

**SOUTH EAST ENGLAND EXECUTIVE COMMITTEE
EXECUTIVE COMMITTEE**

Date: 12 September 2008

Subject: Housing Monitoring Data

Report of: Planning Manager

Recommendation:

It is recommended that the Executive Committee notes the most recent data on housing starts, completions and repossessions.

Purpose of the Report:

To advise the Executive Committee of the latest monitoring data on housing starts, completions and repossessions.

Key Issues:

Although the latest monitoring data shows that housing completions remain at rates similar to those that the Regional Assembly has recently reported, housing starts in the South East are clearly reflecting the down-turn in the housing market. Home repossessions have increased markedly, though are currently far short of the levels experienced in the early 1990s.

1. Introduction

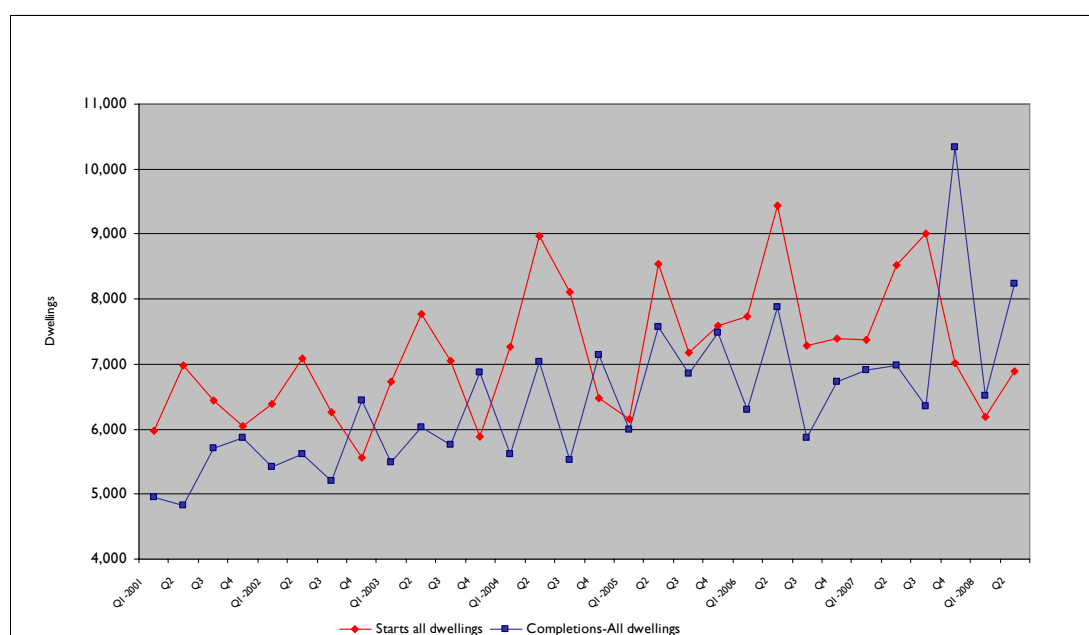
- 1.1 At its meeting on 13 June 2008, and against the background of the down-turn in the housing market, the Executive Committee requested data on home repossessions as well as more frequent reports on housing starts and completions. This report sets out the most recently published information.

2. Housing Starts and Completions

- 2.1 As part of the process of monitoring the implementation of the Draft South East Plan, the Regional Assembly collects annual data on housing completions¹ in the South East for each unitary and district council area. The data, which is provided by the local authorities in the form of a joint return to the Assembly and CLG, is recognised as the most robust and comprehensive source on completions. Data for the year ending 31 March 2007 was included in the latest Regional Monitoring Report published earlier this year. We are currently collecting completions data for the year ending 31 March 2008 and anticipate that it will be available for reporting during the Autumn.

- 2.2 Although that data will provide the definitive count of housing completions for monitoring purposes, CLG also collect their own data on a quarterly basis. It is not directly comparable with our own completions data and does not provide a fully comprehensive count. Nevertheless, the CLG data does provide a useful indication of trends, especially when it is viewed alongside the CLG starts data. Data for the period 2001 to 2008 (Q2)² is set out in Figure 1.

Figure 1: CLG Starts & Completions Data for the South East, 2001-2008



¹ Housing completions are net and take account of gains and losses arising as a result of conversions and changes of use and of demolitions.

² The period covered by the RPG 9 and the Draft South East Plan.

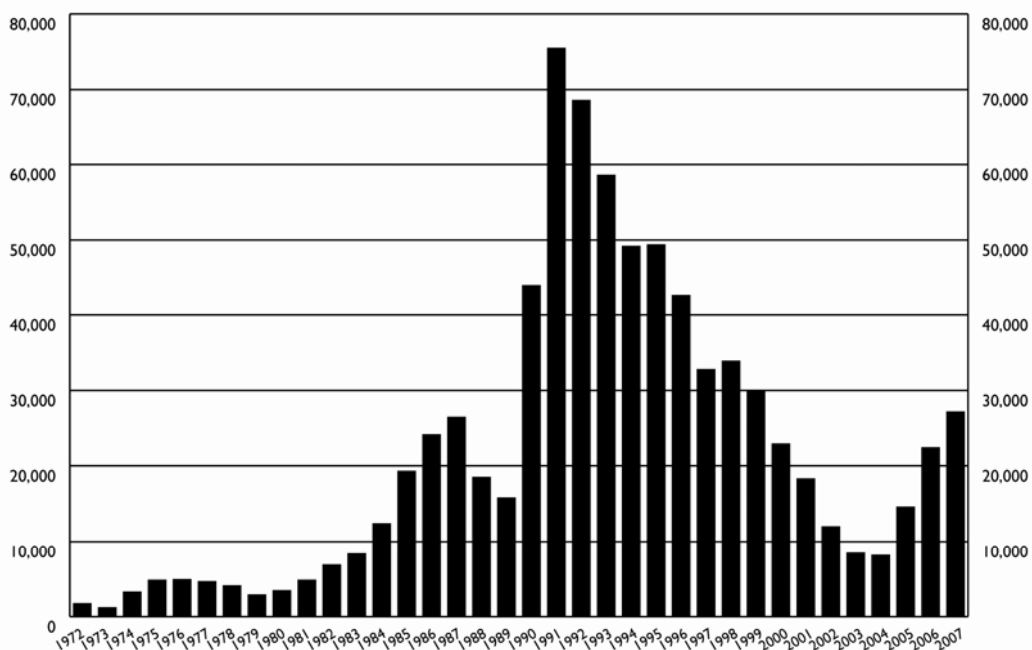
2.3 The data shows that there was a total of 31,900 starts in 2007. This was the same number as in 2006. This suggests that our own forthcoming monitoring data could show that completions in 2007/08 were at a similar level to that achieved in 2006/07 (34,600). That said, the down-turn in the housing market does appear to be showing in the latest (and provisional) starts data: 6,900 homes were started in Q2 of 2008 compared with 8,500 in Q2 of 2007 and 9,400 in Q2 of 2006. And, late 2007 in to 2008 is the only time since 2001 that that there has been three successive quarters in which there were fewer starts than completions in the South East. Figure 1 shows that apart from the usual seasonal fluctuations, starts in any quarter have tended to be higher than completions. Starts are now running at the same levels as those seen in early 2002.

3. Home Repossessions

3.1 There are two sources of data on repossessions: the Council for Mortgage Lenders (CML)³ and the Ministry of Justice.

3.2 The CML data is available for a long time-series, but only for the UK as a whole. Data for the period 1972 to 2007 is shown in Figure 2.

Figure 2: Homes taken into Possession in the UK, 1972 to 2007



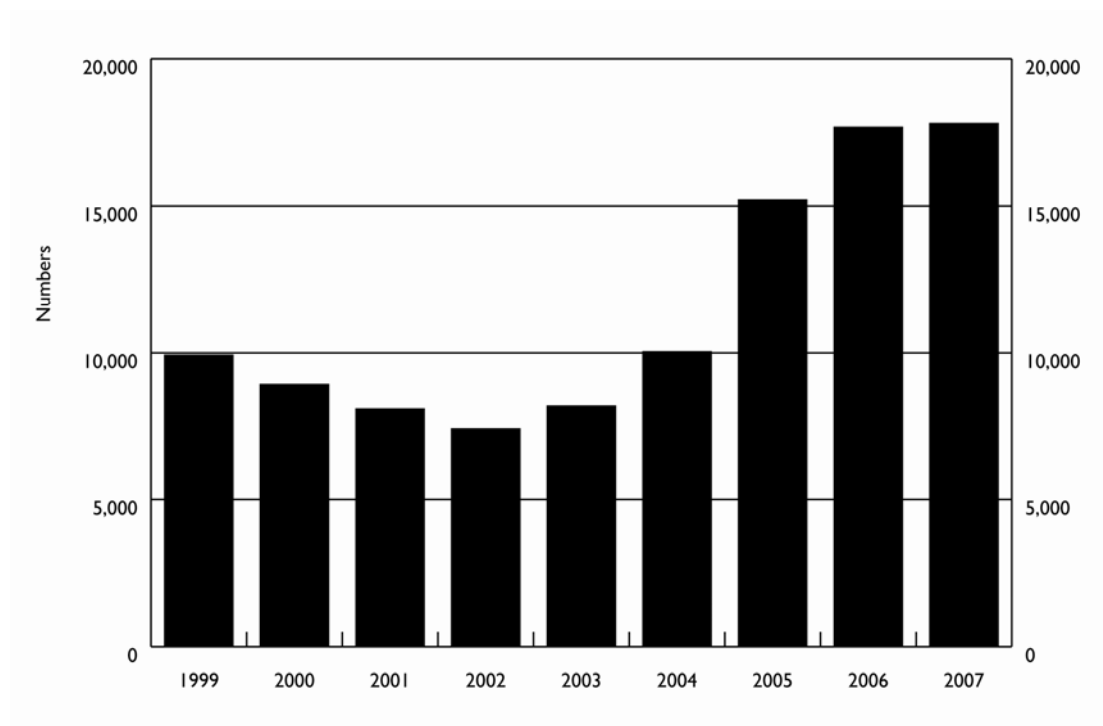
Source: Council for Mortgage Lenders

3.3 27,100 homes were taken into possession in the UK in 2007. This is a marked increase over the number in 2004 (8,200), but far short of the peak of 75,500 in 1991.

³ The CML is an industry body representing around 98% of the UK residential lending industry.

3.4 Data for the South East is available from the Ministry of Justice for the period since 1999. Figure 3 shows that 17,800 mortgage possession orders were made in the South East in 2007, compared to 7,400 in 2002 and 9,900 in 1999.

Figure 3: Mortgage Possession Orders, South East, 1999 to 2007



Source: Ministry of Justice

Notes: The data shows the number of orders for possession made by the county courts. Not all of the orders will be enforced. The data therefore does not show the number of properties actually taken into possession.

Alison Bailey
Planning Manager

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Contact: Alison Bailey, Planning Manager
Tel: 01483 555216
Email: alisonbailey@southeast-ra.gov.uk