



Llywodraeth Cymru
Welsh Government

BACKGROUND, DOCUMENT

New house building: quality report

This report covers the general principles and processes leading up to the production of our new house building statistics.

First published: 3 August 2023

Last updated: 25 July 2024

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Glossary

Dwelling

A dwelling is a self-contained unit of accommodation. A self-contained dwelling is accommodation occupied by a household with exclusive use of bath/shower, inside WC and some cooking facilities. A dwelling can therefore house a single household or a number of households which share at least one of the basic facilities but do not share living accommodation.

New house building

In Wales, new house building is undertaken by the private sector, RSLs and local authorities. Local authorities and the National House Building Council (NHBC) provide information on the progress of new house building in each sector, in respect of dwellings inspected by them under Building Control Regulations. It does not currently include information from other private approved inspectors.

Private approved inspectors

In addition to local authorities and the NHBC, house building starts and completions can be certified by other independent Approved Inspectors known as Private Approved Inspectors (PAIs).

Registered Social Landlords (RSLs)

RSLs are organisations that provide and manage properties for people who

would otherwise be unable to afford to rent or buy privately. Social landlords must be registered with the Welsh Government and are inspected on a regular basis to maintain a good standard of management.

Starts

A dwelling or conversion is defined as 'started' when work commences and the requirements of the building regulations apply (e.g., excavation of foundations, drainage, structural alterations).

Completions

A dwelling is defined as completed when a completion notice has been served and when it has become ready for occupation.

Quality information

Users and uses

The information is used by the Welsh Government and local authorities to assess levels of housing supply across Wales to indicate whether housing need is being met and forms part of the evidence base for the development and evaluation of housing policy by central and local government.

Housing stock data are also used by the Welsh Government for calculating dwelling stock estimates at a local authority and all Wales level. For detailed methodology and quality information please see [Dwelling stock estimates](#).

Local authorities use the information to develop their Local Housing Market

Assessments; for benchmarking; for evidencing how housing need and demand is being met locally; and for assessing future requirement and need in order to plan and allocate resources effectively.

The information is also used as evidence for other housing market analysts, forecasters and decision makers, for example at the Bank of England and in the construction and banking industries, and for market research by a wide range of other businesses. They are used by the media in reports on the housing market, and by academics both in the UK and abroad.

More generally the information is used for:

- monitoring housing trends
- policy development
- advice to Ministers
- informing debate in the Senedd Cymru and beyond
- geographic profiling, comparisons and benchmarking.

Data source and coverage

New house building

New house building data is collected on a quarterly basis from all 22 local authorities and the NHBC. Information is collected via Excel spreadsheets downloaded from the Afon file transfer website which provides a secure method for users to submit data. The New house building collection does not cover dwellings certified by other PAIs (only local authorities and the NHBC). The exclusion of dwellings certified by other PAIs will lead to a small undercount in the overall count of new dwellings started and completed.

Total dwelling stock

Estimates of the total dwelling stock are calculated annually by the Welsh Government and are based on data from the population censuses. Estimates from the censuses are updated annually to take account of new house building and demolitions. The breakdown of stock estimates by tenure is estimated from the Annual Population Survey (APS), local authority returns and RSL returns.

The most recently published **Dwelling stock estimates** relate to 31 March 2023. These estimates have been described in the 'Wider context' section of the Statistical First Release and used to calculate the rate of new house building per 1,000 existing dwellings.

Impact of the coronavirus (COVID-19) pandemic

Due to the COVID-19 pandemic, quarterly data for the following periods was not collected:

- January to March 2020
- April to June 2020
- July to September 2020
- October to December 2020
- January to March 2021

Whilst quarterly data for the 2020-21 period was not collected, annual figures for 2020-21 were published in July 2022.

The onset of the Coronavirus (Covid-19) pandemic in March 2020 and the subsequent public health measures introduced by the UK and Welsh Governments had a substantial impact on the construction industry in the early stages of the pandemic, leading to a decline in new house building numbers.

The **Construction Output in Great Britain: April 2020 (ONS)** highlighted a 41% fall in new work across Great Britain, largely driven by a record month-on-month decline in private new housing. However, analysis of **Short-term output indicators: October to December 2022** indicates that the Construction Index has recovered in Wales, recently exceeding pre-pandemic levels.

Accuracy

The figures provided by local authorities and the NHBC are from records kept for building control purposes. RSLs are increasingly making use of design/build procurement, where the contractor is responsible for obtaining all building consents. It is sometimes difficult for the building control officers who record the data to identify whether a dwelling is being built for an RSL or for a private developer, which may lead to an under-count of RSL dwellings and an over-count for the private sector dwellings. For this reason, tenure breakdowns should be treated with caution. We are continuing to explore how we can improve the quality assurance of new house building data as part of wider work assessing the feasibility of using administrative data to estimate dwelling stock. We plan on publishing an update on this work later in 2024.

Gwynedd were unable to provide data for Quarter 4 of 2023-24 (January to March 2024). To produce an estimate for Gwynedd for the whole financial year, the numbers of new dwellings started and completed in Quarter 4 have been imputed. Data provided for Quarter 1 to Quarter 3 of 2023-24 for Gwynedd has been averaged and used in place of Quarter 4.

Revisions

Revisions can arise when a data supplier notifies the Welsh Government that they have submitted incorrect information and corrects this. Occasionally, revisions can occur due to errors in our statistical processes. In these cases, a

judgement is made as to whether the change is significant enough to publish a revised statistical release. Where changes are not deemed to be significant (i.e. minor changes), these will be updated in the next statistical headline. However, minor amendments to the figures may be reflected in the StatsWales tables prior to that next release.

Revised data is marked with an (r) in the statistical release. We also follow the [Welsh Government's statistical revisions policy](#).

Accessibility

More detailed information on new house building in Wales including breakdowns by local authority is available to download from [New house building \(StatsWales\)](#).

Official Statistics status

All official statistics should show the standards of the [Code of Practice for Statistics](#).

These are accredited official statistics, published by the Welsh Government. They were independently reviewed by the Office for Statistics Regulation (OSR) in November 2012. They comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics.

It is Welsh Government's responsibility to maintain compliance with the standards expected of accreditation. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with OSR promptly. Accreditation can be cancelled or suspended at any point when the highest standards are not maintained, and reinstated when standards are restored.

Accredited official statistics are called National Statistics in the Statistics and Registration Service Act 2007.

Statement of compliance with the Code of Practice for Statistics

Our statistical practice is regulated by the OSR. OSR sets the standards of trustworthiness, quality and value in the Code of Practice for Statistics that all producers of official statistics should adhere to.

All of our statistics are produced and published in accordance with a number of statements and protocols to enhance trustworthiness, quality and value. These are set out in the Welsh Government's [Statement of Compliance](#).

These [accredited official statistics \(OSR\)](#) demonstrate the standards expected around trustworthiness, quality and public value in the following ways.

Trustworthiness: we have made these statistics available in a timely manner to meet user needs. We have followed relevant protocols for releasing these statistics, ensuring that circulation before publication has been restricted to eligible recipients only.

Quality: we have made the limitations of this data clear to users (for example, highlighting that building activity by some PAIs is not captured, resulting in a small undercount of new build starts and completions). We intend to publish an article later in 2024 exploring the feasibility of using administrative to complement and quality assure housing supply statistics.

Value: we have made every effort to ensure these statistics are accessible to users, using clear and succinct language. We welcome any feedback on how we can improve the value of these statistics.

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You are welcome to contact us directly with any comments about how we meet these standards. Alternatively, you can contact OSR by emailing regulation@statistics.gov.uk or via the OSR website.

Well-being of Future Generations Act

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act puts in place seven wellbeing goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016.

Information on the indicators, along with narratives for each of the wellbeing goals and associated technical information is available in the [Wellbeing of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local wellbeing assessments and local wellbeing plans.

Coherence with other statistics

Affordable housing

Affordable housing provision publications indicate the number of additional affordable housing units provided across Wales. Affordable housing applies to housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers as defined in **Technical Advice Note (TAN) 2 Planning and Affordable Housing (2006)**. Affordable housing figures include social rented housing that is provided by local authorities and RSLs as well as intermediate housing, where prices or rents are above those of social rent, but below market housing prices or rents. This includes not just those homes which are newly built but also those purchased, acquired or leased by social landlords during the year, and any additional units created following the conversion of existing dwellings. They do not take account of any loss of affordable housing stock through demolitions or sales during the year. In the case of conversions, only the net gain will be included.

Dwelling stock estimates

Dwelling stock estimates, which are calculated using data from the population censuses, are typically published on an annual basis. The latest data relates to 31 March 2023.

Help to Buy - Wales

Help to Buy - Wales is a shared equity loan scheme introduced on 2 January 2014 designed to support home ownership, stimulate building activity and

provide a boost to the housing sector and wider economy. Under the scheme, loans are available to buyers wishing to purchase a new-build property worth up to £250,000 (prior to 1 April 2021, the maximum property value was £300,000). Help to Buy – Wales support is available to all home buyers (not just first-time buyers) who wish to purchase a new home but may be constrained in doing so (for example, as a result of deposit requirements), but who could otherwise be expected to repay a mortgage. Data on homes purchased using Help to Buy – Wales can be viewed in [Help to Buy - Wales \(Shared Equity Loan Scheme\)](#).

New house building across the UK

Each of the countries of the UK produces its own statistics on new house building, broadly using consistent definitions for starts and completions. Previously, all four nations have collected starts and completions data by three types of tenure (private sector, housing association and local authority), however, Wales has not collected this split for dwelling starts since 2011-12.

As in Wales, some starts and completions by housing associations in England can be misreported as private enterprise starts, because it is sometimes difficult for data providers to identify the intended tenure of a dwelling. This is not thought to be a problem in Scotland, where data on housing association house building are collected directly from the Affordable Housing Supply Programme (AHSP) administration system, rather than from building inspection teams. Due to data quality considerations, Scotland currently uses housing association new build approvals as a proxy for housing association new build starts, however it may be possible for Scotland to move to reporting on starts in the future. In Northern Ireland, the date of a new dwelling start is the date that the first building control inspection takes place, rather than when the foundations are laid.

In Scotland and England, a small proportion of data is imputed for missing responses.

A **cross GSS programme of work (Government Analysis Function)** to improve the coherence, functionality and accessibility of housing statistics is published annually.

England

The Department for Levelling Up, Housing and Communities (DLUHC) is responsible for publishing **Housing supply: indicators of new of new supply statistics (DLUHC)** for England. Information is currently available up to March 2024. The 'new build dwelling' figures are based on building control inspection data submitted to the Department by local authorities, the NHBC and other independent approved building control inspectors.

DLUHC also publish **Housing supply: net additional dwellings (DLUHC)** which is the primary measure of housing supply and tracks changes in the size of dwelling stock due to new builds, conversions, changes of use and demolitions. Data is currently available up to 2022-23. New build data collected for 'net additions dwellings' is more comprehensive, as collection is over a longer time period, is based on all available evidence (e.g., site visits, council tax records, planning databases, building control records and any other sources), and may pick up some elements missing from the quarterly building control collections.

Scotland

The **Housing Statistics for Scotland Quarterly Update: New Housebuilding and Affordable Housing Supply (Scottish Government)** publication presents information on new house building in Scotland. Statistics on private sector and local authority led new build activity are sourced from local authority administrative systems, based on their building inspector data. Counts of the number of dwellings are included as they are started and completed each

quarter, irrespective of whether the whole site is completed. Statistics on activity undertaken by RSLs are sourced from the AHSP administration system. This records activity on all projects which receive some form of government funding. The latest data on all new house building activity in Scotland is available up to March 2023.

Northern Ireland

Northern Ireland collect and publish quarterly information on new house building from two different sources:

- Dwellings started and completed by development type (Private owner/ speculative development and Social Housing Development) as provided to Land & Property Services (LPS) by local authority Building Control Northern Ireland.
- Housing Association starts and completions under the Social Housing Development Programme (SHDP), managed by the Northern Ireland Housing Executive (NIHE).

The latest quarterly information is published in [Northern Ireland Housing Bulletin January to March 2023 \(Northern Ireland Statistics and Research Agency \(NISRA\)\)](#). Building control start and completion figures and SHDP start and completion figures will often differ due to a difference in the recording criteria. More information is provided in the [accompanying Appendix \(NISRA\)](#). New house building data can be viewed Section 1 of the annual compendium [Northern Ireland Housing Statistics 2022-23 \(NISRA\)](#) and [New dwelling statistics \(NISRA\)](#).

NHBC registrations

The NHBC also publish regular statistics about the number of new builds

registered for their NHBC ten-year warranty in the UK. Their statistics indicate that NHBC provide warranties on approximately 80% of new homes built in the UK. House builders registered with NHBC are required to register houses with NHBC at least 21 days before building starts.

Whilst NHBC calculate registrations as the number of homes registered, less a small percentage reduction to allow for likely cancellations, they do not represent the actual number of houses started in a period. The NHBC registrations also do not include any registrations made with other private approved inspectors or with local authorities.

The NHBC publish quarterly new home registration statistics for the 4 UK nations and English regions as well as an annual review. Whilst the overall pattern of NHBC registrations from 2005 is similar to official statistics on new house building starts, the actual number of registrations and the year-on-year changes can differ considerably. **NHBC data (NHBC)** show there were 5,065 new housing registrations in Wales during the 2022 calendar year, up 22% on the previous year. This compares with annual increases of 27% in England, 22% in Scotland and a decrease of 13% in Northern Ireland (including the Isle of Man).

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