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# BREAKING GROUND

DELIVERING 1.5M HOMES IN ONE  
PARLIAMENT

Ben Cooper  
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## About the author

Ben Cooper is research manager at the Fabian Society and head of the Fabian Housing Centre.

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# SUMMARY

The government is committed to building 1.5m new homes during this parliament. This is necessary, but will be extremely challenging – in large part thanks to an inheritance of record-low planning approvals, housing ‘starts’ and housing ‘completions’ from the last government.

- The last time England completed more than 300,000 new homes in a single year – which is the rate we would need to build at to meet the 1.5m target – was over half a century ago, in 1969-70. Across the last 10 years, new homes completions averaged just 158,000 annually.
- The number of homes built by housing associations and councils annually has collapsed, from an average of 121,000 homes in the 1970s to 31,000 over the past 10 years. This decline accounts for 83 per cent of the total decline in housebuilding since the 1970s.
- England missed out on over 300,000 social homes over the course of the Affordable Homes Programme as the focus shifted away from properties for social rent. This is more homes than are in the city of Manchester or any London borough, and more than double the number of homes in Hull.
- Just 86,000 new homes were started in the first three quarters following the election. This is partly due to a slowdown in planning approvals. In the year before the election, approval was given for just 236,000 housing units. This was the lowest level of approvals in over a decade.
- Assuming a gradual increase in housebuilding, England will need to ‘start’ around 435,000 new homes in the final year of the parliament to deliver on its manifesto pledge. This would be by far the highest number of housing starts in a year in England on record – 36 per cent higher than the current official record of 300,520 set in 1972-73.

Despite Labour’s dire inheritance, building 1.5m new homes is possible. However, the government will need to go beyond reforming planning and investing in social housing. These policies will make a significant difference to the pace of housebuilding, but they will not be enough on their own.

# 1. INTRODUCTION

In the government's Plan for Change, it committed to the milestone of building 1.5m 'safe and decent homes' in England during this parliament. Meeting this target would change lives. There are 3.8m households living in poor-quality accommodation in England, and 1.3m households on social housing waiting lists.<sup>1</sup> Furthermore, millions are priced out of being able to afford to buy their own home.

Establishing a new social and affordable homes programme, which is set to deliver at least 60 per cent of new homes at social rent, is already a major step forward. But the challenge around delivery remains significant. Starting 1.5m new homes in a parliament would be a dramatic turnaround from what the government inherited in terms of housebuilding and planning approvals in July 2024.

This briefing sets out this government's inheritance. We show how property prices have dramatically risen since 2002, and highlight the accompanying collapse in planning approvals, starts and completions. We also explore what the trajectory of housebuilding over the lifetime of this parliament could look like if the government is to meet its ambitious 1.5m target.

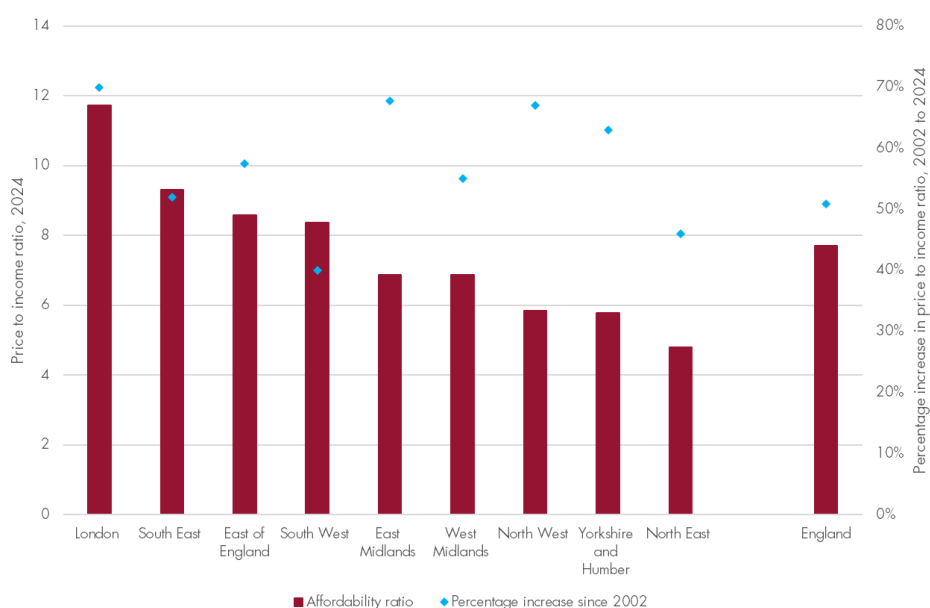
## 2. THE INHERITANCE

Building 1.5m new homes in this parliament would be a significant step in tackling the housing crisis which affects so many lives. But the government's inheritance has made achieving it exceptionally challenging.

### Homes have become significantly less affordable

Since 2002, the average property price in England has increased by 174 per cent. During the same period, consumer prices rose by just 80 per cent.<sup>2</sup> The largest increases in property prices have occurred in the north-west of England (205 per cent), London (202 per cent), and the East Midlands (200 per cent).<sup>3</sup>

**FIGURE 1: LONDON IS THE MOST UNAFFORDABLE REGION**



Source: Office for National Statistics, Housing affordability in England and Wales: 2024, March 2025

House price growth has raced ahead of income growth, resulting in homes which are unaffordable for many people.

- In 2024, the average English property cost 7.7 times average earnings.<sup>4</sup> While this 'affordability ratio' is down from 2023 (8.4), it

remains far higher than the definition of affordable, which is less than five times average earnings.<sup>5</sup>

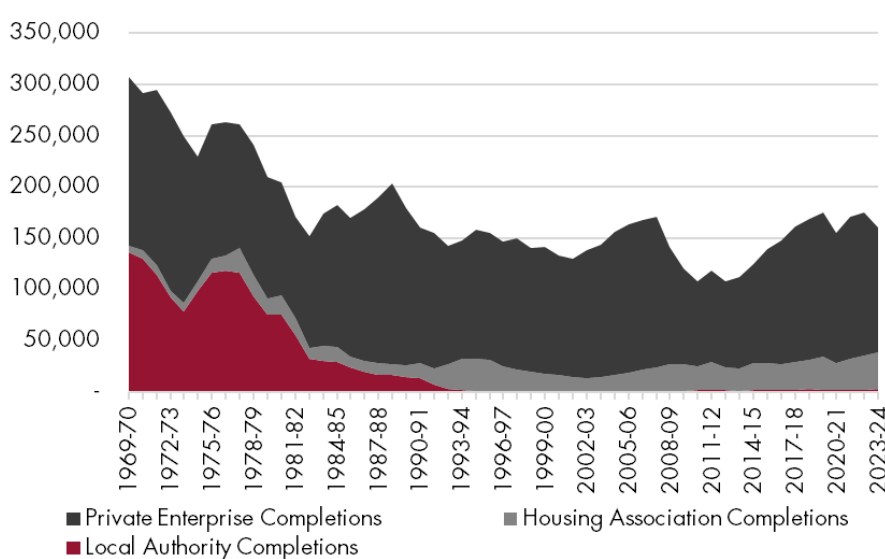
- London is the most unaffordable region to buy a house, followed by the south-east and east of England (see figure 1). Since 2002, London, the East Midlands and the north-west have seen the largest proportionate increase in the price-to-income ratio.
- Housing affordability is a challenge across England, not just in major cities. Only 10 per cent of housing in predominately urban local authorities is affordable; in predominately rural local authorities, the figure is just 4 per cent.

## The number of houses being built has dropped substantially – particularly for social housing

There is no solution to tackling housing unaffordability without building more homes. But England has failed to build enough homes for decades.

Delivering on the 1.5m homes target would require an average of 300,000 new homes a year across a five-year parliament. The last time England completed more than 300,000 new homes in a single year was over half a century ago, in 1969-70. Across the last 10 years, average completions were just over half that rate, at 158,000 new homes each year.

**FIGURE 2: REDUCED COMPLETIONS BY COUNCILS AND HOUSING ASSOCIATIONS ACCOUNT FOR 83 PER CENT OF HOUSEBUILDING DECLINE**



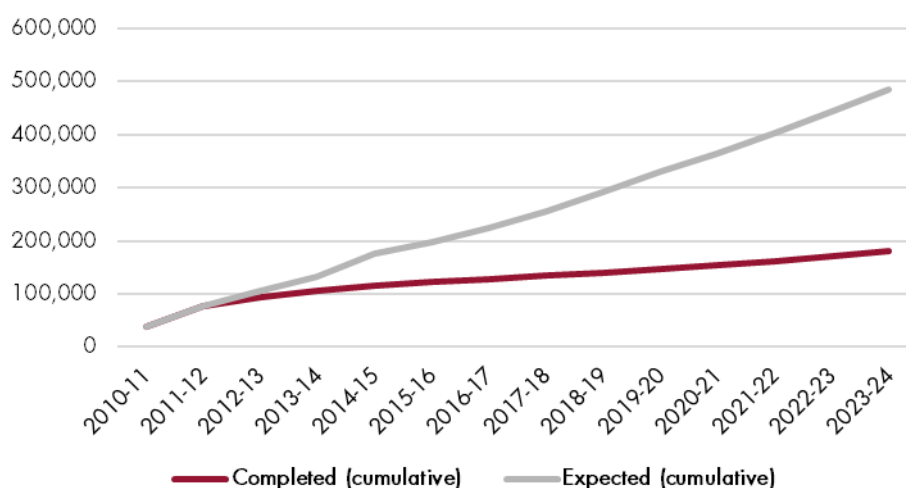
Source: Housing supply - indicators of new supply, England, 1978 Q1 to 2024 Q4, table 213 published by Ministry of Housing, Communities and Local Government.

The major driver of this decline has been a reduction in the number of new homes built by housing associations and councils. In the 1970s, they built an average of 121,000 homes annually. But the average annual completions over the most recent decade were a quarter of this rate, at just 31,000 homes between 2014-15 and 2023-24. The decline in the number of homes built by housing associations and councils accounts for over four-fifths (83 per cent) of the total decline in housebuilding since the 1970s.

To make matters worse, since the introduction of the Affordable Homes Programme in 2011, the proportion of 'affordable homes' completed available for social rent has collapsed:

- In 2010-11, 65 per cent of affordable homes built were for social rent; by 2023-24, the proportion was just 16 per cent.<sup>6</sup>
- If the proportion of affordable homes built for social rent was maintained between April 2011 and March 2024, England would have built an extra 304,000 social homes – equivalent to a city larger than Manchester or any London borough, and more than twice the size of Hull (see figure 3).<sup>1</sup>
- These 'missing' social homes would have contributed to a substantial decrease in the 1.3m households currently waiting for a social home – the highest number in a decade.

**FIGURE 3: ENGLAND IS 'MISSING' 304,000 SOCIAL HOMES**



Source: Fabian Society analysis of 'additional affordable homes provided by tenure and provider, live table 1000' published by Ministry of Housing, Communities and Local Government.

<sup>1</sup> This is based on the number of households in the city of Manchester, London boroughs, and Hull rather than the total population.



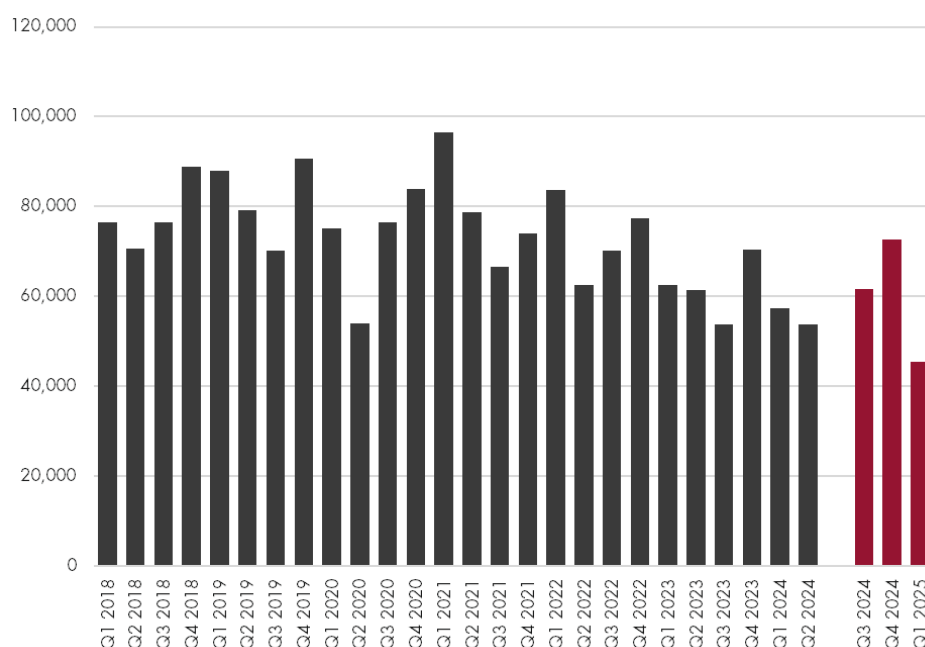
## The government has inherited a meagre pipeline

The government inherited a challenging legacy of historically low planning approvals and housing starts, to the extent that reaching 1.5m housing *starts* by the end of the parliament will be incredibly difficult – let alone reaching the milestone of 1.5m ‘net new homes’ completed (on top of any built to replace those demolished) that the government has admirably set itself.

In the five years preceding the 2024 general election, just 764,000 homes were started across England. To deliver 1.5m new housing starts between 2024 and 2029, the rate of new home starts would have to almost double (a rise of 96 per cent).

However, even this analysis understates the scale of the challenge. Just 86,000 new homes were started in the first three quarters after the election.<sup>7</sup> This is partly due to the slowdown in the number of planning approvals in the final year of the last parliament. In the year before the election, planning approvals in England were awarded for just 236,000 housing units (see figure 4).<sup>8</sup> This means that planning permissions were at their lowest level since 2013.<sup>9</sup>

**FIGURE 4: PLANNING PERMISSIONS ARE AT THE LOWEST LEVEL IN A DECADE**

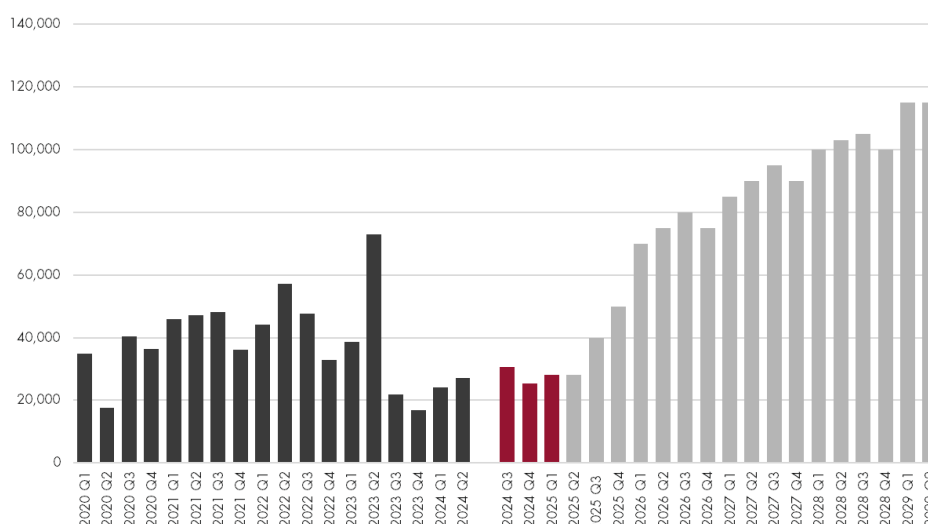


Source: Home Builders Federation, New housing pipeline quarter 1 2025 report, June 2025.

This weak pipeline of housing starts and planning permissions will have a knock-on impact on the rate of housebuilding towards the end of this parliament. The number of homes started will have to increase rapidly, and reach levels never before seen in England.

As figure 5 below shows, assuming a gradual increase in housebuilding over the parliament, there would need to be around 435,000 new homes started in the final year of the parliament to meet the government's target of 1.5m new homes.<sup>2</sup> This would set a new record for homes started in a year for England, with starts over a third (36 per cent) higher than the current official record of 300,520 set in 1972-73.

**FIGURE 5: THERE WOULD NEED TO BE AROUND 435,000 NEW HOMES STARTED IN THE FINAL YEAR OF THE PARLIAMENT TO MEET THE GOVERNMENT'S HOUSEBUILDING TARGET**



Source: Fabian Society analysis of 'housing supply - indicators of new supply, table 213' published by the Ministry of Housing, Communities, and Local Government.

<sup>2</sup> This figure is based on the scenario set out in figure 5 below. We have included the actual data for housing starts in the first three quarters of this parliament (Q3 2024 to Q1 2025). We have made additional assumptions as the basis for the scenario: that the parliament runs for five years, and that the 1.5 million target is met; that housebuilding starts in 2025 will remain slightly lower than the recent annual average due to the thin planning pipeline; that the rate of starts will accelerate in 2026 as the government's reforms to planning and investment in affordable housing take effect; that the rate of increase tapers off toward the end of the parliament; that starts in Q4 of each year are lower than the subsequent quarter, reflecting the seasonality of starts evident in the data.

## 3. CONCLUSION

The government's inheritance makes achieving the 1.5m net new homes target incredibly challenging. In the final year of this parliament, the number of new homes started will likely need to significantly exceed the highest level of building officially recorded in England. Even then, most of these new houses would be unlikely to be completed by the time of the next election.

The government has made good progress in putting in place the policies needed to accelerate housebuilding. These include many Fabian Society recommendations:

- **Planning reform**, such as increasing the predictability and speed of decision-making, introducing housing targets for councils, 'grey belt' reform, new towns and simpler rules for smaller sites.<sup>10</sup>
- **Social and affordable housing investment**, such as the £39bn investment in social and affordable housing over 10 years announced in the spending review, with over 60 per cent of homes delivered to be available for social rent – alongside a long-term rent settlement and a publicly owned 'housing bank'.<sup>11</sup>
- **Construction skills**, such as commitments to tackle workforce shortages, with £600m for training in the spring statement.
- **Building safety regulations**, such as reforms to the Building Safety Regulator to tackle delays in approving high-rise buildings while ensuring safety of new-builds.
- **Other reforms** such as reforms to compulsory purchase orders, and the use of right to buy receipts.<sup>12</sup>

These reforms are positive and significant. They will go a long way to increasing the number of homes that are started in England. However, the government will need to do more. They should:

- Make further commitments to deliver a new generation of social and council housing so every family on the waiting list can access a safe and secure home.
- Focus on construction skills, ensuring there is a trained workforce in every part of the country to able deliver new homes.
- Support a diverse array of housebuilders, including small and medium sized enterprises, community groups, and self-builders.

- Utilise existing and new transport infrastructure to unlock additional housing development and create well-connected, mixed-tenure places to live.

Over the coming years, the Fabian Housing Centre will explore such measures, and the challenges the government will face.

## Endnotes

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- <sup>1</sup> Ministry of Housing, Communities and Local Government, English housing survey 2023 to 2024: headline findings on housing quality and energy efficiency, January 2025; Ministry of Housing, Communities and Local Government, Social housing lettings in England, tenants: April 2023 to March 2024, 2025.
- <sup>2</sup> Office for National Statistics, Consumer price inflation time series, June 2025.
- <sup>3</sup> Office for National Statistics, House price to residence-based earnings ratio, March 2025.
- <sup>4</sup> Average earnings is defined as median annual earnings, based on residence. Office for National Statistics, House price to residence-based earnings ratio, March 2025.
- <sup>5</sup> Office for National Statistics, Housing affordability in England and Wales: 2024, March 2025.
- <sup>6</sup> Ministry of Housing, Communities and Local Government, Additional affordable homes provided by tenure and provider England, Live table 1000, 2025.
- <sup>7</sup> Ministry of Housing, Communities and Local Government: Housing supply - indicators of new supply, England, 1978 Q1 to 2024 Q4, Table 213, 2025.
- <sup>8</sup> Home Builders Federation, New housing pipeline quarter 1 2025 report, June 2025.
- <sup>9</sup> Wainwright, D, Planning permissions for homes in England fall to record low, BBC Verify, 20 March 2025.
- <sup>10</sup> Commission on Poverty and Regional Inequality, A good life in all regions, Fabian Society, 2023.

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- <sup>11</sup> Commission on Poverty and Regional Inequality, A good life in all regions, Fabian Society, 2023; Cooper, B, Home comforts: A plan to eradicate England's poor-quality rented housing, 2025.
- <sup>12</sup> Commission on Poverty and Regional Inequality, A good life in all regions, Fabian Society, 2023.