

## Note on housing supply statistics in London

There are a range of official statistics on housing supply at both London and national level, with important differences in coverage and methodology between them.

### London Plan housing supply

The London Plan Annual Monitoring Report (AMR) monitors total housing supply for the purposes of the current London Plan as the sum of net conventional completions, net non-self-contained completions and the change in the number of long-term vacant homes. The most recent AMR was published in 2018 and reported that total housing supply by this definition was 45,505 in 2016/17.

### MHCLG net additional dwellings

Net conventional supply as reported in the London Plan AMR is measured in the same way as MHCLG's annual official statistics on 'net additional dwellings'<sup>1</sup>. These statistics are described by the government as "the most comprehensive estimate of housing supply"<sup>2</sup> and are the basis for assessing progress towards its target of building 300,000 homes in England by the mid 2020s.

The net additions statistics for London boroughs are taken from data provided to MHCLG by the GLA from the London Development Database (also the source for the AMR). However, differences between the two can emerge over time as historic AMR figures are revised when new data becomes available, while the MHCLG net additions statistics are only revised every decade when new Census data is published. By the time the latest AMR was published there was already a difference between its 2016/17 net conventional completions figure of 41,371 and the net additions figure of 39,560 published several months previously by MHCLG.

In addition to these official measures of housing supply, other sources of statistics are often referred to because they provide a more timely, frequent or detailed picture of housing supply.

### MHCLG house building statistics

MHCLG's statistics on "House building: new build dwellings"<sup>3</sup> are widely cited, including by the Centre for London in its *London Intelligence* report<sup>4</sup>. These statistics have the merit of providing a relatively consistent measure at a local level over several decades and a breakdown of starts and completions between different types of provider.

However, there are also serious concerns about the quality and accuracy of these statistics. The Office for Statistics Regulation reported in 2017 that "There is a widespread view that quarterly statistics on house building in England and Wales undercount the number of houses built"<sup>5</sup>, and in June 2018 MHCLG published an action plan setting out a number of steps to improve them<sup>6</sup>.

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<sup>1</sup> <https://www.gov.uk/government/collections/net-supply-of-housing>

<sup>2</sup> <https://www.gov.uk/government/publications/guide-to-mhclg-housing-statistics/guide-to-mhclg-housing-statistics>

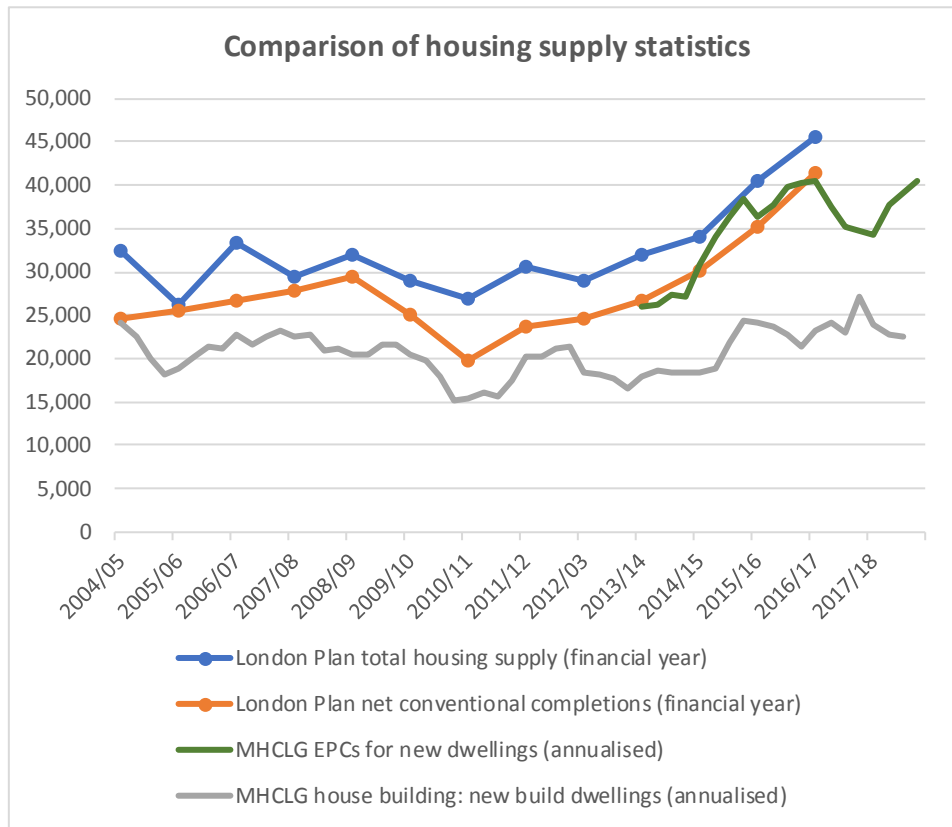
<sup>3</sup> <https://www.gov.uk/government/collections/house-building-statistics>

<sup>4</sup> <https://www.centreforlondon.org/reader/the-london-intelligence-issue-7/housing-delivery/>

<sup>5</sup> "Systemic Review of Statistics on Housing and Planning in the UK", <https://www.statisticsauthority.gov.uk/publication/public-value-of-statistics-on-housing-and-planning-in-the-uk/>

<sup>6</sup> "Improving the measurement of new homes built: An action plan" <https://www.gov.uk/government/publications/improving-the-measurement-of-new-homes-built-action-plan>

MHCLG now describes the house building statistics as simply a “leading indicator” of housebuilding<sup>7</sup>, but a simple comparison of trends in completions in London between different statistics suggests that even for this purpose their usefulness may be limited. The chart below shows that the gap between annualised completions as measured by the house building statistics and as measured by net conventional completions or the total London Plan housing supply figure has widened considerably in recent years, a pattern that is also seen at national level<sup>8</sup>.



### Energy Performance Certificates for new dwellings

The chart also includes the annualised number of Energy Performance Certificates (EPCs) for new dwellings in London, taken from another set of MHCLG statistics<sup>9</sup>. These figures are relatively new, but both London and national level seem to provide a more accurate leading indicator of net conventional completions / net additional homes than the quarterly house building statistics. MHCLG’s own statistical release on housebuilding describes EPC statistics as providing “a broader measure of total new dwellings each quarter than new build dwelling figures and ... a useful indicator of the annual net additional dwellings statistics”<sup>10</sup>.

As the chart shows, housing supply as measured by EPCs fell in 2017/18, a fact also reflected in MHCLG’s net additions statistics. However, more quarterly EPC figures indicate a revival, with the annualised total rising from 34,239 in Q1 2018 to 40,568 in Q4 2018.

<sup>7</sup> <https://www.gov.uk/government/publications/guide-to-mhclg-housing-statistics/guide-to-mhclg-housing-statistics>

<sup>8</sup> See House of Commons Library, “Tackling the under-supply of housing in England”, p15

<sup>9</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates>

<sup>10</sup> “House building: new build dwellings, England: July to September 2018”, p13 <https://www.gov.uk/government/statistics/house-building-new-build-dwellings-england-july-to-september-2018>