

Press release

New Homes England statistics show overall housing starts down, reflecting the impact of Covid-19 on housebuilding

Housing programmes delivered by Homes England saw an overall decrease in starts and completions in the first half of 2020-21, compared to the same period last year.

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**Homes
England**

Housing programmes delivered by Homes England saw an overall decrease in starts and completions in the first half of 2020-21 compared to the same period last year, according to official statistics released today (8 December).

There were 11,313 new houses started on site and 11,358 homes completed through programmes managed by Homes England between 1 April and 30 September 2020. Starts on site were down by 38 per cent and completions were down 25 per cent, compared with the same period last year.

The effects of lockdown and social distancing

The national lockdown introduced on 16 March 2020 resulted in Homes England's delivery partners immediately pausing on some sites and implementing social distancing on others, with partners reporting anywhere between 60% and 100% of employees and contractors not able to be onsite.

The number of affordable housing starts made up over three quarters (79 per cent) of total starts on site, although the 8,897 starts represented a decrease of 32 per cent on last year. The number of affordable starts in 2020-21 was the lowest since 2017-18 and while much of this can be attributed to Covid-19, the Shared Ownership Affordable Homes Programme (SOAHP) 2016-21 entered its final year and lower levels of affordable starts were expected.

In anticipation of the impact of lockdown on housing delivery, Homes England worked with government to secure an extension to the SOAHP. The agreement the housing agency secured focused on providing extensions on delivery dates and re-profiling budgets, meaning its delivery partners would have certainty on the grant funding underpinning their current grant-funded delivery pipeline. It also meant they did not bear any additional financial risk, which avoided a knock-on effect on outputs, SME contractors and employment.

Affordable homes by tenure

Of the affordable homes started, 3,295 were for Affordable Rent – a 38 per cent decrease on the 5,340 started last year. A further 2,768 were for Intermediate Affordable Housing schemes (including Shared Ownership and Rent to Buy), representing a 34 per cent decrease on the same period last year. The number of Social Rent starts was 541, down by 26 per cent on 734 last year.

A remaining 2,293 affordable homes started with tenure to be confirmed, a decrease of 21 per cent on 2,896 in 2019-20.

Nick Walkley, Chief Executive of Homes England, said:

“As anticipated, Covid-19 had a significant impact on the construction industry in the first half of this year.

“Homes England has been working closely with delivery partners and colleagues in government to support the sector to build back its capacity. Confirmation of £12bn of funding through the Affordable Homes Programme gives confidence to the sector to support delivery over the next five years.

“By working with our Strategic Partners and the wider sector, we can ensure that the £7.5bn allocation Homes England received, along with the additional funding announced in the recent Spending Review, helps to

stimulate the sector and ultimately give our delivery partners the confidence they need to invest in new homes.

“We are encouraged by the latest economic data showing that the construction sector is recovering and growing strongly, with housebuilding performing particularly well, and hope that the positive news on the development of several effective vaccines will aid further recovery.”

Homes England programmes are funded by central government to enable private registered providers, house builders, community groups and local authorities to deliver affordable housing.

Market starts – housing built for sale at market rates - were down by 56 per cent on the previous year. Fluctuations in the number of market starts and completions between periods reflects the nature of the programmes, with different types and sizes of sites starting at different times with varying build-out rates.

These latest figures show the lowest level of starts since the first six months of 2012-13 and can be attributed to a slow-down in housebuilding activity, caused by the Covid-19 pandemic. Total starts for the same period in 2019-20 were 18,221 with 15,046 completions.

The impact of the pandemic on completions

In late-March, construction insight data showed that almost 1,900 schemes had been closed or delayed, directly affecting the completion of nearly 240,000 new homes.

As construction workers returned to sites in April and May, social distancing requirements continued to mean fewer staff and contractors on site. Partners reported reduced capacity on site and sites being mothballed increased the average build-out time by three to eight months, delaying completions and starts on site.

Levels of completions were the lowest since the first six months of 2015-16 and can also be attributed to the housebuilding slow-down caused by the pandemic. Though some sites were able to re-open relatively quickly after the first lockdown, backlogs in the supply chain meant that some schemes faced delays. Partners reported shortages of plasterboard, bricks, mortar and logistical challenges which caused bottlenecks as supply chains caught up with demand.

In total, 7,612 affordable homes were completed, a decrease of 26 per cent on last year. Completions across most affordable tenures were down on last year, except for Social Rent, which saw an increase of 10 per cent. This increase follows an upward trend seen over the last two years and reflects the funding focus shifting from intermediate tenures in the early years of the

2016-21 SOAHP, with grant funding opening up for Affordable and Social Rent in recent years.

Ends

Notes to editor

National housing statistics are published twice a year showing half and full year starts and completions as part of planned national statistical releases. The next release is full year starts and completions, which are due to be published in July 2021. Housing figures cannot be provided outside of these official releases.

This release presents the housing starts on site and housing completions delivered by Homes England between 1 April 2020 and 30 September 2020 in England excluding London (for both the current and historical series), with the exception of the Build to Rent (BTR), Builders Finance Fund (now called The Home Building Fund – Short Term Fund) and Get Britain Building programmes which are administered by Homes England on behalf of the Greater London Authority (GLA).

Since April 2012, the Mayor of London has had oversight of strategic housing, regeneration and economic development in London.

The list of programmes included in these totals are detailed in the official housing statistics report, which can be found [here](#).

<https://www.gov.uk/government/statistics/housing-statistics-1-april-2020-to-30-september-2020>

“Affordable Tenure TBC” refers to units that have reached the start on site milestone but where the tenure of these units has not yet been specified. This was introduced as a flexibility for Strategic Partnerships to enable them to determine tenure close to or at the point of completion. These starts will be restated under their specified tenure headings in future national statistics updates once the tenure has been established at completion.

Homes England also manages the Help to Buy equity loan scheme in England (including in London on behalf of the GLA). However, the completions are reported by the Department for Housing, Communities and Local Government (MHCLG) and, therefore, are excluded from these statistics.

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