

Nottinghamshire Economic Insight Issue 32: September 2012 Housing and property

National:

A broadly flat trend in house prices in the UK masks significant regional variations, according to the Royal Institution of Chartered Surveyors (Rics). It said that prices only rose in London in August, while dipping slightly on average across the UK. In the three months to August, surveyors sold on average 7.5% of the homes on their books per month. Northern Ireland, the West Midlands, and Yorkshire and Humberside recorded the biggest price falls.

BBC News Business (11.9.12), [House price changes 'are masked', says Rics](#), BBC © 2012

Planning permission approvals for new homes dramatically slipped by almost a third, suggesting Government measures to increase housebuilding and boost the construction industry may have failed to take hold. Consent for residential properties dropped by 32% in the second quarter of the year compared to the first three months, according to the Home Builders Federation and construction consultants Glenigan published in the Financial Times.

Rob Hastings, The Independent (10.9.12), [Housing planning approvals fall](#), © independent.co.uk

This is a written ministerial statement by Communities and Local Government Secretary Eric Pickles on 6 September 2012, on the Government's housing strategy. He announced a package that includes investment in the housing sector and reduction of red tape burdens in local planning.

Department for Communities and Local Government (CLG) (6.9.12), [Housing and growth: Written statement by the Rt Hon Eric Pickles MP](#), © Crown copyright

Ministers were at odds with town hall chiefs after the Government ordered an overhaul of planning rules designed to get tens of thousands more homes built. David Cameron and Nick Clegg hailed the move as crucial for breathing life into Britain's flat-lining economy as it would trigger a new round of house-building. However, the Local Government Association (LGA) countered that the block to construction projects was not planning red tape but the economy's weakness. It said planning permission had been granted for 400,000 projects, but developers and householders had not pressed ahead with them.

Nigel Morris and Oliver Wright, The Independent (6.9.12), [Ministers and town hall chiefs at odds after overhaul of planning rules](#), © independent.co.uk

These are the latest national statistics on statutory homelessness, for April to June 2012.

Department for Communities and Local Government (CLG) (6.9.12), [Statutory homelessness: April to June quarter 2012, England](#), © Crown copyright

House prices continued to "tread water" with values having dropped by 0.4% in August compared with July, the Halifax said. Prices dipped by 0.3% in the less volatile three-month on three-month measure of house prices. The 0.9% drop in prices annually meant the average UK home was valued at £160,256, it said.

BBC News Business (6.9.12), [UK house prices treading water, says the Halifax](#), BBC © 2012

Home owners will be allowed to build large conservatories and extensions without requiring planning permission, Prime Minister David Cameron was to announce, under plans to encourage a home improvements boom to stimulate the struggling economy. Households will be free to make major renovations without the cost or delay of seeking council approval under temporary rules intended to help the construction industry.

James Kirkup, The Telegraph (5.9.12), [David Cameron: build your way out of recession with home improvements](#), © Telegraph Media Group Limited 2012

House builders are sitting on hundreds of thousands of undeveloped plots of land which have planning permission for new homes, The Daily Telegraph disclosed. Analysis by the Local Government Association (LGA) showed they were 400,000 plots across England and Wales which had planning permission for work to start. The figure is around 25% higher than previously thought. Of the plots, actual building work had only started at half of the plots.

Christopher Hope, The Telegraph (5.9.12), [House builders sitting on 400,000 undeveloped plots of land with planning permission](#), © Telegraph Media Group Limited 2012

This briefing note presents a summary of key data sets and new Local Government Association (LGA) research to provide a factual analysis of the positive role the planning system is playing to bring forward investment and new housing developments.

Local Government Association (LGA) (4.9.12), [Planning for growth: LGA briefing note – 4 September 2012](#), © Local Government Association

Two thousand extra building projects every month have been given the green light by councils since the Coalition's controversial planning reforms were unveiled in spring 2012, according to figures obtained by The Daily Telegraph. They showed that the proportion of planning permissions being granted for new homes had also increased significantly since April 2012, when the hotly-debated National Planning Policy Framework came into force. The actual number of extra homes being approved is likely to be far higher because a significant proportion of the approved projects - around three in 10 - is likely to contain tens or even hundreds of new homes.

Christopher Hope, The Telegraph (4.9.12), [Exclusive: 2,000 new building projects approved every month since planning shake-up](#), © Telegraph Media Group Limited 2012

George Osborne's push to reform planning laws and allow building on green belt land came under attack from the country's most senior planning officer. Malcolm Sharp, president of the Planning Officers' Society, said the proposals would fail because developers' lack of finance and the weak state of the economy were the obstacles to building and not red tape.

Jason Groves, MailOnline (3.9.12), [Osborne's move to build on the green belt 'could backfire': Reforms hit wrong target says planning expert](#), © Associated Newspapers Ltd

Communities Secretary Eric Pickles approved a new measure that will increase the number of homes in town centres and help increase footfall on high streets. New planning rights will allow more flats to be created above shops without the need for planning permission. Two flats will be allowed to be created in office or storage space under new permitted development rights coming into force.

Department for Communities and Local Government (CLG) (1.9.12), [Common sense planning reform to create more homes and boost the high street](#), © Crown copyright

The Chancellor was preparing to make it easier for councils to relax protections over green belt land, encouraging business growth and boosting the economy. Under plans considered by Mr Osborne, the councils would no longer be required to hold a public inquiry if green belt land loses its protected status. The change would allow companies to site warehouses and other business units near to major roads and transport networks.

Christopher Hope and Robert Winnett, The Telegraph (31.8.12), [George Osborne's plans to relax controls on green belt could 'paralyse' planning system](#), © Telegraph Media Group Limited 2012

Ministers launched a battle against the scandal of 'beds in sheds', vowing to tackle rogue landlords who illegally let their outbuildings. Then housing minister Grant Shapps has given tough new powers to councils across Britain to stamp out the problem as he warned that the country was facing an explosion of 'suburban shanty towns'. Thousands of people are thought to be living in the makeshift dwellings often in a filthy condition including many illegal immigrants trying to lie low. Whole families often find living in cramped and squalid conditions in garden sheds without proper sanitation.

Martyn Brown, EXPRESS.co.uk (31.8.12), [Crackdown on 'beds in sheds'](#), © 2006-2012 Northern and Shell Media Publications

Mortgage approvals recovered slightly in August after plunging to an 18-month low, Bank of England figures showed. There were 47,312 approvals for house purchases in July, worth £7.1 billion. There were just over 44,000 in June, the lowest figure in a year and a half. However analysts said that weak credit growth was likely to continue acting as a brake on the economy for some time, despite the Bank of England and the Treasury's funding-for-lending" scheme to unclog the flow of credit.

this is Nottingham (31.8.12), [Mortgage approvals recover slightly](#), © 2012 Northcliffe Media Limited

House prices jumped a "surprising" 1.3% in August, the Nationwide building society said. It was the biggest monthly rise since January 2010 and left the average UK house price at £164,729. It meant prices are only 0.7% lower than a year ago, despite the recession and continued mortgage rationing. However, the society's chief economist, Robert Gardner, warned that "we should never read too much into one month's data".

BBC News Business (31.8.12), [House prices in 'surprising' jump, Nationwide says](#), BBC © 2012

Squatting in homes and all other residential building became criminalised for the first time in England and Wales from Saturday 1 September. It followed on from a public consultation the previous year on options for dealing with squatting and better protecting homeowners. The new offence will be punishable by a maximum prison term of up to six months, a maximum £5000 fine or both. Previously, the only option was to seek a civil court order to regain possession of the property, which could be time consuming, expensive and stressful.

Justice (31.8.12), [Squatting - new criminal offence](#), © Crown copyright

The number of mortgages approved for home buyers, but not yet lent, rose in July, the Bank of England said. There were 47,312 approvals in July 2012, up from 44,124 in June. However, this was still less than the monthly average of nearly 51,000 approvals recorded in the previous six months. The figures suggested that the banking industry's rationing of mortgage funds was still continuing.

BBC News Business (30.8.12), [Mortgage approvals still subdued, Bank of England says](#), BBC © 2012

House prices in England and Wales rose slightly in the past year, but demand for £1m-plus properties grew sharply, figures from the Land Registry showed. Prices rose by 0.3% in July compared with a year earlier and by 0.8% on the previous month. London saw the biggest rises, with prices up 6.5% on the year. The number of properties worth more than £1m sold in May in England and Wales more than doubled to 562 from a year earlier, the Registry added.

BBC News Business (29.8.12), [Sales of top-end houses jump, says Land Registry](#), BBC © 2012

This gives monthly transaction information in addition to the House Price Index for July 2012.

Land Registry (29.8.12), [July market trend data, including House Price Index](#), © Crown copyright 2012

Mortgage payments for qualifying borrowers are more affordable than at any time in the past 15 years, a report suggested. The Halifax said new homeowners need just over a quarter of take-home pay to cover loans, the lowest proportion of their disposable earnings since 1997. Halifax attributed the drop to record low interest rates and weak house prices in most parts of the UK. However it came after recent data revealed mortgage approvals at a 15-year low.

BBC News Business (27.8.12), [Mortgage affordability 'improving for new borrowers'](#), BBC © 2012

A report warned that millions of mortgage holders are effectively trapped in their homes because their deposits, or savings, have disappeared. Falling house prices over the previous five years have meant dramatic reductions in the amount of equity that homeowners possess. The report, by Lloyds TSB, said the trend was causing a bottle-neck in the housing market, and preventing many families from moving. The problem is particularly acute for so-called "second-steppers," people who managed to buy their first homes, but now want to move up the housing ladder, as their family expands.

Brian Milligan, BBC News Business (24.8.12), [The homeowners who cannot move home](#), BBC © 2012

The number of homes sold in the UK fell back in July, according to figures from HM Revenue & Customs (HMRC). There were 81,000 completed sales in July, down from 86,000 in June and 2,000 fewer than in July last year. However, sales so far in 2012 have been 9% higher than in the first seven months of 2011. Separately, the British Bankers' Association (BBA) said mortgage approvals rose 10% in July, which may indicate a rise in forthcoming sales. The BBA's members account for most mortgage lending in the UK.

BBC News Business (23.8.12), [Home sales fell back in July, says HMRC](#), BBC © 2012

This statistical release shows the number of dwellings that have been certified to the standards set out in the Code for Sustainable Homes.

Department for Communities and Local Government (CLG) (23.8.12), [Code for Sustainable Homes and Energy Performance of Buildings: Cumulative and quarterly data for England, Wales and Northern Ireland up to end of June 2012](#), © Crown copyright

This report summarises the results of Sir Adrian Montague's review of the barriers to institutional investment in private rented homes, which examined how best to encourage greater investment in rental properties and sought to explore the factors that might encourage institutions to invest in new homes for rent.

Department for Communities and Local Government (DCLG) (23.8.12), [Review of the barriers to institutional investment in private rented homes](#), © Crown copyright

Ministers are considering a new wave of publicly funded housebuilding to kick-start the ailing construction industry and ease the shortage of homes. Then housing minister, Grant Shapps, indicated his support for recommendations in a new government-commissioned report into the housing shortage which also proposes relaxing planning regulations that require developers to include social housing and allowing private investors to build on public land at no initial cost. The moves are designed to encourage a new round of construction, with taxpayers reaping the benefits when the homes are sold. The report, commissioned by the Government from the chairman of the 3i investment group, Sir Adrian Montague, and published on Thursday 23 August, will be taken even more seriously because of the urgent need for a boost to the economy to create jobs and confidence in the private sector. Mike Jones, chairman of the Local Government Association's environment and housing boards, said: "Any strategy to boost the number of new rental homes should not come at the expense of new affordable housing, and councils will in consultation with their residents always seek to ensure a suitable balance between the need for private rental property and new affordable homes."

Juliette Jowitt, theguardian (23.8.12), [Ministers consider new wave of publicly funded housebuilding](#), © 2012 Guardian News and Media Limited or its affiliated companies

Housing minister Grant Shapps announced that star of the British design industry, Sir Terence Conran, is to work with the Government to help create a new competition to give communities a chance to design their own neighbourhoods.

Department for Communities and Local Government (CLG) (22.8.12), [Sir Terence Conran joins drive to build higher quality homes](#), © Crown copyright

This page links to details of Homes and Communities Agency (HCA) land and property assets categorised by local authority area, type of asset, size and address. The land and property assets for September 2012 have been added.

Homes and Communities Agency (HCA) (21.8.12), [Homes and Communities Agency: Land and property assets](#), © Homes and Communities Agency 2008-2012

Persimmon, the country's biggest housebuilder, said that it had sold only 220 new homes under the NewBuy Guarantee scheme in the five months since it started. The Scheme was launched in March 2012 by the Government to help 100,000 people buy their "dream home". Under the scheme, would-be buyers are able to acquire properties with a deposit of just 5%, with the Government and housebuilders underwriting the mortgage. At the time of the launch Prime Minister David Cameron, said that the scheme would "unblock" the moribund housing market.

James Hall, The Telegraph (21.8.12), [UK's biggest housebuilder sells just 220 homes under Government's 'affordable' scheme](#), © Telegraph Media Group Limited 2012

Downing Street endorsed radical proposals for local authorities to sell expensive council homes worth millions of pounds and use the money to build cheaper housing elsewhere. The Prime Minister and Nick Clegg will consider expanding the initiative in a move which supporters say could create up to 340,000 construction jobs and generate billions of pounds for the economy. However, senior Liberal Democrats and council leaders raised concerns that the policy could force hundreds of thousands of disadvantaged families out of desirable neighbourhoods and into "ghettos". The warning came after Policy Exchange, a think-tank with links to senior Tories, called for a radical reform of social housing in England.

Tim Ross and Christopher Hope, The Telegraph (21.8.12), [Council housing sell off 'will create ghettos'](#), © Telegraph Media Group Limited 2012

Social housing providers own 2,586,115 homes, a 2.4% increase on the total for 2011 according to the Homes and Communities Agency's (HCA's) Statistical Data Return (SDR) which was published for the first time. The data comes from an annual survey completed by all Private Registered Providers (PRPs) in England and includes data on size and type of home, location and rents over the year. Additional data for providers with 1,000 homes or more include lettings during the year and Right to Buy sales and acquisitions. A link to the statistical data return 2011 – 2012 is contained in this article.

Homes & Communities Agency (HCA) (20.8.12), [HCA publishes Statistical Data Return for first time](#), © Homes and Communities Agency 2008-2012

House sellers dropped their asking prices by the biggest percentage ever recorded by a study for the month of August as would-be buyers became engrossed in the Olympics. Property search website Rightmove said that asking prices saw an "aggressive" 2.4% drop month-on-month to reach £236,260 on average, compared with a typical fall of 1.1% it has measured in August over the last 10 years. The website also saw plunges of up to 50% in its traffic at key Olympic moments as house-hunters became distracted by the sporting events.

The Telegraph (20.8.12), [House sellers cut asking prices](#), © Telegraph Media Group Limited 2012

The average rent paid by private tenants in England and Wales reached a new record high in July, of £725 a month, according to letting group LSL (which owns the Your Move and Reeds Rains property chains). It said average rents rose by 1% last month and were 2.9% higher than the previous year due to growing numbers unable to get a mortgage. The number of homes started by builders in England also fell again, to the lowest level for three years.

BBC News Business (20.8.12), [Rental costs in private sector 'at record', LSL says](#), BBC © 2012

UK housebuilder Bovis Homes reported a doubling of profit and increased its dividend after selling more homes at a higher average price. Pre-tax profits for the six months to 30 June were £16.2m, up from £8.1m in the same period last year. The Kent-based group said that the average sales price of homes completed was £164,400. Bovis said it expected the average sales price for 2012 to be about 6% higher than that achieved in 2011.

BBC News Business (20.8.12), [Bovis Homes sees profits double as sales increase](#), BBC © 2012

Total mortgage lending bounced back in July, according to the Council of Mortgage Lenders (CML). Lending to house buyers and people remortgaging rose by 8% from June to the highest monthly level this year of £12.7bn, with the figure up 2% from the same month the previous year. However, the CML warned that the figures should be treated cautiously. It said that behind the monthly "see-saw" pattern of lending, the housing market was still "broadly flat".

BBC News Business (20.8.12), [Mortgage lending rebounded in July, lenders say](#), BBC © 2012

Councils are being urged by then housing minister Grant Shapps to sell their most valuable houses and use the money to build hundreds of thousands of cheaper homes. It is hoped that the move could help revive the economy by creating thousands of construction jobs while cutting council-house waiting lists. His intervention was made as new research found that more than a fifth of council house tenants in England are living in homes worth more than the average privately-owned home in their areas. It follows the disclosure of a number of instances where houses valued at more than £1 million are let to social tenants while thousands of people are struggling to get on the property ladder.

Tim Ross and John Bingham, The Telegraph (19.8.12), [Councils told to sell most valuable houses to build more affordable homes](#), © Telegraph Media Group Limited 2012

Britain's resilient property market helped increase the UK's worth by 3.3% to £6.8 trillion despite the economy slipping back into recession, figures showed. The Office for National Statistics (ONS) said the UK's net value increased by £224 billion in 2011, meaning that every person in Britain is now worth £110,000. The rise came in spite of a dire year for the economy, which began contracting in the final quarter of 2011. Property values account for over half of household wealth as houses and flats have more than tripled in worth in 20 years.

this is Nottingham (17.8.12), [We're worth £110,000 each](#), © 2012 Northcliffe Media Limited

This report looks at how services can be managed in a way that prevents all households, regardless of whether they are families, couples, or single people, from reaching a crisis point where they are faced with homelessness.

Department for Communities and Local Government (16.8.12), [Making every contact count - A joint approach to preventing homelessness](#), © Crown copyright

This paper is intended to provide an initial overview of evidence held by Government and other organisations, including that already published, of the magnitude of financial costs to Government from homelessness. The paper describes the evidence currently available, with the aim of providing a basis for further research and analysis.

Department for Communities and Local Government (16.8.12), [Evidence review of the costs of homelessness](#), © Crown copyright

This is an official statistics release on homelessness prevention and relief in England that took place outside the homelessness statutory framework in 2011-12.

Department for Communities and Local Government (CLG) (16.8.12), [Homelessness prevention and relief - England 2011-12](#), © Crown copyright

The house building statistics report on the period April to June 2012 were released and updated those previously released on 17 May 2012.

Department for Communities and Local Government (16.8.12), [House building - June quarter 2012, England](#), © Crown copyright

Regional:

House prices increased last month across England and Wales, but the boost was driven by London while other regions including the East Midlands saw more modest rises and many areas saw prices fall, Land Registry figures showed. Prices rose 0.8% in July compared with the previous month to reach £162,900, an annual increase of 0.3%. The North West recorded the biggest year-on-year fall, with a 3.9% decrease taking typical prices to £109,235. Prices rose year on year by 0.4% in the East Midlands, 0.7% in the South East, and 0.8% in the East.

this is Nottingham (30.8.12), [Modest rise in house prices in East Midlands](#), © 2012 Northcliffe Media Limited

Local:

A public consultation on a multi-million-pound masterplan for a huge section of the town's Rolls-Royce site was due to take place during 13 – 15 September on the site. Nine hundred new homes are proposed and 1000,000 square metres will be earmarked for a business park which may create up to 2,000 jobs. A new community within Hucknall would be set up, including local shops, a neighbourhood pub, play areas and sports pitches, agricultural land and allotments, new footpaths and cycle paths – and even a new primary school. European funding will meet £7.5 million of the cost, with the lion's share of the required finance coming from Rolls-Royce, Hucknall's largest employer (800 people work at the Watnall Road plant).

Dispatch (Hucknall) (9.9.12), [Plan for hundreds of houses and new jobs go on show](#), © 2012 Johnston Publishing Ltd

The idea that councils should sell expensive social housing to fund the building of cheaper homes was described as a "complete non-starter" by Councillor Dave Liversidge, portfolio holder for housing, adults and the community sector, Nottingham City Council. He said that the theory, which was published by think tank Policy Exchange on Monday 20 August, would not work in Nottingham. The report, called Ending Expensive Social Tenants, claims that selling the most expensive council houses could raise £4.5 billion a year, allowing 170,000 affordable homes to be built. However, Mr Liversidge said there are not a significant number of council houses in Nottingham that are worth much more than the average house price and it would mean getting rid of good quality family housing, which the city needs.

this is Nottingham (21.8.12), [Idea to sell-off council houses in Nottingham 'a complete non-starter'](#),
© 2012 Northcliffe Media Limited

A total of 444 homes and 12,600 square metres of employment space are proposed on the former Cotgrave colliery site. Barratt Developments said more than 200 local jobs and training posts will be created, with the scheme expected to take about eight years to complete. Rushcliffe Borough Council and the Homes and Communities Agency, which has been given money by the Government to regenerate unused land, have worked together on the scheme.

this is Nottingham (15.8.12), [Nottingham Post - £100m deal agreed to build 444 homes on old Cotgrave colliery site](#),
© 2012 Northcliffe Media Limited

More than 160 homes could be created on the site of the old Kimberley Brewery. As well as the 164 homes, Leicester-based developers Alif Group say facilities on the site will create 100 jobs. Meanwhile around 100 further jobs could be created during the development of the site over a three year period. The brewery was sold to Alif Group in December 2010 and plans for the site have been put on public display.

this is Nottingham (8.8.12), [Homes plan for old brewery site](#), © 2012 Northcliffe Media Limited