The Residual.

UK housing, read from the land up. Builders, land, rates and planning, every week.

Issue 1
Wednesday 18 November 2026
Covers news to 17 November

THE LEAD

Three thousand consents, and barely a crane

Bournemouth has a planning permission problem, and it isn't a shortage. The council's own land-supply report counts **3,118 homes with permission but not completed in Bournemouth Central ward alone** (at March 2025). That is a third of the total for the whole of Bournemouth, Christchurch and Poole, and it is mostly large brownfield flat schemes. Across the 21 biggest of them, the council counted **2,747 homes not started and just 170 under construction**.

Walk the town centre and you can name most of them. The story behind each is much the same. The site was bought when flats sold well and money was cheap. Since then, build costs have risen by something like 40% on our local estimates. Flat values have slipped. And the question nobody wants to ask at a viability meeting has become the only one that matters: *who buys 80 flats in one block, in this market, at a price that pays?*

It isn't just Bournemouth. A survey of 62 councils this spring found only **52%** of the homes they had approved since 2012 had been built, with **over 200,000** holding valid permission and not started. Meanwhile new permissions in England fell to **45,315 in Q2 2026, the lowest quarter since 2012**. Yet building starts were **up 20% on a year earlier**. This year's starts are coming out of the old consented stock, not new permissions.

> *In Bournemouth, permission isn't scarce. A scheme that pays is.*

That is good news for anyone who can make a scheme work. BCP has about 2.5 years of housing land supply and no new local plan before 2028 at the earliest, so the presumption in favour of sustainable development applies. Re-planning a stuck scheme (lower rise, houses instead of flats, a different tenure) is easier than most landowners assume. The value is no longer in getting a consent. It is in getting the *right* one.

THE RESIDUAL, IN ONE BOX

From the council's viability report on a real Bournemouth site

Sales value, minus every cost and a normal profit, leaves the **residual**: what a developer can afford to pay for the land. It's also where this newsletter gets its name.

About 80 flats: one of the schemes behind those 3,000 homes.

Sales value	£21.53m
Build cost	−£16.00m
Fees, finance, sales, levies	−£3.96m
Developer's profit	−£3.00m
Residual, 40% affordable	**−£1.43m**
Residual, all sold privately	**−£0.59m**
The site's value as it stands	**£0.87m**

The land isn't worthless. Building flats on it just loses money, even with no affordable homes. So it has consent, and nobody builds.

So what has to change?

The affordable homes have already gone, and it still doesn't pay. So something else must move: sale prices, build costs, finance, what landowners will accept, the schemes themselves, or the town's pull for buyers. Probably several at once.

Which moves first is the question for anyone with a site here.

Site not named. Viability review, Dec 2024 (Bank Rate then 4.75%). Rounded.

THE WEEK IN ONE LINE

The market is paying to repair homes, not to build new ones.

FIVE NUMBERS THAT MATTERED

What each one measures, what it's compared with, and why it matters.

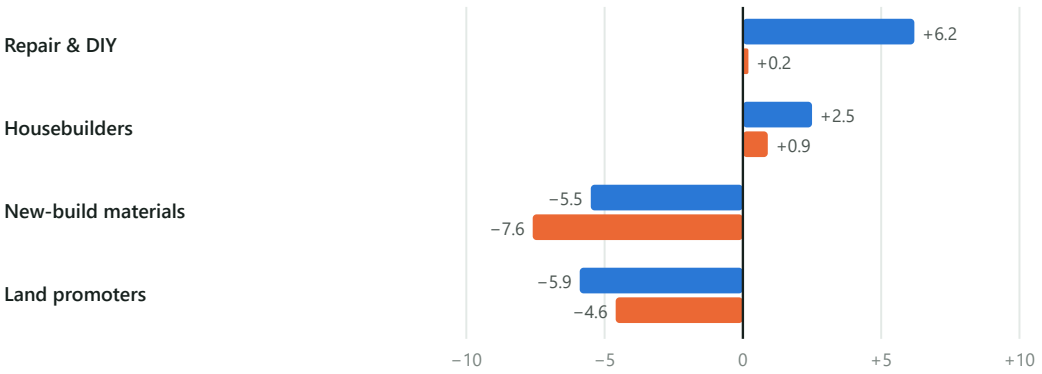
4.00%	**Bank Rate** Up from 3.75% on 5 November, the first rise in more than three years.	WHY IT MATTERS Every new mortgage and remortgage gets dearer, and markets expect another rise.
0.54	**Taylor Wimpey's sales pace** Homes sold per site per week to private buyers (bulk deals excluded). A year ago: 0.61.	WHY IT MATTERS The builders' own speedometer. Slower sales mean fewer starts and less land bought.
−36	**Surveyors' price gauge** (RICS, October) 36 points more surveyors report prices falling than rising. Last month: −34.	WHY IT MATTERS The front line is seeing prices slip, and its 12-month sales outlook is the gloomiest since July 2023.
12 yrs	**Most homes for sale in 12 years** (Rightmove) Stock on the market is at its highest for twelve years. Asking prices fell 1.8% in the month.	WHY IT MATTERS More choice for buyers means sellers, and builders, have to compete on price.
0.87%	**Mortgages in arrears** (UK Finance, Q3) Share of homeowner mortgages behind by 2.5% or more of the balance. Falling for 10 quarters.	WHY IT MATTERS Calm so far, but the data stops on 30 September, before the rate rise. The next figures are the real test.

THE CHAIN, LINK BY LINK

LINK	THE LATEST	DIRECTION
Rates	Bank Rate rose 3.75% → 4.00% on 5 Nov. The 5-year gilt yield then rose every day, from 4.77% on 5 Nov to 4.95% on 13 Nov. The average 2-year fix was 5.97% at the start of November, up from 5.59% in September.	Worse
Materials	Ibstock, one of the UK's biggest brickmakers, reported brick sales about 22% below expectations and is cutting production by about 20%. Builders' merchant Lords Group said on 6 Nov that the improvement it expected in 2027 is now delayed, blaming the outlook for interest rates.	Worse
Builders	A split. Taylor Wimpey's underlying sales rate fell further behind last year and its order book shrank 6%. Persimmon's edged ahead of last year, with private forward sales up 3%.	Mixed
Buyers	Every survey pointed the same way: RICS price and sales expectations sharply negative, asking prices down, and the most homes for sale in twelve years.	Worse
Arrears	Still falling: 0.87% of homeowner mortgages, possessions −20% on a year earlier. But the data ends on 30 September, five weeks before the rate rise.	Not yet showing

Repair is outrunning new-build

Groups of UK-listed companies vs the FTSE 250, percentage points, to Mon 16 Nov close Last month (20 days) Last three months (60 days)



Over the last month, new-build materials trailed repair & DIY by **11.7 points**. In five years of weekly readings the gap has only been this wide twice: Nov 2022 and Oct 2025. The housebuilders' early-November bounce (+13.4 points a week earlier) has mostly gone.

THE PLANNING DESK

Grey belt: two wins in a day, one caveat

On **3 November** two inspectors allowed grey-belt appeals under the new August NPPF. At **Bushey**, Redrow won outline consent for up to **280 homes** with 50% affordable. At **M42 Junction 9**, Richborough won about **700,000 sq ft of logistics** on a site hemmed in by twelve lanes of motorway, with HS2 and pylons nearby.

The caveat. Bushey was barely a contest. The council refused it at committee against officer advice, then went neutral in July once its own Green Belt study reclassified Bushey as a town. Its land supply was **0.98 years**, and the site is in its own draft plan. It shows grey belt working where a council has given up. It says little about one that fights.

The one to watch. The same inspector is now reporting to the Secretary of State on the recovered **"Thrive"** appeals next door (~292,000 sq m, also argued as grey belt). That will be the first ministerial grey-belt call we know of under the new Framework. No date yet.

WHAT THE INSPECTORS SAID

Bushey: a "substantial" housing shortfall. The Golden Rules (50% affordable, infrastructure, green space) were met, and compliance "attracts substantial weight". A partial costs award against the council.

M42 J9: the motorways and junction are "physical features that have the effect of restricting and containing and weakening" the Green Belt's role. Need and economic benefit get "the highest level of weight". 845 jobs forecast.

THE FEATURE

The 2021 cohort comes due

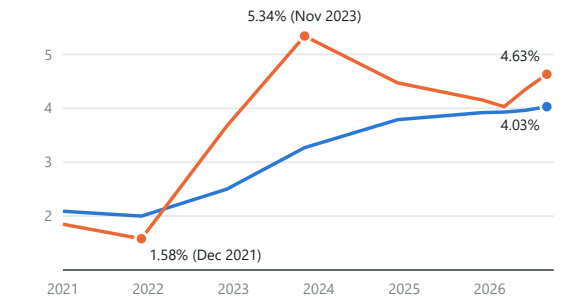
Five years ago, money was almost free. This year, the fixes taken out then are running out.

In the autumn of 2021 the average five-year fix at 60% loan-to-value cost **1.11%**. In October this year the same product averaged **5.07%**. The people who locked in that year are now rolling off, and nothing in the official data shows it yet.

The FCA counts up to **971,105** five-year fixes opened in 2021. The Bank of England puts it more starkly: **nearly 750,000 households paying under 3%** roll off this year, with an average rise of **£170 a month**, and "a little over 5 million" households face higher payments by the end of 2028.

New loans cost more than the average borrower pays

Effective mortgage rates, %, selected months



Latest: Sep 2026. Source: Bank of England effective interest rates.

One borrower, before and after

	2021: THE FIX	2026: THE REFIX	CHANGE
Loan	£200,000 over 25 years	~£164,000 left, 20 years	
Rate	0.99%	5.07%	+4.08 points
Monthly payment	**£753**	**£1,088**	**+£335 (+44%)**

Our arithmetic, using the Bank of England's average 5-year fix at 60% LTV. A smaller balance today, but a far bigger bill.

WHY THE DATA LOOKS CALM

Arrears have fallen for ten straight quarters, but the latest figures end on 30 September. The Bank's household projections used market rates from late June, before the autumn repricing and the 5 November rise.

The Bank's own November report now expects average mortgage payments to be **around £1,500 a year higher by the end of 2029** than before the Middle East conflict. Our read: the July "5 million" is more likely too low than too high.

WHERE IT SHOWS UP FIRST

Not in repossessions. Watch spending, rents and the willingness to move.

Rents are already re-accelerating: up **3.8%** a year to September, from 3.3% in June. RICS surveyors' rent expectations jumped to **+41**, and landlord instructions sit at **−30**. Fewer homes to rent, more people stuck renting.

COMPANY NOTES

Taylor Wimpey vs Persimmon. *Two of the UK's largest housebuilders.* A week apart and pulling opposite ways. TW's underlying sales rate fell to 0.54 (from 0.61). It cut completions guidance to ~10,500 and expects profit at the bottom of the range; shares −3% on the day. Persimmon's rate rose to 0.65 (0.63), prices in its order book are up 2%, and it held 12,500 completions; shares +6.2%. Persimmon says first-time buyers are about 35% of its private sales, the buyers Your First Home is aimed at.

Crest Nicholson. *A Surrey-based housebuilder, mainly in the South of England.* Its lenders' covenant waiver runs out on **30 November**. The only announcement this week was directors buying small amounts of shares through the staff scheme.

Henry Boot. *A Sheffield property group. Its Hallam Land arm promotes land through planning, then sells it to housebuilders; that is most of its profit.* Hallam won outline consent for **660 homes at Buntingford**, to be marketed to builders in 2027. It now has over 2,000 plots consented this year. Its temporary £165m bank facility ends on **31 December**; there has been no news on a refinancing.

Harworth. *A land and regeneration company that grew out of former coalfield sites.* Gone. Delisted on 12 November after Peel took it private. One fewer listed land and regeneration company.

POLICY WATCH: YOUR FIRST HOME

The government's new-build-only equity loan (20%, interest-free for five years, 2.5% deposit, £4.7bn) has been announced but isn't open. Applications are expected early 2027, but the date is disputed. Gleeson's board warned that announcing it months ahead of launch is likely to hold back demand and raise cancellations. Builders say first-time buyers are waiting for it.

THE DIARY

30 Nov	Crest Nicholson waiver expires · Bank of England mortgage approvals for October (September: 53,443, lowest since 2023)
~1 Dec	Nationwide house price index, November
~15 Dec	Six-week High Court challenge window closes on Bushey and M42 J9
17 Dec	Bank of England rate decision. Prediction markets put a second rise at about 7 in 10 (as of 17 Nov)
31 Dec	Henry Boot's temporary bank facility ends
12 Jan	Persimmon's next trading update
Early 2027	Your First Home opens for applications (date disputed)

The week in summary

If you only read one part, read this

Every link in the chain says "not yet": rates up, buyers holding back, and money going into repairing homes, not building them.

WHERE WE ARE

- **Rates:** Bank Rate is 4.00% and markets lean towards another rise in December. That lands on the 2021 borrowers rolling off cheap fixes right now.
- **Buyers:** weaker on every survey. Among the builders, Persimmon is holding its pace and Taylor Wimpey is losing it.
- **The new-build end:** bricks and land are the weakest links. Builders are rationing land, and consented schemes are stacking up unbuilt.
- **Planning:** consent isn't the bottleneck; viability is. Grey belt is winning where councils have stopped fighting.

WHAT WOULD CHANGE THE PICTURE

- The Bank holding rates on **17 December** instead of raising them again.
- Brick and block makers saying volumes have turned.
- Your First Home opening, and the first-time buyers who are waiting for it coming back.
- The other way: the next arrears figures rising would mean the refinancing wave has started to bite.

CARRY INTO NEXT WEEK

The pressure is building in household finances but hasn't reached the data yet. The dates to watch are **30 November** (Crest's deadline and October mortgage approvals) and **17 December** (the Bank).

OVER TO YOU

Which stalled scheme on your patch would you re-plan first, and as what?

Sources: company statements · Bank of England · FCA · UK Finance · ONS · RICS · Rightmove · Moneyfacts · MHCLG · BCP Council · Planning Inspectorate · LCN · HBF/Glenigan. Company groups and the mortgage example are our own arithmetic. The residual box is from a District Valuer Services viability review for BCP Council (Dec 2024), published on the council's planning register; the "fees, finance, sales, levies" line is our balance of its figures.

Research and commentary, not financial advice. I hold: none of the companies named.