

# Roadmap to 1.5 million new homes: What does the Government need to do and when?



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The Government have pledged to 'get Britain building again' and to build 1.5 million new homes this parliament, recognising that the housing crisis causes untold suffering as well as being one of the country's biggest barriers to growth.

The Housing Forum has been very pleased to see housing taking a prominent role in recent announcements. We share the Government's ambitions and are keen to support the delivery of new homes across the country.

**This roadmap sets out what we believe is needed to achieve them over the course of the next five years. It has drawn on the expertise of The Housing Forum's members and board, who represent all part of the housing and construction sector from across the country.**

## The Housing Forum

[The Housing Forum](#) is the cross-sector membership network for housing and construction committed to a 'Quality Home for All'. The Housing Forum has 150 member organisations from across the housing sector. Local authorities and housing associations represent around half our membership.

Our members share a determination to drive quality in design, construction and maintenance of UK homes and a commitment to partnership working to deliver affordable housing.

## The scale of the challenge

The scale of the challenge in building 1.5 million new homes over a five-year period is immense. In 2022-23, there were 234,400 new homes completed in England (including conversions), but the figures for 2023-24 are expected to be significantly lower, with recent data suggesting that in the current year (2024-25) only around 150,000 new homes are on track to be built – around half the target.

To build 1.5 million over five years, the government will need to aim for an upward trajectory, so that by 2028-29, around 450,000 new homes a year are being built. **This is a significantly higher rate of housebuilding than we have seen in the last 50 years.**

The affordable housing sector is in a particularly bad situation, with development programmes being curtailed. The G15 has highlighted [a complete collapse of new housing starts in London](#), falling by 76% in one year. We are aware of many large housing associations and councils who have ceased buying land and cut back on their plans, focusing instead on their existing stock. Social landlords need to be buying land now if they are to be building over the coming years.

### Key issues include:

- The urgent need to address the financial crisis facing both councils and housing associations.
- The lack of land allocated for housing in Local Plans, and wider issues in the planning system.
- The rising costs of housebuilding – as highlighted in our new report on [The cost of building a house](#).
- The necessary skills and labour to be building this number of new homes.

The Government have already made their intention to tackle many of the challenges necessary to build 1.5 million new homes. We've set out here what else they need to be thinking about throughout the next five years to meet this ambition.



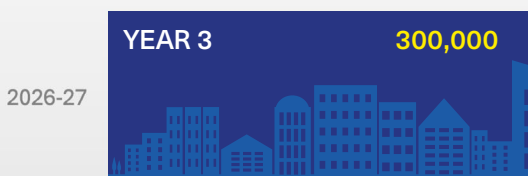
## What building 1.5m new homes might look like



Resourcing the planning system, and unblocking nutrient neutrality rules help avoid further collapse of the housebuilding sector. Support for first time buyers helps to turn the tide on market housing delivery.



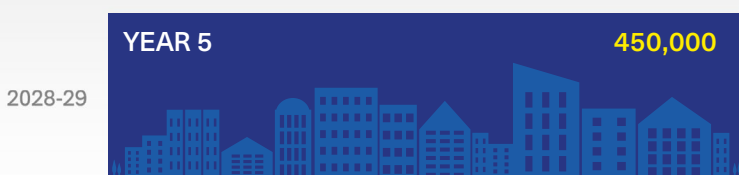
Housing Accelerator Fund starts to unlock capacity in housing associations and increase Affordable Housing supply. Councils start to increase delivery, helped by lower borrowing rates underwritten by Government, and no loss of stock via the RTB.



Stronger housing targets increase land allocation and start to increase housing delivery. Funding for brownfield sites and infrastructure increases delivery across the country.



Increased investment in affordable housing increases outputs. Local authorities now have plans in place for new higher rates of delivery.



The first housing in urban extension 'new towns' starts to be built. The construction sector is scaling up via investment in skills and training.

New homes

# Year 1: 2024-25



A lot of the policy reform needed should happen in the first year, as it will take time for many reforms to feed through into completed new homes for people to move in to.

## Supporting the housing and construction sector into recovery

The housing and construction sector is currently struggling to maintain outputs at rates close to those of recent years. There are several reasons for this including a stalled housing market, rising costs of construction, pressure on the finances of housing associations and councils, a new building safety regime, insufficient land allocation by local authorities and delays and difficulties in gaining planning consent.

If the housebuilding sector contracts, the workforce shrinks, firms go out of business and it can be very hard to build back the capacity needed, even once economic conditions are more favourable. During previous housing market downturns, the affordable housing sector has kept delivering, helping keep the wider housebuilding and construction sector alive. This is not happening in the current time, because the affordable sector is under too much financial strain, and is heavily reliant on S106 to deliver new housing.

The time to support the sector is therefore now.

- **Government should create a Housing Accelerator Fund to tackle the affordable housing backlog.**

A £4bn fund could provide the subsidy needed for around 60,000 new affordable rented homes. This could reduce homelessness by more than half over three years and slash expenditure on temporary accommodation, and it would also help retain capacity in the housebuilding sector.

A mixed tenure approach - including social housing, shared ownership, homeownership and Build-to-Rent market housing - also helps larger developments to build out faster.

## Resourcing the planning system

There is an urgent need to resource the planning system so that applications are processed more quickly. [The Government itself notes](#) that only 1% of Local Planning Authorities currently determine more than 60% of major applications within the statutory 13-week period.

Very few planning applications are processed within statutory deadlines and local authorities are light on resources and expertise. We are unclear how the government proposes to ensure that additional funding for planning officers that has been suggested is used as intended, because funding for planning departments is not ring-fenced. We also think there is more that could be done to address the difficulties here:

- **The Government should better resource the planning system by improving recruitment and retention, and elevating the status of planners, underpinned by a strong performance monitoring system.**

Our report on [Streamlining planning to build more homes](#) provides further details and suggestions on how to increase the capacity of local planning authorities.

## Planning reform

Our planning system is stressed, under-performing and plagued by uncertainty on the future direction. This is acting as a barrier to the pace of delivery. It inhibits badly needed smaller developers from entering the market and dampens investment.

The [King's Speech](#) has already announced plans for a new *Planning and Infrastructure Bill* and a [consultation on planning reform](#). This will increase and redistribute housing targets, strengthen obligations for cross-boundary working and reinstates the requirement for local authorities to demonstrate a five-year land supply. The Housing Forum welcomes these proposals for pushing forward higher rates of housebuilding and engagement with the sector to identify stalled sites and establish the causes of delays.



We also welcome the new approach to housing targets. These are vital for upping the game in delivery, and ensuring all areas help build the housing that is needed. To ensure that momentum is maintained, Councils must have strong incentives to meet targets including infrastructure funding to areas meeting or exceeding their targets. There is also a need for a more strategic approach to meeting housing need, especially in constrained urban areas which lack the land supply needed to deliver.

The Government has already indicated that the new Planning and Infrastructure Bill will include measures to “modernise planning committees”. We support this measure; over-use of planning committees can slow down decision-making and result in councils losing appeal when committees have refused applications against the recommendations of their officers.

- **Decisions on minor planning applications and on reserved matters consents should be delegated to professional planning officers.**

The voices of people who need housing, or who will live in housing that’s yet to be built, go unheard in debates around housebuilding. They need to be heard alongside those who volunteer their views from within existing communities when making local plans or determining planning applications.

- **Councils should develop a broader and more considered approach to community consultation.**

Planning needs to rebuild its role in place-making and focus on design quality. Investment in infrastructure is essential to bring forward larger sites and address concerns of residents.

## Where to build – brownfield, greenfield or greenbelt?

In terms of where to build, the Government favours a brownfield-first approach, prioritising the development of previously used land wherever possible, and fast-tracking approval of urban brownfield sites. However, Labour’s manifesto also notes that “brownfield development alone will not be enough to meet our housing need”. The NPPF consultation sets out proposals for local authorities to release greenbelt land if they cannot otherwise meet their requirements for land. There is a focus on ‘grey belt’ – now defined as land that performs weakly against the five greenbelt functions.<sup>1</sup>

The Government has proposed new ‘golden rules’ used to ensure development benefits communities and nature. These include a target of 50% of new housing on greenbelt sites being affordable, and a requirement that it also includes infrastructure, green spaces and improved biodiversity.

The Housing Forum is pleased to see this focus on reviewing greenbelts in areas where the existing greenbelt boundaries may be constraining the ability to build housing where it is most needed. This may involve building on brownfield sites within greenbelts and/or moving greenbelts further out to allow cities to grow. It is important not to focus only on the previous use of land, but also on the areas that are strategically sensible to build on.

- **There is a need to look strategically across the whole of a greenbelt especially around London where the greenbelt cuts across many different authorities.**

Different approaches are likely to be needed in different housing market areas. In areas with weaker housing markets there may be sufficient brownfield sites within an urban area to meet housing requirements, but it may not be viable to develop them without funding:

- **The government should incentivise building on brownfield sites, with flexible and long-term funding where required to make this viable, and support for public and private sector partnerships to bring these sites forward.**

<sup>1</sup> These are: to check the unrestricted sprawl of large built-up areas; to prevent neighbouring towns merging into one another; to help safeguard the countryside from encroachment; to preserve the setting and special character of historic towns; and to assist in urban regeneration.

## Balancing the needs of the environment and the need for new homes

Labour's manifesto recognised that over 100,000 homes with planning consent are currently stalled because of rules around nutrient neutrality, and pledged to implement solutions to unlock the building of homes affected by nutrient neutrality without weakening environmental protections.

The King's Speech said that the Government would: "use development to fund nature recovery where currently both are stalled, unlocking a win-win outcome for the economy and for nature". The details here are still unclear, but the Government has indicated that it intends to work with nature delivery organisations, stakeholders and the sector over the summer to determine the best way forward.

The Housing Forum would be keen to engage with the Government to find ways to unblock the new homes currently stalled by nutrient neutrality rules.

- **Ultimately, the Government must tackle nutrient pollution at source. The Environment Agency should be empowered – and expected – to tackle the issue of pollution from farming and poor wastewater management.**
- **As an interim measure it is essential to allow new housebuilding to continue, while the government works with other agencies, farmers and sewage companies to put in place the necessary mitigation measures by the time the housing is occupied.**
- **To avoid a repeat of the problems caused on this issue, other government departments should not impose new burdens on planning without careful consideration of the consequences for the viability of housebuilding. This will require effective cross-departmental working.**

## Social and affordable housebuilding

The Government has stated that it wants to deliver the biggest increase in social and affordable housebuilding in a generation. Affordable housing requires subsidy so that its rent or price is below that of market housing. This can be created by cross-subsidy from market housing (for instance via S106 conditions, see below) or by government grant.

The government must provide the housing association with long term stability through assurance on the future of grant funding via the Affordable Homes Programme. Additionally, in the short term there is a need to tackle the capacity constraints many housing associations are experiencing, which have required them to direct available capacity into necessary improvements to existing homes.

- **To ensure that housing associations have the capacity to perform their dual role of landlords of existing homes and providers of new homes additional grant funding is required to deliver necessary improvements to existing homes, including building safety upgrades.**
- **The Government should remove VAT from all forms of retrofitting, regeneration and fire safety work.**

Housing associations also borrow on commercial markets to help them build new homes. Having certainty over future income helps them to borrow on better rates and have the confidence to build. The Housing Forum therefore welcomes the recent announcement of a ten-year rent settlement (of CPI+1%) for social rents and urges the government to ensure that this agreement is guaranteed for the full ten years.

- **The Government should explore with the housing association sector mechanisms to lower the cost of debt and routes to unlock capacity within the sector.**
- **Government should ensure long-term visibility of grant funding and of future income streams to help the sector plan with certainty, leveraging in additional funds from the private sector.**

We are also aware of situations in recent years where Registered Providers were forced to return unspent grant funding because it was no longer sufficient to facilitate the new homes as planned. The [LGA has calculated](#) that combining separate funding streams into a single pot, to be allocated by councils could unlock 200,000 new social homes over the next 30 years.

### Supporting delivery by councils

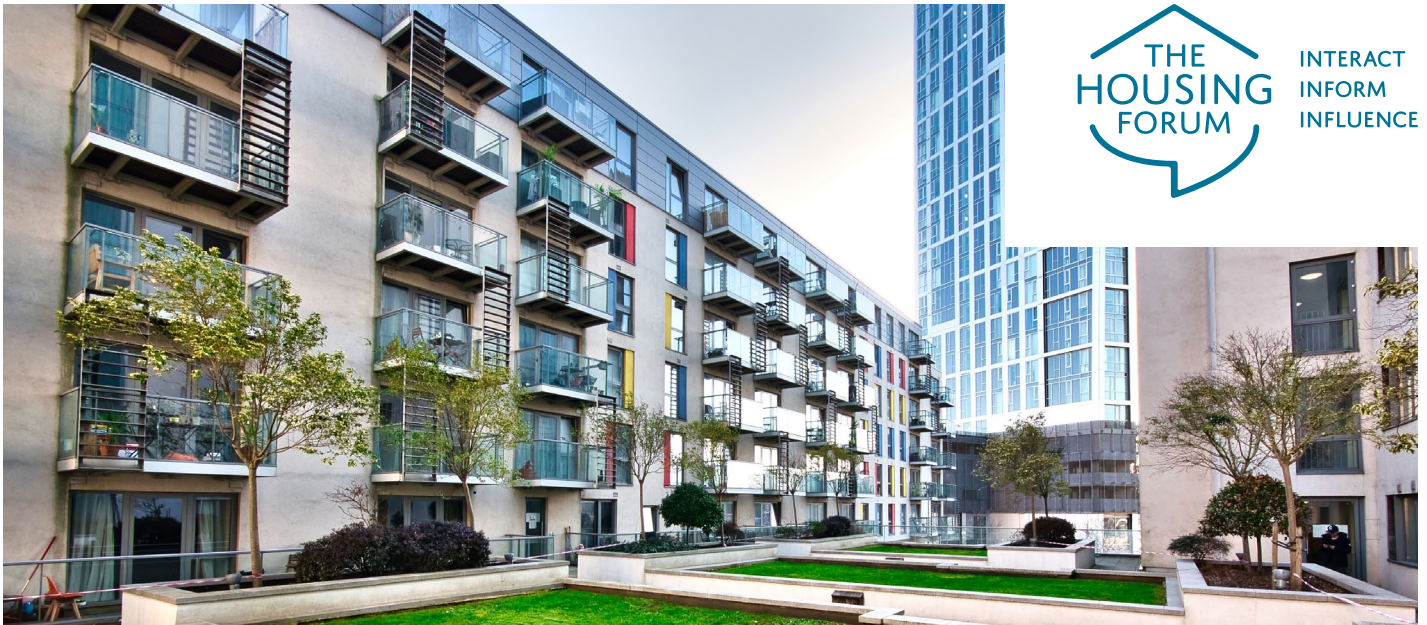
Local authorities are well placed to develop lasting partnerships which use the financial freedoms and resources available to them to build.

- **The Government should use its capital funding tools to encourage and reward local authorities forging strategic investment at scale.**

We welcome the continued activity of Homes England acting as the Government's housing accelerator, increasing engagement with local authorities, encouraging delivery partnerships. Labour's manifesto promised to support councils and housing associations to build their capacity and make a greater contribution to affordable housing supply.

- **The Government should do more to encourage local authorities to commission housing and find ways to increase local authorities' borrowing capacity and reduce the cost of borrowing.**

We were very pleased to see the recent flexibilities granted to councils over spending of Right to Buy receipts, which should help them to build more homes.



The new Government have pledged to review the increased Right to Buy discounts introduced in 2012 and to increasing protections on newly-built social housing. A consultation is expected out on these issues.

- **Government should end the Right to Buy in order to preserve the current stock of affordable housing for future generations.**
- **It is particularly important to end the Right to Buy for new-build council housing so that councils have a stronger incentive to build.**

Other ways to reform the Right to Buy to reduce its negative impacts are set out in our recent report on [Reforming the Right to Buy](#).

## Affordable housing – maximising delivery via the planning system

The Housing Forum welcomes Labour’s ambitions to improve the existing systems of S106 and CIL, rather than introduce a new system that may not have the flexibility needed to deliver the most from affordable housing.

Labour’s manifesto said that they would seek to strengthen planning obligations to ensure new developments provide more affordable homes. We would like to see more Affordable Housing built, to meet the urgent housing needs of people in temporary accommodation and others in housing need. We are also aware that there are some situations where site viability may be threatened if the affordable housing requirement is too high. To maximise what can be achieved we would recommend that:

- **Planning policy should require a higher proportion of Affordable Housing via S106 on greenfield sites than on brownfield sites. This will ensure that brownfield development remains viable whilst maximising the affordable housing output of greenfield sites, which are generally easier to develop.**

- **National government must provide a stable and predictable policy environment so that the expectations in terms of Affordable Housing contributions are clear at the point when a developer bids for a new site. Flexibility may be needed if the housing market policy has changed in unexpected ways since the land was purchased.**

The Government has indicated that the new Planning and Infrastructure Bill will include further reforms to compulsory purchase compensation rules so that compensation paid is “fair but not excessive” where important infrastructure and affordable housing are being delivered.

The Housing Forum’s Councils Network includes local authorities across the country who are keen to take a bigger role in bringing forward housing delivery in their area, particularly council housing. There is a clear interest in stronger CPO powers. However, we are aware that some authorities need support in using their existing CPO powers and are wary of legal challenge.

- **The Government should work closely with local authorities to improve their skills and confidence with using CPO powers and ensure that the legal framework for using them is robust.**

A range of models can be used to bring forward new housing, including Development Corporations, Joint Ventures and partnerships involving Registered Providers and housebuilders as well as local authorities. The Housing Forum’s local council members would welcome more support on how to identify the best way forward in their area and this is something that we will be doing more work on ourselves over the coming year.



## Supporting first-time buyers and tenure choice

The Government has recognised the ambition of many households is to own their own home. They propose to work with local authorities to give first-time buyers the first chance to buy homes and prevent entire developments being sold off to international investors before houses are built.

Labour's manifesto also pledged to offer a permanent mortgage guarantee scheme, to support first-time buyers who struggle to save for a large deposit, with lower mortgage costs.

These are very limited measures, particularly given that the biggest barrier to homeownership in the current climate is the level of repayments, rather than the size of the deposit.

Housing Forum members believe that there is value in targeted homeownership, demand side measures through fiscal incentives such as First Homes or Help to Buy. These can help bridge the gap between what first-time buyers can afford and the cost of building new homes, especially in parts of the country where housebuilding is only just viable.

Intermediate housing options and Build-to-Rent can also help to extend choice and increase overall supply. Specialist housing for older people is part of the mix that is needed.

- **Government should support households who aspire to home ownership but cannot afford to buy unaided. Targeting support at newbuild homes would help increase housing supply.**
- **The income thresholds for shared ownership should be updated to keep them in line with earnings.**

Community-led approaches can help build local support for housing, by allowing those who will live in it to be at the heart of the process. This may include multi-generational housing and co-housing for older people and other groups. Support needs to be reflected in planning policy.

- **The Community Housing Fund should be reinstated as a feed-in to the Affordable Homes Programme for undercapitalised community organisations to support community-led development, self-build and custom-build.**

## New Towns

A New Towns programme will yield little new housing within the first five years, but is nevertheless a valuable programme for securing the new homes needed over the coming decades.

The Government have [already announced a Taskforce](#) to decide upon the best locations for new towns. These will comprise a mixture of new towns in greenfield locations, urban extensions and regeneration projects – each eventually providing over 10,000 new homes, though some much larger. New Towns are hard to build, especially if they are stand-alone ones unconnected to existing towns and cities.

- **The Taskforce should learn lessons not just from the post-war new town movement but also from more recent efforts such as the 2007 eco-towns projects, and 2017 'garden villages' and 'garden towns' plans – all of which failed to deliver the number of new homes initially hoped for.**
- **It is vital that MHCLG work with other government departments and agencies so that the ambition to create the new housing and wider economic growth is shared across all.**
- **The new Government should ensure housing is at the heart of decision-making within cabinet and work across departments to make housing a top 5 Government priority.**





## Year 2: 2025-26

### Planning the New Towns

The New Towns Taskforce is due to complete its work by September 2025.

- **The Government will then need to work closely with the locations identified to ensure that a long-term plan is made for how they will develop, integrating the provision of infrastructure, housing and environmental protections.**
- **Local councils and communities need to be brought on board with the new plans as far as possible.**

### Implementing the Future Homes Standard

The Government will have confirmed the standards required for newbuild homes by late 2024.

- **The Government must continue to work closely across departments to ensure that implementation is smooth and new housing is not held up by delays in ensuring a sufficient electricity supply to support the new housing including electric heating and solar panels.**

### Funding for Affordable Housing

The current Affordable Homes Programme runs until 2026. It is therefore vital that during the new Government's second year, they renew it and ensure adequate funding to meet their aspirations for growth of affordable housing.

Labour's manifesto promised to make changes to the Affordable Homes Programme to ensure that it delivers more homes from existing funding, but also to prioritise the building of new social rented homes. Without a substantial increase in funding, it is hard to see how both of these can be achieved, as social rented homes require the highest amount of grant per new home.

- **The Housing Forum urges the new Government to put more funding into affordable housing so that both these ambitions can be achieved.**

There is a particularly acute shortage of larger homes, causing severe overcrowding of larger households across much of the country. Building larger homes can also generate moves within the social housing sector (as overcrowded households move, freeing up smaller homes for others). The grant regime does not currently encourage building larger homes, and nor is this encouraged by targets that count only the number of dwellings, not the number of people who will live in them.

- **Grant rates for affordable housing should be reformed so that they are at a rate per habitable room in order to encourage building larger family homes where needed.**
- **The Government should collect and publish data on the number of different sized homes that are built.**

## Year 3: 2026-27

### Skills

As the housing sector recovers from a low point in housebuilding rates, the skills shortage will become more acute. The Housing Forum's members are already aware of a variety of new skills that are needed across the whole housebuilding and renovating sector – from designers and planners to construction workers and experts teaching residents how to use new technology.

The Government has recognised the need to address the skill shortage in areas including construction. They want to link migration policy to skills policy to end reliance on overseas workers via workforce and training plans. There are also plans to establish Skills England – bringing employers and training providers together, to transform FE colleges to specialist Technical Excellence College and to allow employers to make more flexible use of the Apprenticeship Levy.

- **A workforce plan for the new skills needed for building low carbon housing is needed. The requirement to ensure sufficient skilled labour to fulfil housebuilding aspirations should be included in the remit of Skills England.**

New technologies exist but companies lack the confidence in the supply chain needed to scale their businesses. This would support the supply chain needed to achieve low-carbon targets in new and existing homes.

- **The government should support the construction sector to bring forward long-term investment in low carbon technologies.**

There is a need to integrate decarbonisation plans and processes with those improving housing quality, fire and building safety within local authorities, housing providers and freeholders. Local authorities should be incentivised to aggregate demand and bring forward a larger pipeline of work actively focused on housing supply. They should work visibly with mayoral and combined authorities over the long term to enable investment and reduce carbon in construction. We support the development of innovative new technologies within homes including those that help older people to live independently.

## Year 4: 2027-28

### Monitoring and responding to the emerging needs of the housing sector

By Year 4, many of the reforms made earlier should be starting to generate the higher rates of housebuilding needed to reach the target of 1.5 million homes over the parliament.

- **It is essential that Government continues to engage with the whole of the housing sector, to understand emerging issues and respond to them, to overcome any challenges.**

## Year 5: 2028-29

### Building cross-party support for a long-term plan for housing

There will undoubtedly be new challenges that arise over the five years of this parliament that the Government will need to respond to. By 2029 we will likely be heading into another general election.

It is important that a new government forming takes forward existing commitments.

- **All parties should commit to a long-term grant settlement for building affordable homes, with the flexibility to deliver value in changing market conditions.**

The announcement in summer 2024 of a ten-year rent settlement for social landlords was welcome, but by 2029 there will be only five years remaining in this.

- **The Government should therefore commit at this point to a rent settlement covering the following 5 years (2035-40) to ensure that the sector remains able to plan for the long term.**
- **All parties should commit to a long-term rent settlement for the social housing sector, to help business planning and leveraging of private sector finance.**

As we move towards the end of this parliament and the beginning of a new one, The Housing Forum hopes that the importance of housing and need to ensure long-term higher rates of housing delivery continue to receive cross-party support and that all political parties develop manifesto commitments to meet the challenges we face.



Alleviating the housing crisis will not only help millions of people, but save the public purse billions each year as the downstream costs of the housing crisis on welfare, the health service and other public sector administration is reduced.

The new government has the opportunity to turn around the housing crisis and by working in partnership with the housing sector, to ensure there is a quality home for all.



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**The Housing Forum  
Membership**

The Housing Forum is the cross-sector  
membership network for housing and  
construction committed to a  
'Quality Home for All'.

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