

Net supply of housing: 2007-08, England

- Annual housing supply in England reached 207,500 net additional dwellings in 2007-08. This is a 4 per cent increase on the 199,000 net additional homes supplied in the previous year, and the highest annual level of net housing supply in the last thirty years.
- Seven out of the nine English regions experienced an increase in the number of net additional dwellings supplied in the 2007-08 financial year, with the East Midlands and the West Midlands experiencing falls of 7 per cent and 3 per cent respectively.
- The North West saw the largest annual increase (15 per cent), followed by the South West (9 per cent).

Contents

1. National trends in housing supply.....	2
2. Breakdown of net housing supply.....	3
3. Regional trends in housing supply	4
4. Housing supply targets	6
5. Data collection	6
6. Strengths and weaknesses of the data	6
7. Accompanying tables	8
8. Background notes	9
9. Enquiries.....	11

housing

This Statistical Release presents figures on net additional dwellings in England and its regions up to 2007-08. The figures in this release for earlier years have been revised to include the latest housing supply estimates published by Regional Planning Bodies.

Annual net additional dwellings, also referred to as net housing supply, measure the absolute change in the dwelling stock between 1 April and 31 March the following year. The absolute change in the dwelling stock is the number of new house building completions plus any gains or losses through conversions, demolitions and changes of use.

National trends in housing supply

Figure 1: Trends in net additional dwellings since 2000-01, England

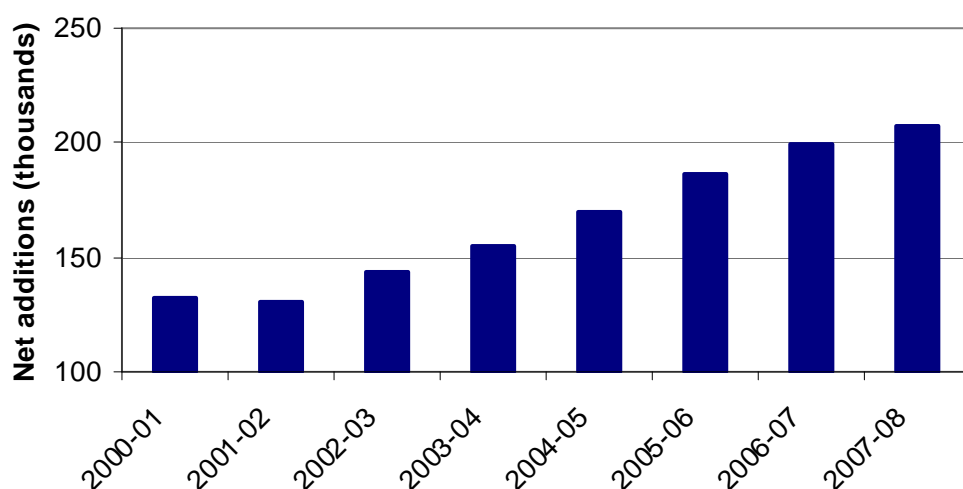


Table 1: Annual net additional dwellings since 2000-01, England

Financial Year	England	% Change to previous year
2000-01	132,000	-11%
2001-02	130,500	-1%
2002-03	143,700	10%
2003-04	154,800	8%
2004-05 ^R	169,500	10%
2005-06 ^R	186,600	10%
2006-07 ^R	199,000	7%
2007-08	207,500	4%

2000-01 is the first year for which reliable figures of net housing supply are available. Since 2001-02, net housing supply has increased for the sixth consecutive year, reaching a total of 207,500 net additional dwellings in 2007-08; we estimate that this is the highest annual level of net housing supply in the last thirty years (since 1977). The number of net additional dwellings in 2007-08 was 59 per cent higher than in 2001-02, however, the annual rate of increase has slowed in the latest year (4 per cent) and is the smallest relative annual increase since 2001-02.

Breakdown of net housing supply

Table 2: Components of net housing supply, 2006-07 and 2007-08, England

Components of net housing supply	2006-07	2007-08	Change 2006-07 to 2007-08
New build completions	193,100	200,300	7,200
<i>plus</i>			
Net conversions	7,600	9,000	1,400
<i>plus</i>			
Net change of use	20,100	17,700	-2,500
<i>plus</i>			
Net other gains	500	1,000	500
<i>less</i>			
Demolitions	22,300	20,500	-1,800
<i>gives</i>			
Net additional dwellings	199,000	207,500	8,500

In 2006-07 and 2007-08, 97 per cent of net additional dwellings were accounted for by new build completions. The next largest components of net additional dwellings were demolitions (approximately -10 per cent) and the net change of non dwellings brought into residential use (around 10 per cent).

Net housing supply increased by four per cent (8,500 dwellings) between 2006-07 and 2007-08. This rise resulted from an increase of 7,200 new build completions, 1,400 net conversions and 500 net gains of other types of dwellings such as mobile homes and temporary dwellings. The number of additional dwellings resulting from changes of use fell in the latest year (-2,500), as did the number of demolitions (-1,800).

Regional trends in housing supply

Figure 2a: Trends in net additional dwellings in the North East, the North West and Yorkshire and the Humber

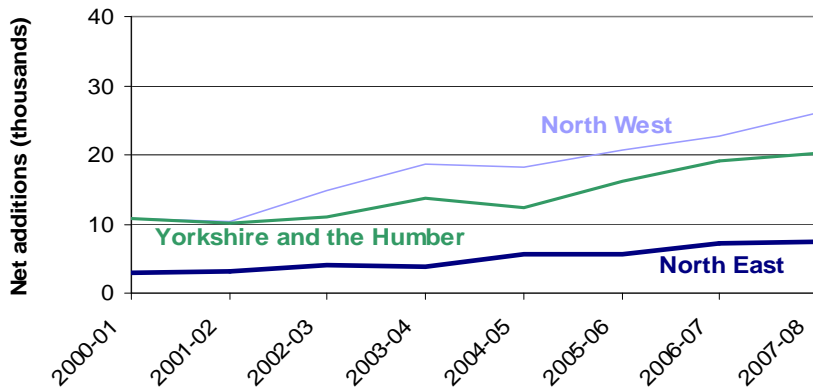


Figure 2b: Trends in net additional dwellings in the East Midlands, the West Midlands and the East of England

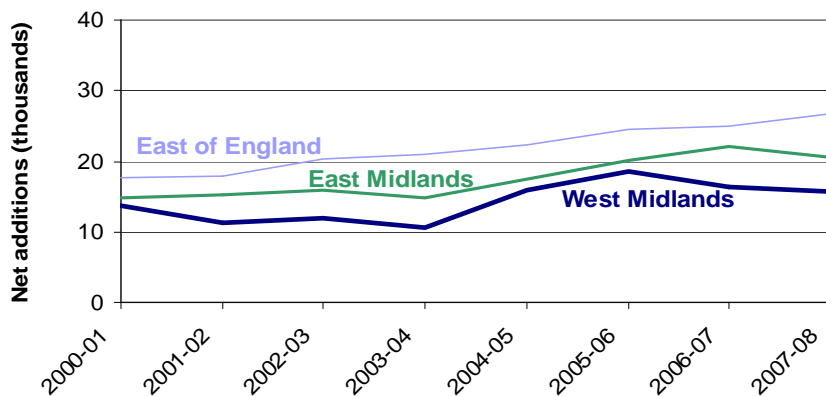
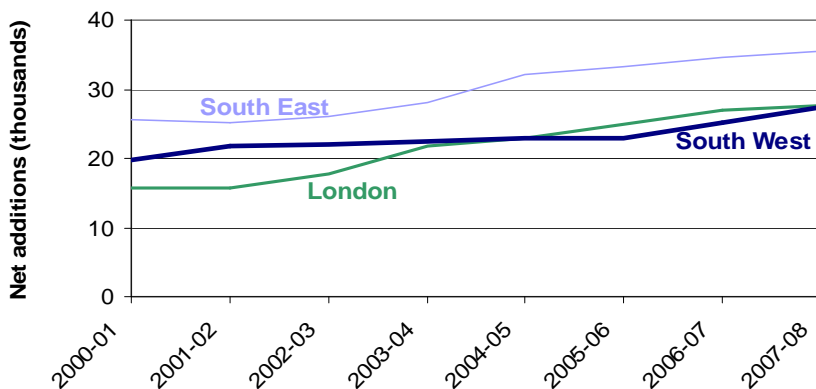


Figure 2c: Trends in net additional dwellings in London, the South East and the South West



In 2007-08, net housing supply was highest in the South East (35,400 dwellings) and lowest in the North East (7,500 dwellings). The northern regions and the Midlands experienced the lowest levels of net housing supply with the exception of the North West (26,100 dwellings).

National annual net housing supply increased by 76,900 dwellings from 130,500 net additional dwellings in 2001-02 to 207,500 net additional dwellings in 2007-08. All regions have experienced higher levels of annual net housing supply since 2001-02. The national increase in annual net housing supply over this period (76,900 dwellings) has been driven by the North West (15,800 dwellings), London (11,900 dwellings), the South East (10,300 dwellings) and Yorkshire and the Humber (10,100 dwellings). The regions that experienced the largest relative increases in annual net housing supply over this period were the North West (153 per cent) and the North East (142 per cent but an increase of only 4,400 dwellings). The region that experienced the smallest relative increase was the South West (26 per cent).

Seven out of the nine English regions experienced an increase in annual net housing supply in 2007-08. The North West saw the largest relative increase (15 per cent), followed by the South West (9 per cent). However, two regions, the East Midlands and West Midlands, experienced a fall in annual net housing supply of seven per cent and three per cent respectively. This is the second consecutive annual fall in net housing supply in the West Midlands, from 18,700 dwellings in 2005-06 to 15,800 dwellings in 2007-08.

Housing supply targets

The 2007 Comprehensive Spending Review introduced a target to increase the number of net additional homes provided per annum to 240,000 by 2016.

Net housing supply has increased each year since the target baseline of 186,600 net additional dwellings in 2005-06, to 199,000 dwellings in 2006-07 and 207,500 dwellings in 2007-08.

As the main component of net housing supply, new house building completions are a leading indicator for monitoring the above target. New build completions in the 12 months ending December 2008 were 19 per cent lower than completions in the calendar year 2007. Given this fall in new build completions, it is likely that net housing supply will fall in 2008-09.

Data collection

This release takes annual figures on net housing supply in England from two data sources:

- information submitted to Communities and Local Government by local authorities in the North East, North West and Yorkshire and the Humber through the Housing Flows Reconciliation (HFR) form ; and
- information collected on joint Regional Planning Body and Communities and Local Government returns (also known as 'joint returns') in the remaining six Government Office Regions.

From 2000-01 to 2003-04, all local authorities submitted data to Communities and Local Government through the HFR form. Since this date, the Department has started to work jointly with Regional Planning Bodies on joint returns; the purpose of the joint returns is to ensure consistency between the net housing supply figures reported in regional Annual Monitoring Reports (AMRs) and those published by central government.

Strengths and weaknesses of the data

The HFR form collects data from local authorities in the three northern regions and the figures include imputation for a small number of missing returns. In 2007-08, a 98 per cent response rate was achieved with only one missing local authority return.

The HFR return requires local authorities to submit a full break down of housing flows by tenure over the previous year; this includes figures for new house building, conversions, demolitions, changes of use and transfers between tenures.

Regional Planning Bodies submitting joint returns collect, collate and validate data from local authorities in their region before passing the information onto the Department. The net housing supply figures in this release are as reported by the Regional Planning Bodies.

The Regional Planning Body joint returns do not contain the same depth of information on housing flows as collected directly from local authorities through the HFR form. As a minimum, joint returns are required to contain information on opening stock as at 1 April and closing stock as at 31 March for each local authority in the region.

The joint returns were introduced by Communities and Local Government following discrepancies between the net housing supply figures reported in regional AMRs and the figures submitted by local authorities to and subsequently published by the Department. The main reason for the discrepancies was a timing difference in when the figures were compiled. The joint returns were introduced to provide one set of consistent data on housing supply, with the aim of serving the needs of central, regional and local government, thus avoiding duplication and reducing burden on data suppliers.

Prior to 2000-01, estimates of net housing supply were made by subtracting dwelling stock as at 31 March in any given year from the stock as at 31 March in the previous year.

Accompanying tables and charts

Accompanying tables and charts are available to download alongside this release:

Tables:

- 1a** Annual net additional dwellings: England and the regions
- 1b** Annual net additional dwellings and annual percentage change: England
- 1c** Annual net additional dwellings and annual percentage change: the regions
- 1d** Breakdown of net housing supply, England

Charts:

- 2a** Trends in net additional dwellings: England
- 2b** Trends in net additional dwellings: the regions

In addition, two live tables showing net additions to the dwelling stock in England can be accessed in the 'Live tables' section ("Live tables on stock") at www.communities.gov.uk/housingstatistics.

Background notes

1. The annual net additional dwellings figure, or net housing supply, is the absolute change in dwelling stock between 1 April and 31 March the following year.
2. The net additional dwellings figure is derived from 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 during the financial year.
3. The breakdown of net housing supply figures shown in table 2 of the Statistical Release has been estimated for some regions submitting a 'joint return'.
4. The new build completions figures given in table 2 of the Statistical Release do not match those published in the Communities and Local Government quarterly house building Statistical Release. Data for the quarterly house building release are supplied by local authority Building Control departments and the National House-Building Council, and measure starts and completions of new build permanent dwellings. In addition to local authority and NHBC completions, the house building completion figures given in table 2 of this release include completions certified by Independent Approved Inspectors. The table 2 figures also include completions of new build non permanent dwellings for some regions submitting net housing supply data via a 'joint return'.
5. Regional Planning Bodies, which are hosted by Regional Assemblies, have the duty to draft and review Regional Spatial Strategies. In the future, once the "local democracy, economic development and construction bill" is enacted by parliament in 2010, Regional Spatial Strategies and Regional Economic Strategies will be merged to create a de facto regional strategy. The future drafting and review of Regional Strategies will be the joint responsibility of the Regional Development Agencies and the Leaders Board which will be made up of local government stakeholders in the region.
6. The tables and charts accompanying this release are shown above in the 'Accompanying tables' section. Tables and charts are provided in MS Excel.
7. Additional tables showing annual net additions to the dwelling stock in England can be found in the Communities and Local Government Housing Live Tables.
8. Figures in the accompanying Excel tables are presented rounded to the nearest 10 dwellings.
9. Sources are shown at the foot of individual accompanying tables and charts.

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10. The Housing Flows Reconciliation (HFR) local authority data collection started in 2000-01. Net additional dwellings before this date are estimated by subtracting the dwelling stock as at 31 March in any given year from the stock as at 31 March in the previous year. The percentage change on previous year figure for 2000-01 has been estimated by comparing the net additional dwellings in 2000-01 (as recorded on the HFR) to the estimated net additional dwellings in 1999-00 (using the method described above).
 11. Missing 2006-07 local authority returns for the three northern regions, the East Midlands and West Midlands were imputed using figures from local authority Annual Monitoring Reports where published and available at the time of the 2006-07 net housing supply release (March 2008). 2006-07 net supply figures for these five regions have not been revised in this release as it is our policy not to revise figures submitted through the HFR form in later years.
 12. Joint return figures in this release have been revised back to 2004-05 if later figures have been published in regional Annual Monitoring Reports.
 13. The 2007-08 England net housing supply figure and regional figures submitted via 'joint returns' are subject to revision in subsequent annual releases.
 14. Details of officials who receive pre-release access to the Communities and Local Government annual 'Net Supply of Housing' release up to 24 hours before release can be found at: www.communities.gov.uk/corporate/researchandstatistics/statistics/nationalstatistics/
 15. The next net additions release will be published in 2010 as soon as figures are available, and will include net additional dwellings up to 2008-09.

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Housing Statistical Release 12