

HAMPSHIRE RESIDENTIAL LAND SUPPLY 2020

This research offers an update on the quantitative supply position across Hampshire (including Southampton and Portsmouth) for the period 1 April to 30 September 2020 utilising the monitoring and analysis undertaken by Hampshire County Council's Land Supply Team.

KEY FINDINGS



Short-term decrease in commencements and completions perhaps due to construction challenges during Lockdown 1.0, Brexit uncertainties and market confidence.



The period observed largely reflective of a market where previously expressed demand is being met by supply that was already contractually committed to.



Historic data suggests that previous economic shocks have had a time lag before significant drops in housing completions.



Government interventions (suspension of stamp duty for the first £500,000 of purchase price and 'furlough scheme'), have enabled demand to continue to be expressed.

METHODOLOGY

The housing data contained within this report is a mixture of agreed annual figures up to the 1st April 2020 and from 1st April 2020 to 30th September are currently draft figures. In the case of progress updates (commencements and completions) the majority of the data has been derived from Building Control (BC) and National House-Building Council (NHBC) reports.

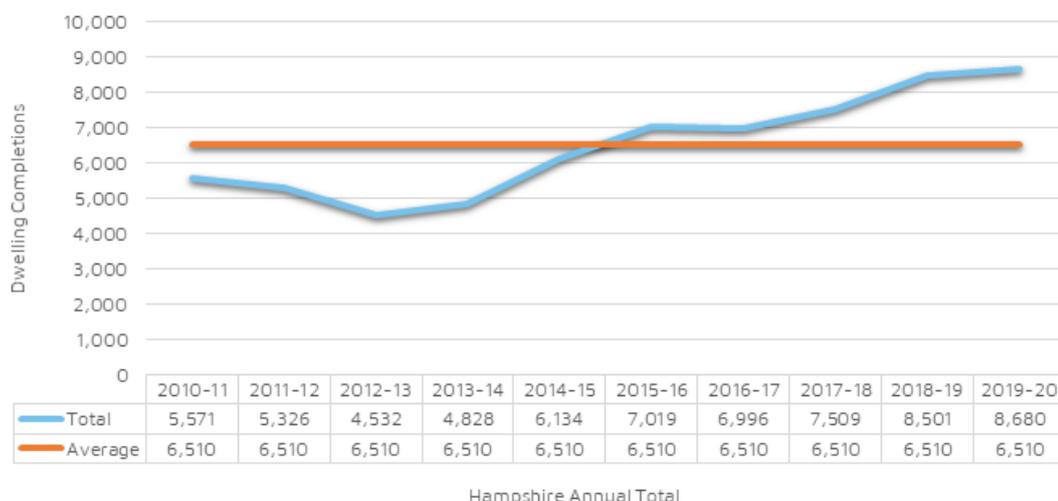
These reports have been supplemented sites visits undertaken on a handful of large housing sites (sites of 10 or more dwellings) in early October. The data for progress is therefore likely to be an undercount of the actual progress that has occurred between April and September 2020 but will be comparable with the data collected between April and September in previous years.

THE PICTURE PRE-2020

Dwelling completions in Hampshire for the previous two years (2018-19 and 2019-20) have been the highest observed for over 20 years. As shown in figure 1, the period between 2010 and 2020 saw an average of 6,510 dwellings completed per annum.

During this time, housing construction recovered from a low of 4,532 dwellings completed in 2012-13 to a high of 8,680 dwellings completed in 2019-20, a 91.5% increase.

Figure 1 - Dwelling Completion Total in Hampshire - Annual



91.5%
increase in residential
completions from 2012-13
to 2019-20

**EMERGING 2020 PICTURE
(APRIL - SEPTEMBER)**

Commencements



1,870 dwellings were recorded as commencing construction between April and September 2020. Two major housing sites formally commenced construction since 1st April. The first is Hounsome Fields in Basingstoke, for 750 dwellings in total, and the second is Land at Watery Lane in Church Crookham, Fleet, for 300 dwellings in total. The first plots for both sites were recorded as commencing in September 2020.

Permissions

Figure 3 below shows the number of new dwellings gaining planning permission each year between 2016 and 2020 in the months April to September. The graph shows an overall decline in new dwellings gaining permission across this time period. The exception to this was

2018 when the number of dwellings permitted spiked at over 7,000 dwellings within the 6-month period of April to September. This spike can be attributed to the outline permission being granted for 3,500 dwellings at North Whiteley in the Local Planning Authority of Winchester on the 30th July 2018.

Figure 3 - Number of New Dwellings Permitted (Apr-Sept)

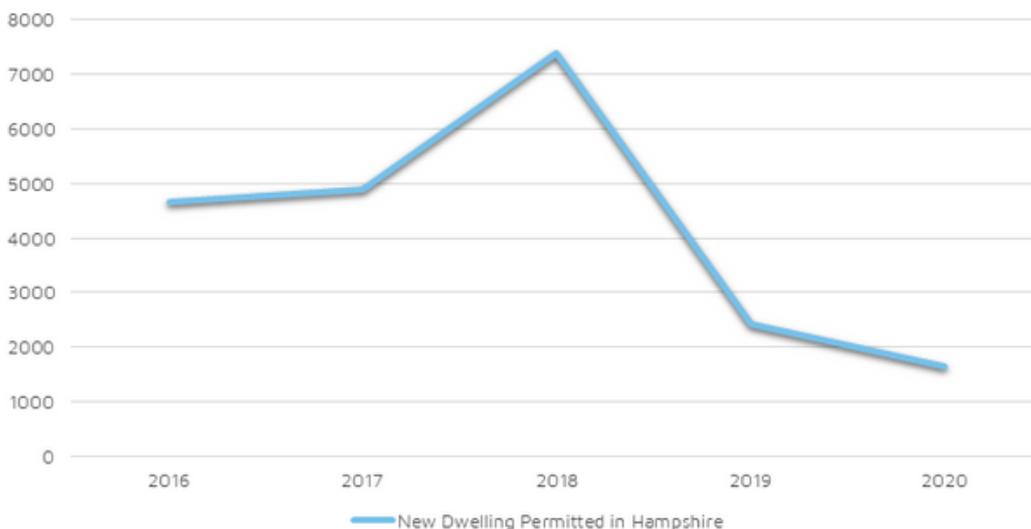
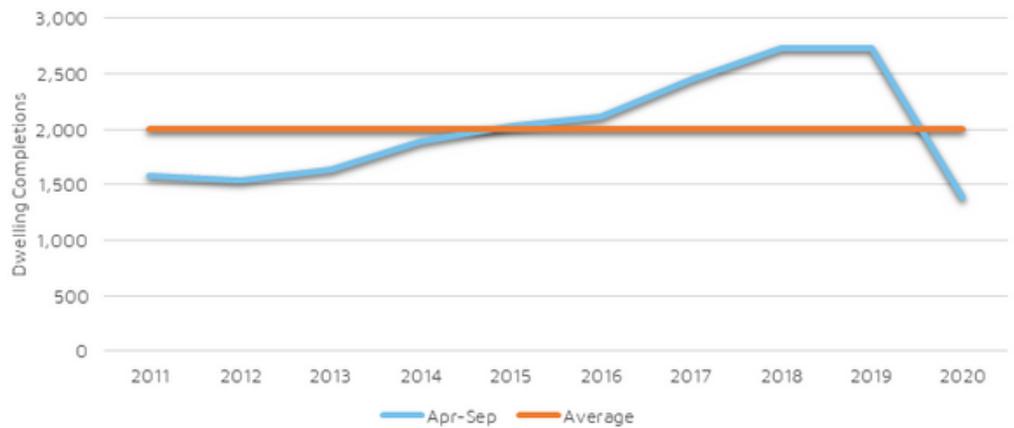


Figure 2 - Dwelling Completions Total in Hampshire - 2011-20 (Apr-Sept)



Completions



Figure 2 above shows completions observed between the months of April and September in each year from 2011-2020. There is a gradual annual increase

in completions observed from 2012 (Apr-Sep) through to 2019 (Apr-Sep) where more than 2,500 dwellings were recorded. The draft data for 2020 (Apr-Sep) shows a significant dip in the number of dwelling completions recorded to less than 1,500 dwellings, or a 49.5% decrease compared to 2019. The 10-year average between 2011 and 2020 was 2,009 dwellings completed per year.

Whilst the pandemic may have played a part in the decrease in 2020, it is likely that the nitrate neutrality issue has also had a considerable impact, especially in the south of Hampshire, as at 1st April 2020 there were over 45,500 dwellings with planning permission that had not been completed.



45,500

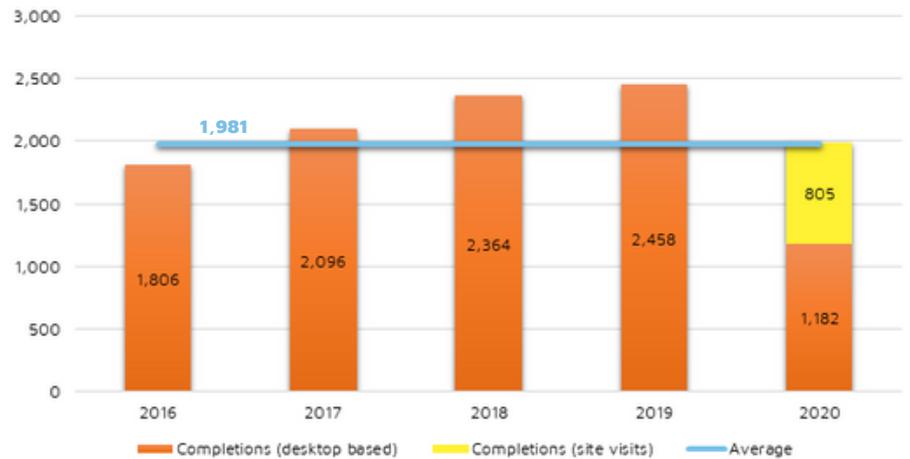
dwellings as of 1st April 2020 with planning permission that had not been completed

Large site completions

Figure 4 shows the number of completions recorded on large housing sites (sites of 10 or more dwellings) each year between 2016 and 2020 in the months April to September. For the April to September period a steady increase has been noted, with 1,806 dwelling completions being recorded in 2016 compared to 2,458 dwelling completions in 2019 (a 36% increase). Unsurprisingly, 2020 has seen a significant drop in dwelling completions recorded. 1,182 dwellings were recorded as completed through desktop research. A further 805 dwellings were identified as complete through undertaking site visits. The total of 1,987 dwellings completed represents a 19.1% decrease compared to the same period in 2019.

Clearly there is still a reduction in number of completed dwellings compared to previous years, however the build out of these dwellings is likely to have largely been committed to prior to the pandemic.

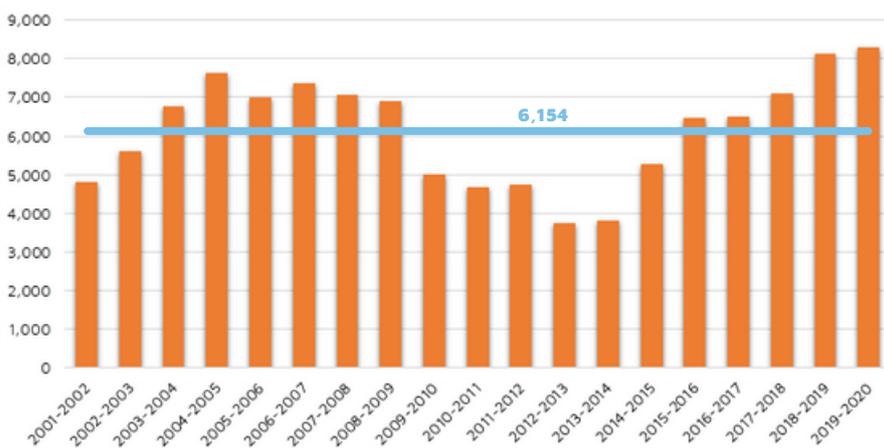
Figure 4 - Large Site Completions April - September



19.1%
 ↓
 decrease in dwelling completions recorded through desktop research

LESSONS FROM THE IMPACT OF PREVIOUS ECONOMIC SHOCKS

Figure 5 - Net Dwelling Completions in Hampshire between 2001-2020



Looking at the last recession may assist in providing us with a possible scenario of what may happen to house building this time around. The timeline of figure 5 covers the previous recession, which began in 2008, and clearly shows that whilst 2008/09 showed a small decline in dwelling completions compared to the previous year, it was the subsequent year (2009-2010) where the number of completions plummeted followed by further reductions until in 2012-2013 and 2013-2014 the completions were totalling less than 4,000 dwellings annually before rising again to over 5,000 in 2014-2015.

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