

Residential Planning & The NPPF

Special Report

May 2014

Prepared by Glenigan





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Glenigan's residential planning data has charted an upturn in successful planning applications in England following the introduction of the National Planning Policy Framework (NPPF). However Glenigan's analysis reveals that the rise in planning approvals has not been uniform and that the overall success rate of planning applications in England still falls short of that seen in other parts of the UK, especially for new build housing schemes.

The National Planning Policy Framework (NPPF) came into effect in England on 27 March 2012. Glenigan has analysed how planning applications have progressed through the planning system in England and in other parts of the UK over the last four years to assess whether the NPPF has helped to improve the delivery of land for residential development. Glenigan's analysis indicates that there has been a substantial increase in both the number and the proportion of new build residential schemes of securing planning approval over the last two years, with fewer applications being refused or withdrawn.

All residential applications

English local authorities gave approval to 194,700 planning applications last year. This is a 9% rise on the average number of approvals during 2010 and 2011, prior to the introduction of the NPPF. The vast majority of these projects, 92%, were for house extensions and one or two unit developments. Larger residential developments of 10 or more units accounted for 4,900 or 3% of approvals, with smaller housing developments of up to nine dwellings accounting for the remain 5%.

Table 1: All Residential Planning Applications in England

Number	Permission	Withdrawn	Refused
2010/11	174,982	13,141	31,920
2011/12	181,059	12,927	30,153
2012/13	187,506	13,100	30,388
2013/14	194,704	14,140	28,138

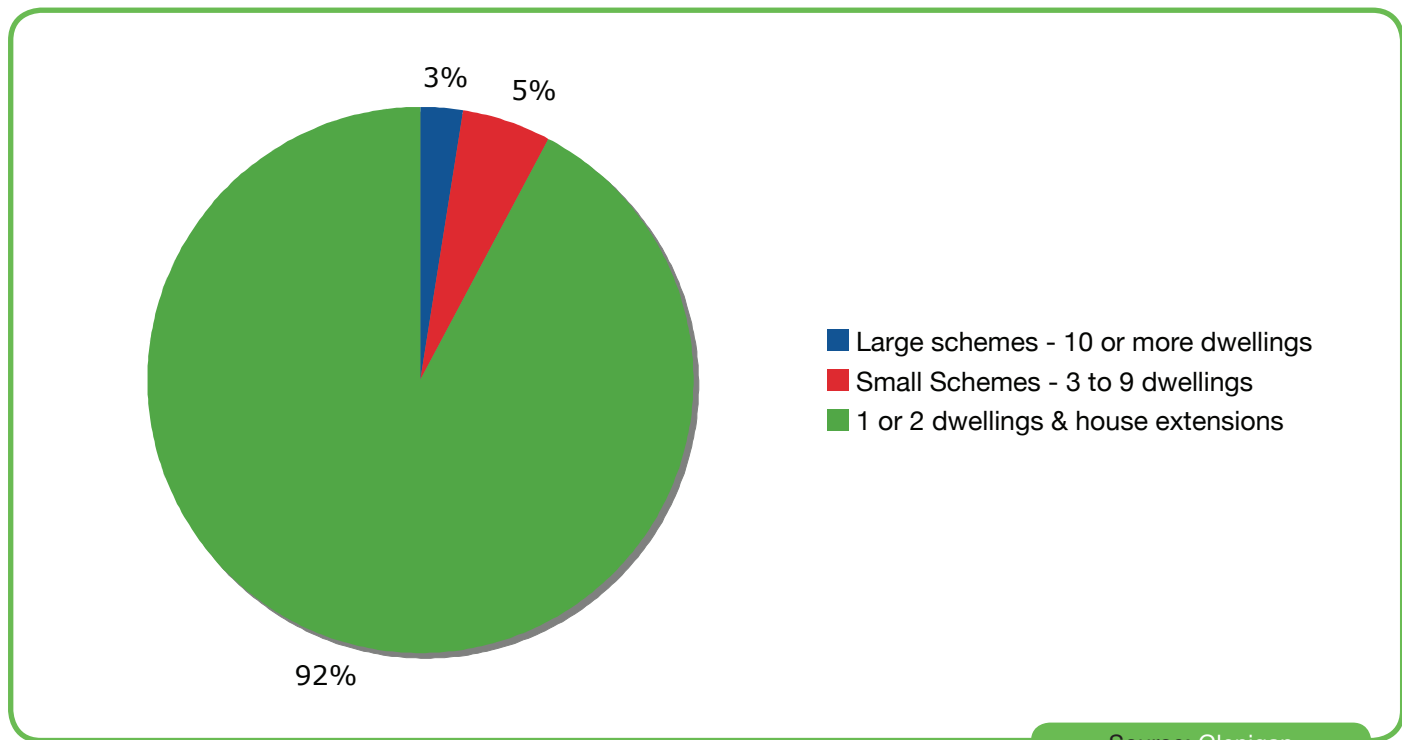
Source: Glenigan

On average, 82% of English residential planning applications were approved last year, while 12% were refused and 6% were withdrawn by the applicant before it reached the planning committee. The withdrawal rate is significant as applicants will often withdraw a proposal following discussion with council officers and an appraisal of the application's likely success.

This represents only a modest increase on the 80% of schemes approved during 2010 and 2011 and was due to a corresponding decline in refusals from 14% to 12% over the same period. Withdrawals remained unchanged at 6% of planning applications.

The increase in approval rates does appear to be attributable to the NPPF which only applies to England. The rate of planning approvals, at 89%, was unchanged in other parts and remains above the approval rate seen in England.

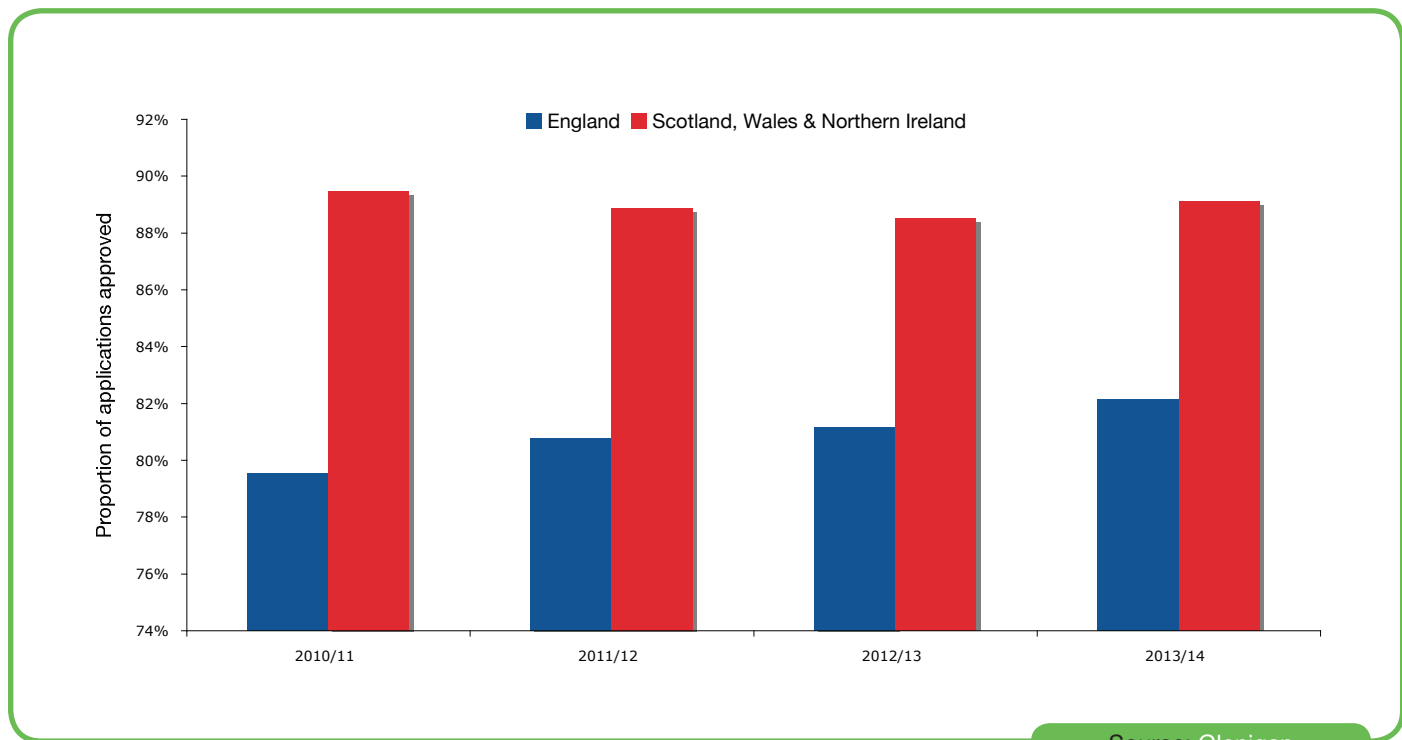
Chart 1: Residential Planning Approvals in England during 2013



Source: Glenigan

However, this relatively small change in overall approval rates masks more significant changes in the approval rates for small housing developments of three to nine dwellings and larger schemes of 10 or more dwellings.

Chart 2: Approval Rate for All Residential Schemes



Source: Glenigan

Larger residential developments

Glenigan analysis indicates that there has been a substantial increase in both the number and the proportion of larger residential schemes securing planning approval over the last two years, with a smaller proportion of applications being refused or withdrawn.

Table 2: Large¹ Residential Planning Applications in England

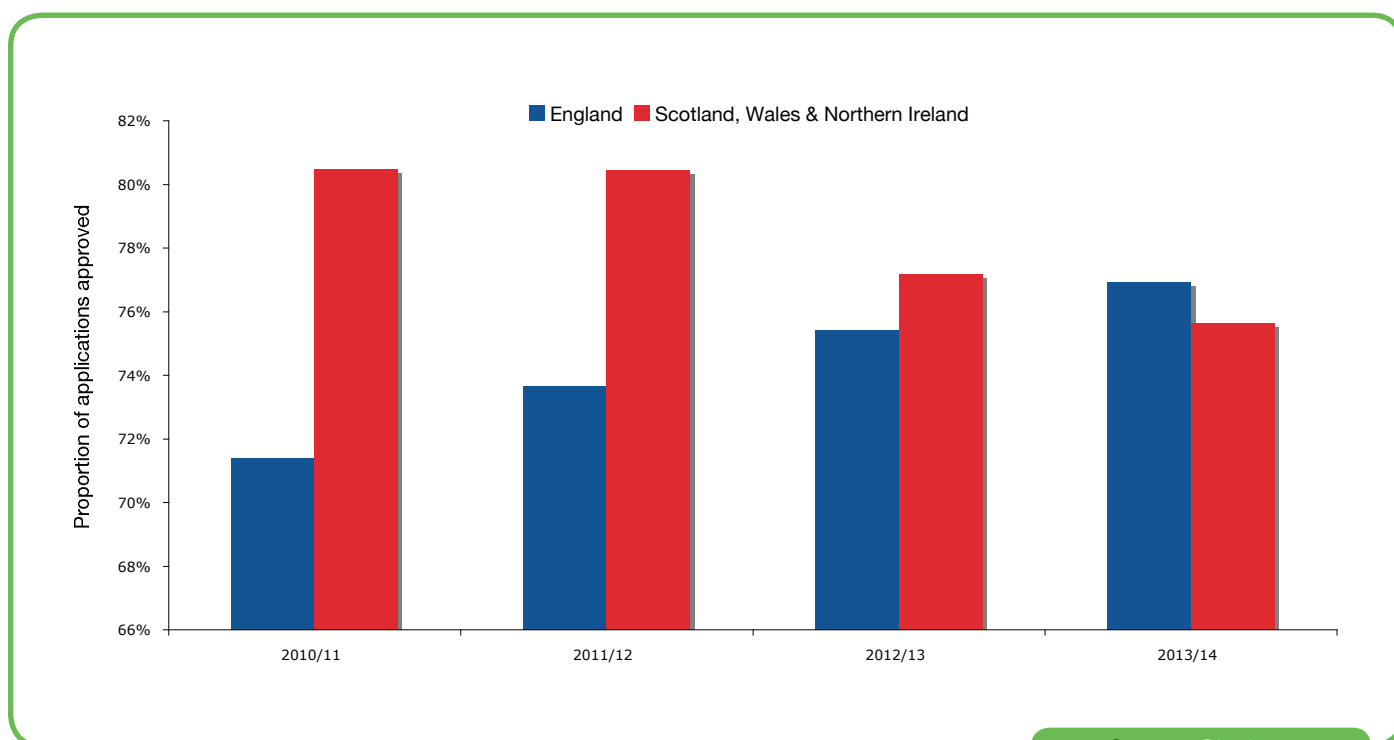
Number	Permission	Withdrawn	Refused
2010/11	3,956	729	855
2011/12	3,968	646	773
2012/13	4,135	634	715
2013/14	4,931	639	841

Source: Glenigan

At 4,900, the number of permissions granted last year for larger housing projects of 10 or more dwellings was 24% up on the average seen in 2010 and 2011. The rise will have been in part due to improving market conditions supporting an increase in applications. However over the same period the number of applications withdrawn fell by 7% to 640, while the number of refusals rose by only 3%.

Permission was granted on 77% of larger residential applications last year; up significantly from the 73% average approval rate seen prior to the NPPF in 2010 and 2011. Application withdrawals declined from 13% to 10% of planning outcomes while refusals dropped from 15% to 13%.

Chart 3: Approval Rate for Large Residential Schemes



Source: Glenigan

However, the analysis also found that the English approval rate is still substantially below that seen in other parts of the UK. On average English local authorities approved 77% of planning applications in 2013. While this is a marked increase on the 72% approval rate in 2010, it is still below the 80% long term average approval rate for local authorities in other parts of the UK, although the approval rate outside of England has fallen sharply over the last two years to 76% in 2013.

In addition there are wide variations between individual local authorities, with approval rates typically, but not exclusively higher across the Midlands and the north of England. Refusal rates are higher among a significant number of local authorities in London and the South East.

Smaller residential developments

The number of permissions for small residential schemes of three to nine units has also increased sharply since the introduction of the NPPF. Almost 10,500 applications were approved last year, a 29% rise on the annual average in 2010 and 2011. The number of withdrawn applications rose more slowly, growing by 18% to 1,800, while the number of refusals declined by 3% to 2,800.

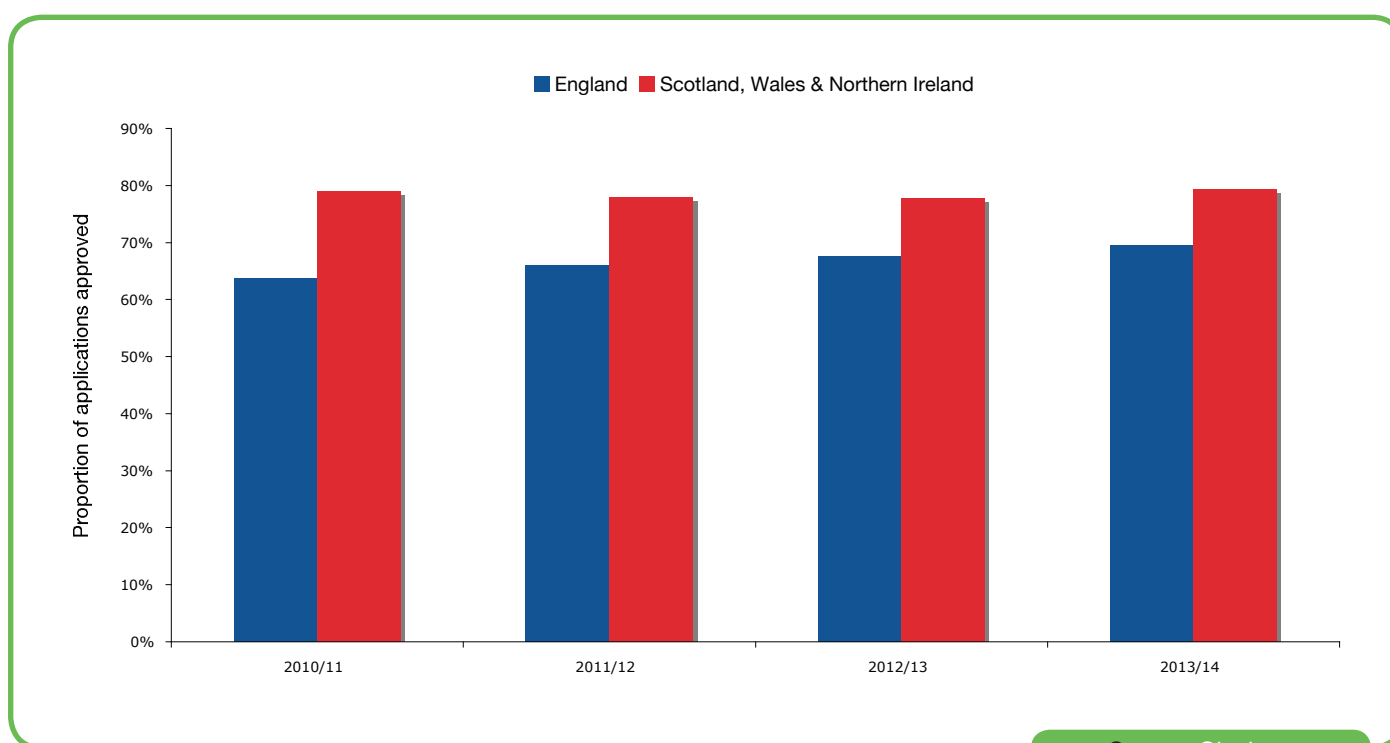
Table 3: Small Residential Planning Applications in England

Number	Permission	Withdrawn	Refused
2010/11	8,004	1,620	2,958
2011/12	8,214	1,492	2,741
2012/13	9,444	1,547	2,972
2013/14	10,474	1,836	2,778

Source: Glenigan

Nevertheless, the approval rate for small residential schemes remains far lower than for other types of residential development. Only 69% of smaller residential applications ended in approval last year; up on the 65% average approval rate seen in 2010 and 2011, but far short of that seen for larger developments (77%) and applications for one and two dwelling schemes and house extensions (83%). The proportion of smaller residential applications that were withdrawn was unchanged at 12%, while refusals accounted for 18% of planning outcomes in 2013 compared to 23% during the two years prior to the NPPF.

Chart 4: Approval Rate for Small Residential Schemes



Source: Glenigan

Approval rates for small residential applications varied significantly between the English regions. Approval rates were highest in the North West, with 83% of applications approved. In contrast approval rates were lowest in London and the South East at 61% and 64% respectively. Nationally the 69% approval rate in England was substantially lower than the 79% approval rate seen in other parts of the UK. The proportion of small residential applications that were withdrawn was broadly similar at 12% in England and 10% elsewhere in the UK; however the 18% refusal rate was markedly higher than the 11% average for Wales, Scotland and Northern Ireland.

One and two dwelling developments and house extensions

The vast majority of residential planning applications are for one or two dwelling developments and house extensions, accounting for around 90% of residential planning applications.

At 83%, the approval rate for such planning applications in 2013 was only slightly above the 81% approval rate seen for such developments during 2010 and 2011. Nevertheless the approval rate for such applications was still significantly higher than for small, 3 to 9 unit, developments (69%) or larger housing developments (77%).

At 11,665, 5% of applications for one and two dwellings and house extensions were withdrawn last year, unchanged on the proportion seen during each of the preceding three years. At 10%, the proportion of applications refused permission last year was slightly down on the 12% rate seen in 2010 and 2011.

Table 4: English Planning Applications for 1 & 2 dwellings & house extensions

Number	Permission	Withdrawn	Refused
2010/11	163,022	10,792	28,107
2011/12	168,877	10,789	26,639
2012/13	173,927	10,919	26,701
2013/14	179,299	11,665	24,519

Source: Glenigan

Approval rates for one and two dwelling developments and house extensions varied between the English regions. Outside of the capital approval rates varied from 83% in the South East and the East of England to 90% in the North East. However, the approval rate was far lower in London at only 75%.

Although the proportion of applications approved was far higher than for larger residential developments, at 83% the approval rate for these minor schemes was lower than 91% average approval rates seen elsewhere in the UK.

Summary

There has been a rise in the residential planning approval rates over the last two years. The increase has been driven by higher approval rates for new housing developments for small, three to nine units schemes and larger schemes of 10 or more units.

Table 5: Proportion of Residential Applications Approved during 2013/14 by English Region

	All residential	Large schemes - 10 or more dwellings	Small Schemes - 3 to 9 dwellings	1 or 2 dwellings & house extensions
East Midlands	86%	76%	74%	87%
East of England	82%	75%	69%	83%
London	74%	73%	61%	75%
North East	89%	81%	81%	90%
North West	86%	82%	78%	87%
South East	81%	70%	64%	83%
South West	84%	78%	70%	86%
West Midlands	87%	83%	76%	88%
Yorkshire & the Humber	85%	85%	78%	85%
England	82%	77%	69%	83%

Source: Glenigan

However as the table above sets out, a planning application's likelihood of success varies significantly by region and according to the size of the development. Strikingly, those parts of the England with the most stretched housing markets, London and the South East, are also the regions with the lowest approval rates. Furthermore the overall success rate of planning applications in England still falls short of that seen in other parts of the UK, especially for new build housing schemes.

Notes:

This report is based upon an analysis of housing projects being tracked by Glenigan and held on its database of construction projects. The following restrictions and filters apply to the analysis:

1. Larger residential applications are for developments of 10 or more dwellings. Small residential applications are for developments of three to nine dwellings.
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, elderly people's homes, hostels and student accommodation.
3. The analysis applies to applications at the detailed planning stage. In addition the analysis includes projects that have secured outline planning approval and where detailed consent is being sought through the approval of reserve matters. Permissions and refusals include decisions made at appeal.