

## Q & A: CONSTRUCTION, STATISTICS & THE ECONOMY

### **How many dwellings are built each year?**

According to DCLG, housing completions in England totaled 108,200 in the financial year 2012/13.

#### **Question answered?**

Not quite. The 108,200 refers to the number of new build housing completions. It does not include conversions and change of use.

#### **Can you explain those categories?**

A conversion is where one dwelling is converted into multiple dwellings, for instance a large Victorian house converted into flats. Change of use is where a non-residential building is converted into a dwelling, or dwellings, for instance, a pub converted into a house or flats.

#### **Right, so how many of those dwellings were completed in 2012/13?**

Data for 2012/13 are not yet available, but in 2011/12 close to 18,900 such units were built, of which 5,240 were conversions, 12,590 change of use, and 1,100 other.

#### **How many conversions etc. do you think were built in 2012/13?**

We estimate that 16,200 such residential units were built in 2012/13.

#### **How did you arrive at that number?**

Conversions etc. typically account for close to 13% of total residential building in England. We have projected that percentage into 2012/13.

#### **So what was the total number of residential units built in 2012/13?**

If we add new build completions of 108,200, to the estimated 16,200 conversions &

change of use etc., we end up with a total of 124,400.

#### **How does that compare with the peak?**

In 2007/08, 228,000 residential units were built in England. New build completions accounted for 200,300, and conversions, change of use & other the remainder (close to 27,700).

#### **Change of use and conversions etc. at around 13% of the market – they will never be a major source of supply!**

It certainly appears that way as they have followed the market, increasing in number in good times, and declining in bad times, although one should never say never.

#### **On what grounds can we envisage change of use etc. gaining market share?**

Just as those building new houses have increasingly used brown or second-hand land, so growth in the supply of second-hand buildings raises possibilities for more housing, via change of use in particular.

#### **Can you give examples of the increasing supply of second-hand empty space?**

Certainly: over the past ten years close to 10,000 pubs have closed; there are more than 35,000 empty shops; an increasing number of independent hotels are closing.

#### **What can we learn from this?**

We build more residential units than headline numbers suggest, and there is more to housing supply than new build. New build does dominate the market at around 87%, but population growth alongside income stagnation, expensive housing, and a limited land supply will no doubt stimulate new thinking. As an American economist noted, new ideas often need old buildings.

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