

According To HBF Figures New Home Permissions Rise To 2008 Level

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Figures released today in HBF's latest Housing Pipeline report show that 4 planning permission for 43,926 homes were granted in Q1 of this year. This raises the Moving Annual Total to 177,731 permissions granted in the 12 months to Q1, the highest level since 2008.

With all indicators now showing big increases in house building activity- largely as a result of increased sales driven by the Help to Buy equity loan scheme- it is vital the number of applications granted continues to rise.

The report, produced for HBF by Glenigan, also demonstrates why Government needs to focus its attention on the planning system if we are to see continued increases in house building.

The number of sites consented has actually dropped to 679 from 885 in Q4 2013 and 807 in the same quarter last year. If the house building industry is going to be able to move to the next level, and raise build rates still further in the years to come, increasing the number of sites on which they are building and selling homes is absolutely key. The house building process means that large sites can only be built and sold at the prevailing market rate for that site. It is, therefore vital that we see an increase in the number of sites granted permission if we are to sustain a continuation of the positive indicators of future expansion in house building.

Speeding up the rate at which permissions are granted - ie move from 4 to implementable - will also be key to significant, sustainable increases. Too many sites are 'stuck' in the planning system, with an estimated 150,000 plots at 4 permission stage awaiting full sign off by local authorities, [click here to view](#). The industry is imploring local authorities to ensure their Planning Departments are sufficiently resourced, and applications are processed efficiently and speedily, so that work can get started on new sites.

In its Autumn Statement the Government committed to introducing legislation to remove blockages in the planning system by imposing a limit on the 'pre construction' conditions that planning authorities could put on permissions, and a time limit on discharging them. These proposals now urgently need implementing if housing supply is to continue to increase.

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

“All political parties and commentators now agree we are facing an acute housing crisis that will only be solved by building substantially more homes.

“The Help to Buy Equity Loan scheme has led to a big increase in sales of new homes and the industry has responded and significantly increased output.Â Â

“Existing sites are being built out quicker and we now desperately need new sites to come on stream if we are to see increases in house building sustained. All builders are now identifying the planning system as the biggest threat to further increases in supply.

“Too many sites with outline planning permission are now stuck in the planning system awaiting final permission to start on site. We estimate there could be as many as 150,000 plots across the country in such a position.

“Everyone wants to see house building levels increase and Government should act now to speed up the planning process. It should ensure local authorities have adequately resourced planning departments that can cope with the new level of demand so they can meet their housing and planning obligations.

The HBF report is a strong forward indicator of future levels of home building. A large proportion of these homes will be built over the next two to three years. Builders are looking to start on new sites as they build out their existing sites more quickly as demand for new homes increases, driven in particular by the Help to Buy Equity Loan scheme.

Launched last April, the scheme is delivering around 2500 reservations a month. This increase in demand is allowing builders to increase output, building the homes the country needs and creating jobs on sites and in the supply chain.

Allan Wilen, Glenigan's Economics Director saidÂ “The number of homes securing planning approval during the first quarter was 8% up on the level seen a year ago, as a 20% increase in units on private housing schemes that more than offset a 10% drop in social housing approvals. The recent growth in planning approvals will be need to be sustained during the remainder of this year to ensure continued growth in new homes over the next two years.”

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