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31,185

Homes securing planning approval in 2018

20,255

Number of homes completed in 2018

£207,336

Average new build price (Feb 2019)

- 6.6%
on 2017

+ 15.2%
on 2017

- 0.2%
on Feb 2018

Annualised Statistics

The following statistics present the aggregated totals for 2018, unless otherwise stated.

Planning

31,185 new homes gained planning approval in 2018¹, a 6.6% fall on last year's totals but remaining above post recession levels despite very low figures for Q4. 2018 saw a 3.9% drop in private sector approvals but, more worryingly for affordable housing targets, a 19% drop for the social sector. While the number of projects fell marginally by 0.1% (representing an 8% increase in private sector projects and a 5.2% fall in social) data suggests that the overall fall in the number of homes consented is the result of a shortfall of larger projects securing permission. The average size of a project fell 6.1% on the previous year.

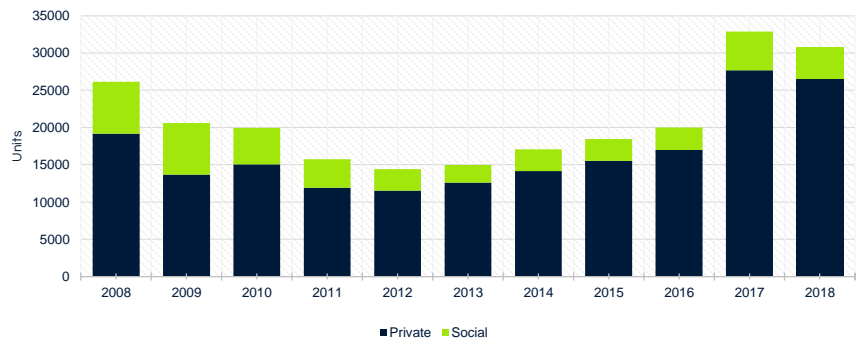
Completions

2018 saw completions grow by 15.2% across all tenures to reach 20,255 homes², the best performance since 2009. This was driven by a 10.9% increase in private sector (15,152) and a 6.7% increase in social sector (5,103) completions for the calendar year.

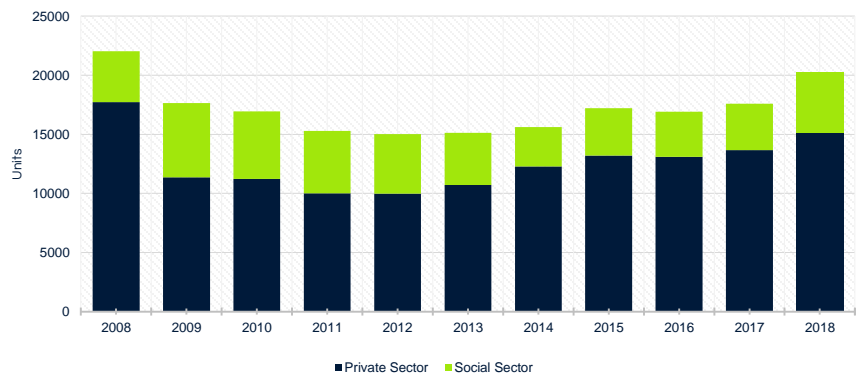
Sales Volumes & New Build Price

Transactional data³ for 2018 puts the new build sector as having a 12% share of the market, growing 4.6% on the previous year. The number of new build transactions is recorded as growing 1.8% on 2017, and the annualised average price registered at £204,245, a 5.9% increase on 2017. The registered average new build price for February 2019 was £207,336.

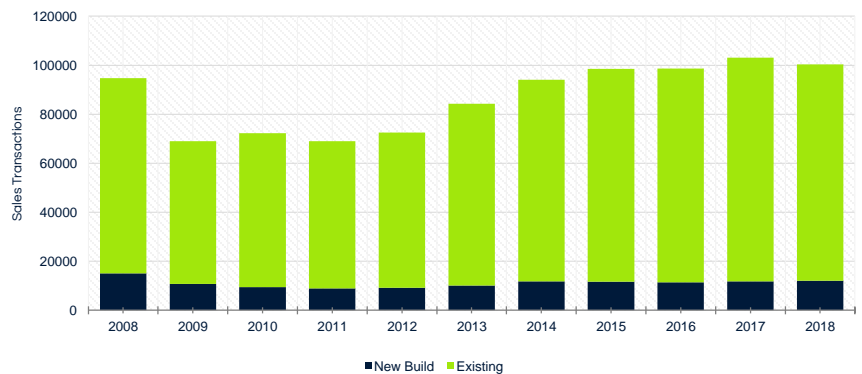
Residential Planning Approvals by Tenure (Annual) (up to Q4 2018)



New Build Housing Completions by Tenure (Annual) (up to Q4 2018)



Annual Transactions (up to December 2018)



Footnotes

1. HBF Glenigan Planning Pipeline Report.
2. Scottish Government Housing Statistics for Scotland.
3. ONS UK House Price Index (source data is aggregated to provide a calendar year summary of figures. The average new build price data is an average of the 12 month period).

31,185

Homes approved in 2018

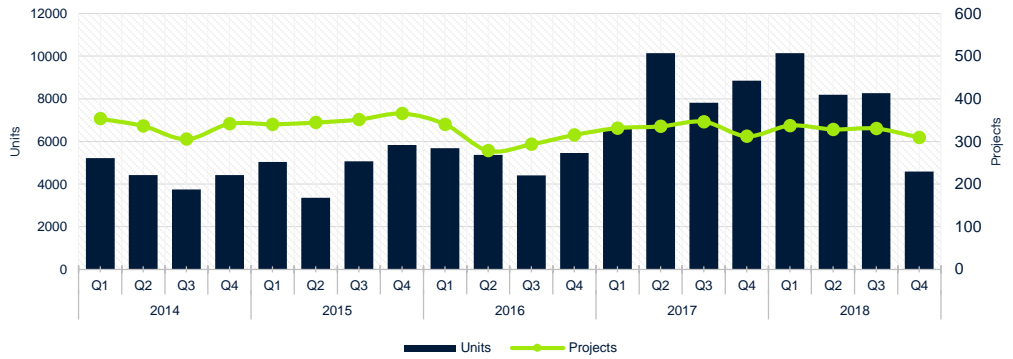
-6.6%

Decrease in homes approved on 2017.

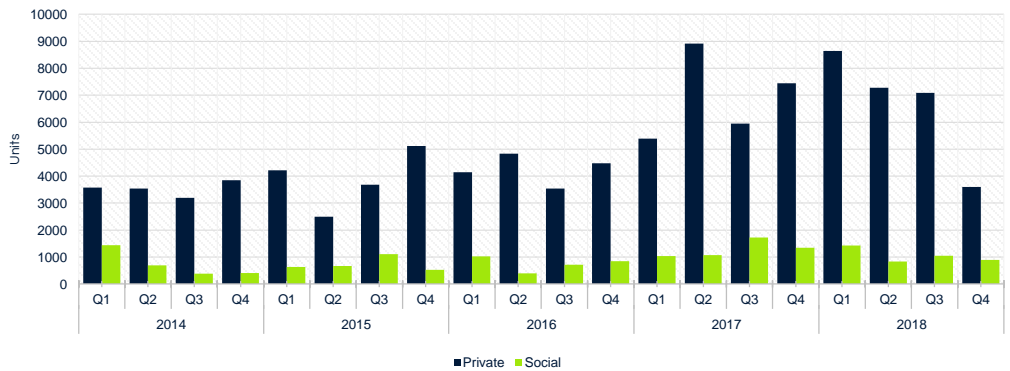
35.6 units

Average size of private developments in 2018.

Residential Planning Approvals (Quarterly)



Residential Planning Approvals by Tenure (Quarterly)



4,586 new homes obtained planning approval in Q4 2018⁴. This represents a 48.2% fall on Q4 2017, and a 44.5% fall on the previous quarter. The average size of residential projects, 47.7% on the same period last year, with the number of projects remaining relatively stable.

Only 3,602 private sector homes were approved in Q4, a fall of 51.6% on the same period last year, and a 49.2% fall on the previous quarter. The number of private sector projects (202 projects) approved increased by 15.4% on Q4 2017, while the average size of these projects fell significantly, by 58.1% on the same period, now recorded at 17.8 homes for Q4.

Social sector approvals tallied 889 homes for Q4 2018, representing a 33.8% fall on the same period in 2017 and 2.2% drop on the previous quarter. The number of social sector projects gaining approval fell 32.3% on the Q4 2017 figures, a 4.5% drop on the previous quarter. The average size of a project fell slightly by 2.3% on Q4 2017, now recorded at 42.3 homes.

Overall, this gave a final figure of 31,185 new homes gaining approval in 2018, a 6.6% fall on 2017 figures. This was driven by a 19% fall in social sector approvals. Private sector approvals fell by 3.9% on 2017 totals. The total number of approvals for 2018 remains better than the post-recession returns between 2009 and 2016. However, it is essential that the pipeline of approved sites is maintained and continues to grow if this is to translate into greater numbers of completions in forthcoming years.



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2018 brought a long-needed upturn in the recovery of housing delivery levels, but a troubling fall-off in the number of new homes securing planning permission. The coincidence of these changes may, to some extent, close the gap between homes permitted and homes built, which is often used by those who argue, wrongly, that planning is not a barrier to housing delivery. It doesn't, though, suggest existing permissions and permission rates can be relied upon to fix the housing crisis. We still need significantly more homes to be built. For that, home builders need ready access to land where both the planning system and the market enables them to build.

Data on the planning permissions granted in recent years does not show the required upward trend that will be essential in sustaining the recovery in completions. Permission levels rose in 2017 but the improvement was not repeated in 2018. The dramatic drop in approvals in Q4 is alarming. It mustn't be assumed by planning authorities that 2018's stronger completions record will continue with no further action required on their part. They need to allocate more land in areas where people want to live and look for the attachment of a home builder to a site as a positive sign. They also need to address poor performance in decision-making. Many home builders are nearing the completion of consented sites without new ones to move on to.

New Planning Bill provisions on housing, secured by HFS, signal an end of tolerance for below-par local efforts to boost delivery. But planning authorities need to act now to facilitate delivery of the homes their areas need.

Footnotes 4. HBF Glenigan Planning Pipeline Report (includes residential projects of all sizes, residential units on non-residential schemes and conversions).

Insights | Starts & Completions

20,255

New homes completed in 2018

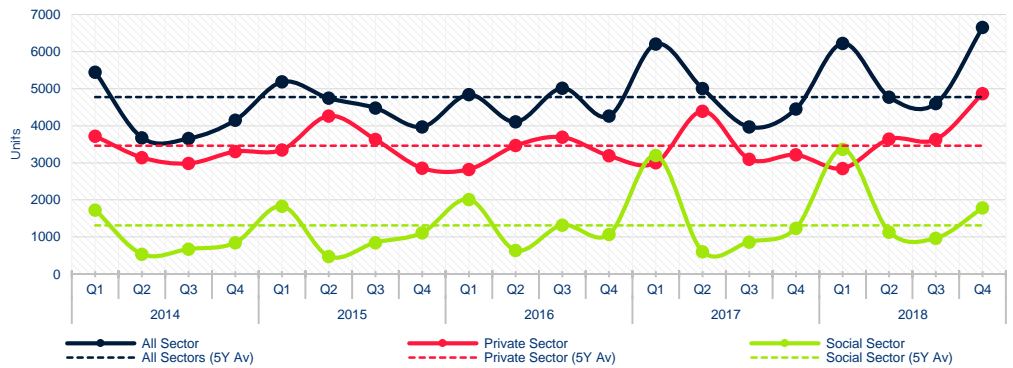
+15.2%

Increase in new homes completed on 2017

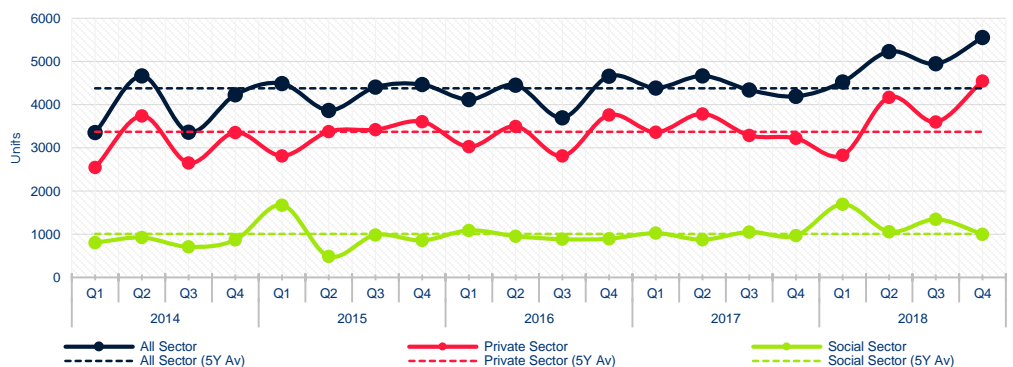
+10.9%

Increase in private sector new homes completions on 2017

New Build Housing Starts by Tenure (Quarterly)



New Build Housing Completions by Tenure (Quarterly)



6,652 new housing starts⁵ were recorded in Q4 2018, a 49.4% increase on Q4 2017. These figures are driven by year-on-year growth in Grampian (163.8%), South East (61.6%) and Strathclyde (51%) regions. East Central and Highland & Moray regions reported a fall in the number of starts by 0.2% and 4% respectively.

Private sector starts (4,868) grew by 51.3% on the same period last year. As with the all tenure figures, this was driven by year-on-year growth in Grampian (202.1%), South East (57.6%) and Strathclyde (76%) regions. East Central and Highland & Moray regions both reported a fall in the number of private sector starts, by 25.9% and 18.9% respectively. Social sector starts grew 44.3% on Q4 2017 to reach 1,784 for the period. This was driven by growth in the number of starts in East Central (120.8%), Highland & Moray (75%), South East (73.4%) and Strathclyde (12.2%) regions. Only Grampian saw a fall in the number of social sector starts, 17.1% on Q4 2017.

5,553 new housing completions were recorded in Q4 2018, a 32.5% increase on Q4 2017. Completions grew across all regions when comparing against last year's quarter however, registered as a 22.3% fall on the previous quarter for East Central region.

Private sector completions (4,551) grew 41.2% on the same period last year. Housing completions grew across all regions, notably Highland & Moray (33.9%), South East (43.5%) and Strathclyde (66.2%) regions. In East Central (-16.5%) and Highland & Moray (-5.6%). Social sector completions grew more modestly, by 3.4% on the year. Only Grampian and Highland & Moray regions saw year on year growth, by 113.3% and 53.9% respectively. East Central (-8.4%), South East (-3.1%) and Strathclyde (-8%) all fell on the same period last year and on the previous quarter.

Overall, this gave us final figures of 20,255 new homes across

all tenures being completed in 2018. This increase is driven by a 10.9% increase in private sector completions, reaching 15,152 homes in 2018 (around 75% of all completions) and a 6.7% increase in social sector homes (5,103 homes). 22,258 new housing starts were recorded in 2018, an increase of 13% on 2017 totals, surpassing totals last reached in 2008.



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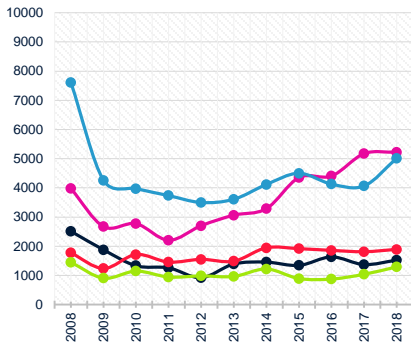
Whilst it is positive to see new housing completions breach the 20,000 mark for the first time in a decade, can this be maintained in forthcoming years? From the number of registered starts in Q4 2018 we should at least expect to see continued growth into the latter end of 2019. Beyond this period, we'll need to be vigilant for Q1 and Q2 2019 figures to understand whether this sets a longer-term benchmark for housing delivery.

We can hypothesise that it is roughly taking at least two years to see those planning permissions convert into the homes we so desperately need. This prolonged timescale is very much a reflection of the statutory and wider processes that must be undertaken, and the availability of the skills required, to turn those "paper" homes into something more tangible than delivery intent.

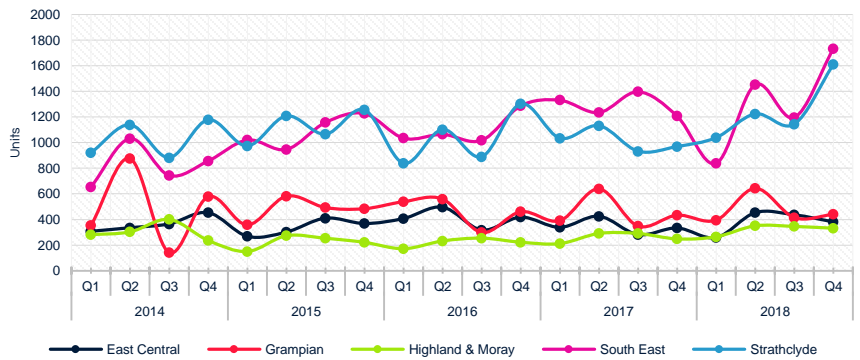
Whilst recent focus has been on reforming the planning system to help ensure that delivery intent can match national aspiration, there's also a need to place equal focus on how we practicably deliver these homes, ensuring that sequential processes, policies and standards enable rather than hinder delivery.

Insights|Regional Variances

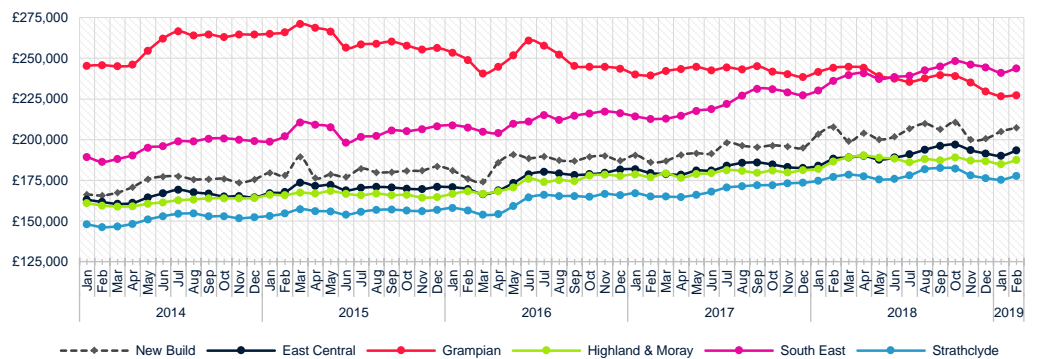
Private Sector New Build Housing Starts by Region (Annual)



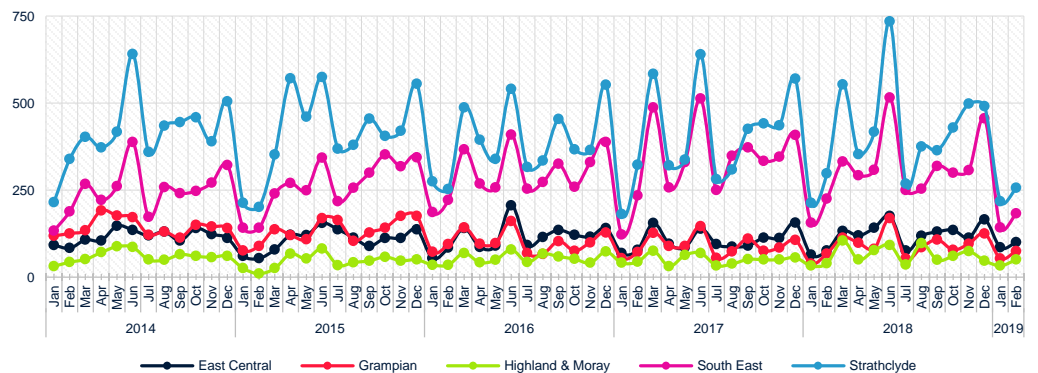
Private Sector New Build Housing Completions by Region (Quarterly)



Average New Build Price by Region (Monthly)



New Build Transactions by Region (Monthly)



£204,246

Annualised average new build price for 2018

12%

New build share of transactions in 2018

4.6%

Increase in the number of new build transactions on 2017

The average price paid for a new build home in Scotland fell by 0.2% on the same period last year, registering at £207,336 in February 2019⁶. Over the last 12 months average prices rose in most regions (ranging from 3.3% in South East to 0.3% in Strathclyde) with the exception of Grampian where the average price fell by 6.9%.

664 new build transactions were recorded in February 2019, representing a 12.3% share of the overall market. This equated to a 6.1% fall on February last year driven by fewer transactions in South East (-18.7%) and Strathclyde (-14.1%) regions. East Central (31.6%, Grampian (10.4%) and Highland & Moray (28.2%) regions⁷ saw year on year growth. Despite the mixed picture in terms of year on year results, transactions grew 31.7% on the previous month (ranging from 94.4% in Grampian to 17.3% in the South East).

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Insights|Data Tables

Area	New Build Starts				New Build Completions				New Build Average Price			
	2017		2018		2017		2018		2018		2019	
	Q4	Q4	YoY	YoY%	Q4	Q4	YoY	YoY%	Feb	Feb	YoY	YoY%
Scotland	4453	6652	2199	49.4%	4192	5553	1361	32.5%	£207,813	£207,336	-£477	-0.2%
East Central	440	439	-1	-0.2%	452	490	38	8.4%	£188,324	£193,401	£5,077	2.7%
Grampian	235	620	385	163.8%	464	504	40	8.6%	£244,232	£227,297	-£16,935	-6.9%
Highland & Moray	504	484	-20	-4.0%	337	469	132	39.2%	£186,664	£187,482	£818	0.4%
South East	1740	2811	1071	61.6%	1502	2019	517	34.4%	£236,024	£243,801	£7,778	3.3%
Strathclyde	1497	2260	763	51.0%	1381	1989	608	44.0%	£177,240	£177,745	£505	0.3%

East Central	440	439	-1	-0.2%	452	490	38	8.4%	£188,324	£193,401	£5,077	2.7%
Angus	21	11	-10	-47.6%	62	66	4	6.5%	£206,478	£198,837	-£7,641	-3.7%
Clackmannanshire	65	24	-41	-63.1%	25	20	-5	-20.0%	£149,691	£159,046	£9,355	6.2%
Dundee City	17	73	56	329.4%	67	99	32	47.8%	£148,521	£148,328	-£193	-0.1%
Falkirk	105	61	-44	-41.9%	90	108	18	20.0%	£185,667	£186,454	£787	0.4%
Perth & Kinross	171	203	32	18.7%	164	160	-4	-2.4%	£238,492	£255,715	£17,223	7.2%
Stirling	61	67	6	9.8%	44	37	-7	-15.9%	£201,096	£212,028	£10,931	5.4%

Grampian	235	620	385	163.8%	464	504	40	8.6%	£244,232	£227,297	-£16,935	-6.9%
Aberdeen City	62	168	106	171.0%	197	180	-17	-8.6%	£268,669	£249,090	-£19,579	-7.3%
Aberdeenshire	173	452	279	161.3%	267	324	57	21.3%	£219,795	£205,505	-£14,290	-6.5%

Highland & Moray	504	484	-20	-4.0%	337	469	132	39.2%	£186,664	£187,482	£818	0.4%
Highland	259	400	141	54.4%	257	390	133	51.8%	£171,648	£175,858	£4,210	2.5%
Moray	245	84	-161	-65.7%	80	79	-1	-1.3%	£201,679	£199,106	-£2,574	-1.3%

South East	1740	2811	1071	61.6%	1502	2019	517	34.4%	£236,024	£243,801	£7,778	3.3%
East Lothian	209	192	-17	-8.1%	228	180	-48	-21.1%	£274,027	£282,928	£8,901	3.2%
Edinburgh, City of	549	1672	1123	204.6%	365	879	514	140.8%	£286,242	£296,119	£9,877	3.5%
Fife	345	304	-41	-11.9%	499	331	-168	-33.7%	£203,498	£204,080	£582	0.3%
Midlothian	149	76	-73	-49.0%	132	273	141	106.8%	£260,525	£285,962	£25,437	9.8%
Scottish Borders, The	74	234	160	216.2%	98	140	42	42.9%	£175,781	£168,142	-£7,639	-4.3%
West Lothian	414	333	-81	-19.6%	180	216	36	20.0%	£216,069	£225,575	£9,507	4.4%

Strathclyde	1497	2260	763	51.0%	1381	1989	608	44.0%	£177,240	£177,745	£505	0.3%
Argyll & Bute	33	46	13	39.4%	31	78	47	151.6%	£149,886	£152,528	£2,643	1.8%
Dumfries & Galloway	27	56	29	107.4%	37	50	13	35.1%	£174,381	£171,450	-£2,931	-1.7%
East Ayrshire	95	250	155	163.2%	156	87	-69	-44.2%	£136,968	£143,270	£6,302	4.6%
East Dunbartonshire	24	63	39	162.5%	68	69	1	1.5%	£266,321	£265,542	-£779	-0.3%
East Renfrewshire	15	170	155	1033.3%	63	61	-2	-3.2%	£293,131	£284,257	-£8,875	-3.0%
Glasgow City	347	296	-51	-14.7%	313	319	6	1.9%	£170,306	£174,015	£3,709	2.2%
Inverclyde	50	57	7	14.0%	7	43	36	514.3%	£129,897	£137,914	£8,018	6.2%
North Ayrshire	41	84	43	104.9%	17	183	166	976.5%	£111,918	£114,601	£2,682	2.4%
North Lanarkshire	242	360	118	48.8%	160	300	140	87.5%	£149,964	£155,523	£5,559	3.7%
Renfrewshire	287	183	-104	-36.2%	276	273	-3	-1.1%	£155,782	£151,814	-£3,967	-2.5%
South Ayrshire	21	15	-6	-28.6%	37	31	-6	-16.2%	£188,074	£180,559	-£7,514	-4.0%
South Lanarkshire	273	585	312	114.3%	175	435	260	148.6%	£191,710	£191,137	-£574	-0.3%
West Dunbartonshire	42	95	53	126.2%	41	60	19	46.3%	£185,783	£188,071	£2,288	1.2%

Footnotes 1. Starts and completions data above covers all housing market sectors (private and social).
2. Average price data only for registered new build homes.

This report is based upon analysis of housing data held by the Scottish and UK Governments as well as summary data of housing projects tracked by Glenigan (as reported by the Home Builders Federation).

The figures in this report provide a statistical overview of the new build housing market in Scotland using the latest available datasets. Readers should note that there will inevitably be discrepancies between data sources due to reporting variants, therefore caution taken with further utilisation and interpretation of this report.

With regard to the Glenigan database please note the following restrictions and limitations to this analysis:

1. New build projects of all sizes are covered by the report (coverage was previously restricted to approvals for 10 or more units).
2. Housing schemes are included where the development is primarily identified as being: Apartments/Flats; Bungalows; Houses/Luxury Housing or Sheltered Housing; Key Worker Accommodation or Sheltered Housing.
3. Conversions of non-residential properties for housing are included.
4. Private and social housing data includes schemes of 3 or more units.
5. Total residential approvals include 1 & 2 unit schemes together with residential units on mixed-use developments
6. Elderly people's homes, hostels and student accommodation have been excluded from the analysis.
7. Approvals are recorded at the detailed planning stage. Where a project has secured outline planning approval and the detailed consent is being resolved through the approval of reserved matters, the date of the 'detailed consent' is deemed to be that of the approval of reserved matters. In the case of some projects, the reserved matters are approved piecemeal; in these circumstances the earliest approval date has been used in order to avoid double counting.

Average House Price and Transaction data is extracted from the ONS UK House Price Index statistical dataset. Whilst this data is derived from Registers of Scotland (RoS) House Price Statistics, and trends within the datasets are similar, the following restrictions and limitations should be noted:

1. There is a slight delay to changes appearing within the RoS figures as this data is based on the date of registration (i.e. the date that the application was received for registration by RoS). The UK-HPI is based on the date of entry (the date of the completion of the sale. Registration can occur up to several weeks after the date of entry.
2. RoS quarterly and monthly averages are higher due to the different calculation methodologies used. The UK-HPI uses a geometric mean to calculate an average figure. This will typically be closer to the median than an arithmetic mean (as used by RoS). The UK-HPI is less volatile to fluctuations in the market e.g. if a high number

of high value or low value sales are registered within a particular month. On average the UK-HPI average is 15.5% lower than the RoS monthly house price average, ranging from 5.2% to 28.4% lower than RiS statistical datasets.

About HFS

Homes for Scotland is the voice of the home building industry in Scotland, representing some 200 organisations who together help deliver around 95% of all new homes built for sale each year as well as a significant proportion of affordable housing.

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