period from 1997 – 2007 there were 1,760,000 starts but only 1,630,000 completions – a difference of 7 per cent.

However, a comparison of starts and completions over the long term shows that such differences tend to balance out over time – the years before 1997 and the years since 2007 both saw substantially more completions than starts, and over the 20 years from 1990 to 2010 there were in fact 1 per cent more completions than starts. These shorter term imbalances can be understood as a feature of the economic cycle.

### **Comparability between the countries of the UK**

Each of the countries of the UK produces its own statistics on House Building (see “Related statistics” section below). The Department for Communities and Local Government is responsible for collecting and publishing data for England. However house building statistics for the devolved administrations of the UK, as well as for Great Britain and the UK as a whole, are included in the tables that accompany this statistical release. In this section the consistency of the data sources is discussed.

England and the devolved administrations use broadly consistent definitions for starts and completions in collecting house building data. Until now, all four countries have collected starts and completions data split into the three tenure types of private enterprise, housing association and local authority. From the June quarter 2011 onwards, this tenure split is no longer available for Welsh starts figures.

In England and Wales some housing association starts and completions can be misreported as private enterprise starts because it is sometimes difficult for data providers to identify whether a



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dwelling is being built for a housing association or for a private developer (see above). This is not thought to be a problem in Northern Ireland and Scotland where data on housing association house building are collected directly from housing association administrations rather than building inspection teams. It is because of this issue that statistics for house building starts in Wales no longer include a breakdown by tenure.

While a very small proportion of the data for England are imputed for missing responses (see above), a full response is generally collected in Wales, Scotland and Northern Ireland so imputation is seldom necessary.

Currently approved inspectors data is included in the statistics for Scotland and Northern Ireland. Approved inspector data is not used in the current Welsh house building data. However an investigation is currently underway to determine the level of approved inspector activity in Wales with a view to including approved inspectors if it is found to be appropriate.

## Uses of house building statistics

The house building statistical series on starts and completions are a key part of the evidence base which informs the development and evaluation of housing policy by central and local government. They are also used as evidence for other housing market analysts, forecasters and decision makers, for example at the Bank of England and in the construction and banking industries. The statistics are also used for market research by a wide range of other businesses. They are used by the media in reports on the housing market, and by academics both in the UK and abroad.

## Related statistics

### Net supply of housing

The annual *Net supply of housing* statistics, also known as 'net additions', show the absolute change in dwelling stock between 1 April and 31 March the following year. They comprise the number of new build permanent dwellings; plus the net gain from dwelling conversions; plus the net gain of non dwellings brought into residential use; plus net additions from other gains and losses to the dwelling stock (such as mobile and temporary dwellings); less any demolitions.

The net supply of housing statistical series is separate from and complementary to the Department for Communities and Local Government's quarterly series on new house building. The net supply of housing provide a more comprehensive but less timely measure of total housing supply in England. Completions figures from the quarterly house building series are not used in the net supply of housing statistics. Instead a separate set of data on the new build completions component of housing supply is collected as part of the overall annual net supply of housing data collection. This eliminates timing differences from the net additions series and provides a picture of the components of net change which can be reconciled for a given year.

The house building statistical series takes its data from the same source throughout England, combining data from building control officers at local authorities, the National House-Building Council (NHBC) and other independent building control inspectors. Data for the net supply of



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housing all come from local authorities, who in turn use whichever local data source they believe is most appropriate.

The house building series is published within eight weeks after the end of each quarter, providing a timely measure of house building activity. The data collection period for net supply of housing is relatively long, being annual and closing some five months after the end of the financial year. The longer data collection period makes it possible to compile a more complete picture of housing supply over the period; including conversions, change of use and demolitions.

The new build component of the net supply of housing statistics is generally slightly larger than the corresponding annual total from house building data, despite the fact that they are measuring the same thing. Over the year to March 2011 the new build component of the net supply of housing statistics was 6 per cent greater than the corresponding figure from the quarterly house building statistics. This is probably due largely to the much longer data collection period for the net supply of housing. However, other possible factors include the fact that net supply of housing will pick up the small minority of dwellings which are finished and in which people are living but where a completion certificate has not been issued. In such cases a completion may not have been recorded in the building control data used for the quarterly house building statistics.

Users who need an early indication of house building activity or who intend to use housing supply statistics as an economic indicator are advised to use the quarterly house building starts and completions series. Those who require a long-running, consistent time series on housing supply should also use house building, in either a quarterly or annual basis. Users wanting a more complete picture of the overall supply of housing may find the net supply of housing statistical series more appropriate.

The net supply of housing statistics can be found at the link below.

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/netsupplyhousing/> .

### **Council tax valuation lists**

The Valuation Office Agency (VOA) compiles and maintains lists of all domestic properties in England and Wales to support the collection of council tax, and these lists are constantly updated to reflect the creation of new dwellings and losses of dwellings.

The VOA's definition of a dwelling differs somewhat from that used by the census. The Department for Communities and Local Government's *House Building statistics*, *Net supply of housing* and *Dwelling stock estimates* statistics all use the census definition (see 'Definitions' section below). This means that a number of dwelling units may be included in one set of statistics but not the other. In general the VOA's definition is broader and includes communal establishments such as student halls of residence or care homes where the definition used by the Department for Communities and Local Government does not.

The Valuations Office Agency now publishes statistics on these lists which can be found at the

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following link.

<http://www.voa.gov.uk/corporate/Publications/statistics.html>

### **New Homes Bonus**

The New Homes Bonus allocates grants to local authorities according to the number of new homes delivered and empty homes brought back into use in their area. The growth in their council taxbase is used as a proxy measure for the number of new homes delivered because this provides information about council tax bands which are required as part of the calculation of New Homes Bonus allocations. The number of long-term empty homes in each area is also collected as part of the council tax system.

As the New Homes Bonus is based on council tax data, which is itself derived from the Valuation Office Agency's valuation list, it is collected using the same, broader definition of a dwelling as used by the Valuation Office Agency (see 'Council tax valuation lists' above).

The council taxbase data return is made by local authorities to the Department for Communities and Local Government in November giving details of their council tax base at September.

**Therefore the period over which the change in taxbase is measured for the New Homes Bonus (the year to September) is different from the period over which the net supply of housing is measured (the year to April).**

The combination of timing and definitional differences means that it is not possible to reconcile the New Homes Bonus numbers fully to the National Statistics on housing supply (House Building and Net Supply of Housing). The different sources will inevitably give different figures, though trends over time are likely to be similar. In addition, the New Homes Bonus headline allocations figures also include a component for empty homes brought back in to use.

Users of housing supply statistics should note that the New Homes Bonus figures are a by-product of the data used to administer the council tax system and are not primarily designed as a measure of housing supply. The National Statistics on *House Building* and on *Net supply of housing* are designed to give a comprehensive measure of housing supply which can be used to make consistent comparisons over time. They have been assessed and endorsed by the UK Statistics Authority (see 'National Statistics' section below).

The New Homes Bonus allocations for 2012/13 were published on 1 February 2012. Details can be found at the following link.

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>

### **Dwelling stock estimates**

Department for Communities and Local Government also publish statistics showing the total dwelling stock in England each year. These estimates are based on the latest census count plus the annual *Net supply of housing* statistics described above. They can be found at the following

link.

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/sto/ckincludingvacants/>

## Affordable housing

New affordable homes are defined as additional housing units (or bed spaces) provided to specified eligible households whose needs are not met by the market and can be categorised into social rent, intermediate rent and low cost home ownership. Total additional affordable supply includes both new build supply and acquisitions of existing private sector homes.

There are three main sources of official figures on affordable housing supply which are summarised in the table below:

Statistical source	Included	Not included	Frequency	Timeseries
House Building statistics: Housing Association and Local Authority tenures combined	New build housing for social rent.	Most affordable ownership supply and acquisitions from existing private housing.	Quarterly	From 1946
Affordable Housing Supply statistics	All supply (new build and acquisitions) of affordable housing	May be some small gaps in coverage (see release)	Annual	From 1991/92
Homes and Communities Agency National Housing Statistics	All supply (new build and acquisitions) of affordable housing delivered through HCA grant funding programmes	Some housing delivered without HCA grant funding.	Six monthly	From 2009/10

The house building statistics in this publication are categorised by tenure into private enterprise, housing association (HA) and local authority (LA). However, this tenure split has its limitations (see “Data quality” section) and is not the best source of information on new build specifically in the affordable housing sector.

A more detailed and complete source is Department for Communities and Local Government’s *Affordable housing supply* statistics, which can be found at the following link, along with detail on definitions and sources.

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/affordablehousingupply/>.

Although the HA and LA tenures of the house building statistics attempt to measure the entire new build component of affordable housing supply, including social rent, shared ownership and other affordable housing products, in practice much new build shared ownership housing and some new build social rent housing may be mis-recorded within the ‘private enterprise’ tenure of the house building statistics.

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This means that the house building statistics underestimate the total new build supply of affordable housing in the LA and HA tenure categories. Users requiring the best annual estimate for new build affordable housing should refer to the “New build and acquisitions” section of the affordable housing supply statistical release and live table 1009, both accessible from the link above.

Despite this, the tenure split reported in the house building statistics continues to have practical uses as they provide more frequent and timely estimates of starts as well as completions, and are available back to 1946.

The Homes and Communities Agency’s National Housing Statistics can be found at the following link – <http://www.homesandcommunities.co.uk/statistics> - and show delivery through the HCA funding programmes for housing.

### **Devolved administrations**

House building statistics for the devolved administrations of the UK are included alongside the England statistics in the tables that accompany this statistical release. These data are published separately by the devolved administrations, and although figures are correct at the time of this publication they may be superseded before the next England house building release. Latest data and details on data sources and methods can be found at the following links:

Scotland (house building statistics)

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuild>

Wales (house building statistics)

<http://wales.gov.uk/topics/statistics/theme/housing/newbuild/;jsessionid=9bcQNK5GxLQv5p05StGJZsznPYpXL07L47Qh19JXKc22vq3nl9L8!475011280?lang=en>

Northern Ireland (housing statistics)

[http://www.dsdni.gov.uk/index/stats\\_and\\_research/housing\\_publications.htm](http://www.dsdni.gov.uk/index/stats_and_research/housing_publications.htm)

## **Revisions policy**

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy. There are two types of revisions that the policy covers.

### **Scheduled revisions**

In order to maximise the response rate from local authorities and enable late information to be included, each quarterly P2 return can be updated at any time up to two years after the initial publication of the figures for that quarter. Every quarter, as well as releasing figures for the latest quarter, we revise the previous quarter to incorporate any data that came in shortly after the previous data collection period. This captures most late local authority data, but in order to incorporate the remainder a longer revision is carried out once a year, in the June quarter statistical release. Therefore, until each quarterly return is permanently closed, figures for that

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quarter remain provisional. Provisional figures are labelled in the tables with a “P” and revised figures are labelled with an “R”.

The starts data provided by NHBC, which are monthly, can also be subject to some changes after their initial inclusion, and to address this the NHBC starts data for the previous two quarters are now also revised in each release. In particular, the information on the tenure can often change when a start gets closer to completion and this tends to result in a net shift in starts from the private enterprise tenure to the housing association tenure.

In addition, where figures are seasonally adjusted, the adjustment factors for the whole series back to 2000 are recalculated annually, usually in the June quarter. This will result in small changes to seasonally adjusted figures across the whole period. These changes are not labelled with an “R”.

Other revisions to historic data (all data older than that currently due for scheduled revision) should only be made where there is a substantial revision, such as a change in methodology or definition. Where there are small changes that do not substantially change historic data, internal updates are maintained.

### **Non-scheduled revisions**

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

## **Revisions in this release**

As scheduled, starts and completions data provided by local authorities, and starts data provided by NHBC, have been revised in this release back to the December quarter 2009 to incorporate late data. As a result nearly 900 starts have been added during the period. The principal changes in starts are an extra 400 in the June quarter 2010 and an extra 350 in the March quarter 2011. The revisions have also resulted in a reduction of just over 3000 completions during the period. This is largely as a result of revised local authority data submitted for the September quarter 2010 and the March quarter 2011.

## **Definitions**

**Dwelling** - A home or dwelling in these statistics is defined in line with the Census definition, which defines a dwelling as a self-contained unit of accommodation. Self-containment is where all the rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a single door which only that household can use. Non-self contained household spaces at the same address should be counted together as a single dwelling. Therefore a dwelling can consist of one self-contained household space or two or more non-self-contained household spaces at the same address.

Ancillary dwellings (eg 'granny annexes') are included provided they are self-contained, pay separate council tax from the main residence, do not share access with the main residence (eg a shared hallway) and there are no conditional restrictions on occupancy.

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Communal establishments, ie establishments providing managed residential accommodation, are not counted in overall housing supply. These cover university and college student, hospital staff accommodation, hostels/homes, hotels/holiday complexes, defence establishments (not married quarters) and prisons. However, purpose-built (separate) homes (eg self-contained flats clustered into units with 4 to 6 bedrooms for students) are included, with each self-contained unit counted as a dwelling.

Non permanent (or 'temporary') dwellings are included if they are the occupant's main residence and council tax is payable on them as a main residence. These include caravans, mobile homes, converted railway carriages and houseboats. Permanent Gypsy and Traveller pitches should also be counted if they are, or likely to become, the occupants' main residence.

**House building start** - A dwelling is counted as started on the date work begins on the laying of the foundation, including 'slabbing' for houses that require it, but not including site preparation. Thus when foundation work commences on a pair of semi-detached houses two houses are counted as started, and when work begins on a block of flats all the dwellings in that block are counted as started. The starts of houses in building schemes are usually phased over a period of weeks or even, in very large schemes, months.

**House building completion** – In principle, a dwelling is regarded as complete when it becomes ready for occupation or when a completion certificate is issued whether it is in fact occupied or not. In practice, the reporting of some completions may be delayed and some completions may be missed if no completion certificate was requested by the developer or owner, although this is unusual.

**Tenure** – For the purposes of these statistics, the term tenure refers to the nature of the organisation responsible for the development of a new housing start or completion. It does not necessarily describe the terms of occupancy for the dwelling on completion. For example, some housing associations develop homes for sale on the open market. Such homes would be reported in the Housing Association tenure of these statistics, but would ultimately most likely be owned and occupied in the private sector.

**Housing association** - "Housing associations (HAs)" has been used as the generic name for all social landlords not covered by local authorities (see below). In previous editions HAs were referred to as Registered Social Landlords (RSL), and the technical term (private) Registered Provider (pRP) of social housing is also sometimes used. The more all-encompassing description of 'housing associations' is now seen as more helpful to users of these statistics.

## 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;



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- 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 unadjusted: Wales;
  - 2b** House building starts and completions unadjusted: Scotland;
  - 2c** House building starts and completions unadjusted: Great Britain;
  - 2d** House building starts and completions unadjusted: Northern Ireland;
  - 2e** House building starts and completions unadjusted: United Kingdom;

Additional tables showing house building completions by type and size of property, starts and completions for individual local authorities as well as historic series can be accessed in the 'Live tables' section ("Live tables on house building") at the following link.

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/>

All statistical releases on house building can be accessed on the Department for Communities and Local Government website at

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housebuilding/publicationsonhousebuilding/>.

### **Notes to the tables**

The following conventions have been used in the tables:

- .. Not available;
- Fewer than 5 dwellings;
- <sup>P</sup> Figure provisional and subject to revision;
- <sup>R</sup> Revised from previous release.

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

## **Background notes**

1. The starts and completions reported in this publication are for new house building in England and exclude new dwellings created through conversions and the change of use of existing buildings.
2. Figures in the accompanying tables are presented rounded to the nearest 10 dwellings.
3. The charts give seasonally adjusted quarterly house building trends and give annual trends by showing a rolling 12-month total. The private enterprise and housing association England series are seasonally adjusted.



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4. Accompanying Table 1a gives non-seasonally adjusted and seasonally adjusted England figures. All figures for other UK countries and English regions are shown on an unadjusted basis only.
  5. The tables and charts accompanying this release are shown above in the 'Accompanying tables' section and are provided in Microsoft Excel format.
  6. Details of officials and ministers who receive pre-release access to the Department for Communities and Local Government quarterly House Building release up to 24 hours before release can be found at:  
<http://www.communities.gov.uk/corporate/researchandstatistics/statistics/prereleaseaccess/>
  7. The **next quarterly release** will be published on Thursday 15 November 2012, and will cover house building up to the September quarter 2012.

## User consultation

Users' comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "statistical enquiries" contact given in the "Enquiries" section below.

## National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

## Enquiries

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