



A Year of Talk – But Where Are The Houses?

By Ben Hopkinson

2025 was a noteworthy year for new housing. The words ‘planning reform’ were said 520 times in Parliament, more than any other year on record. However, this is yet to translate into actual new homes.

The most recent financial year (Q2 2024-Q1 2025) saw every region in England start fewer homes than in the previous financial year. This slowdown was especially dramatic in London, which saw only 4,170 new homes starting construction last financial year, a 72% fall over the previous year.

Every year since 1946, London has completed more than 10,000 homes.¹ But given the dreadfully low numbers for housing starts, the consultancy Molior predicts that only [4,550 homes](#) a year will complete construction in both 2027 and 2028. London hasn’t built so few homes in over 80 years. As a result, London housebuilding faces its largest challenge since the Second World War.

Housing starts are down across all tenure types in the capital. London local authorities only started 90 homes last financial year, a fall of 95% from the previous year. Housing association starts are similarly down by 78% in London.

Across England, there’s little sign that the Government will hit its 1.5 million home target for this Parliament. Just 140,860 homes were completed in Labour’s first year in office, only 47% of the 300,000 per year ministers need to hit their target. And the news in terms of housing starts is only getting worse. Between Q3 2024 and Q2 2025, only 115,770 homes were started in England. That’s only 39% of the 300,000 a year that we need to build.

Given the low number of housing starts, the likelihood of Labour reaching their 1.5 million home target is close to zero. In fact, the campaign group Britain Remade predicts that the Government will likely see fewer than [750,000 homes](#) built this Parliament, which not only is under half the target, but worse than the last Parliament.

The ultimate problem is that despite the Government talking a great deal about planning reform, the actual changes that it has put in place are quite minor. That’s why the recent draft changes to the National Planning Policy Framework are so important. These reforms, if taken forward after consultation, will make building around train stations, especially those in the green belt, significantly easier, and give stronger weight to building within towns and cities through the expanded presumption in favour of sustainable development.

While there are still challenges in the draft framework, notably the high affordability requirements in the green belt which threaten viability in many sites and the tightened rules around flooding, heritage, and transport, the reforms have the potential to be transformative. By some estimates, the station changes alone could unlock [630,000 homes](#), with the Government claiming that the full suite of reforms could support 1.8 million homes.

¹ The GLA’s [Housing in London 2018 report](#) has historical housebuilding calculations dating back to 1870 and MHCLG tables 217 and 118 cover up to the present day.



These reforms will not come without political pain. Already environmental charities and campaign groups like the CPRE are mobilising to oppose the changes. Given their success in forcing the Government to climb down on parts of the Planning and Infrastructure Act, their challenge to the NPPF changes is potentially grave. Yet given the dire numbers of new homes being built, the Government must not back down, especially if it wants to have any chance of meeting its 1.5 million home target.

There is more too that the Government could do to target the decline in housebuilding in London. Ministers made a promising start with the announcement in autumn of a series of emergency measures. There's useful recognition that dual aspect rules, which mandate windows facing more than one direction, and high affordable home requirements have contributed to making building unviable.

Yet their emergency reforms barely scratch the surface. One developer indicated to the CPS that the time-limited affordability reduction does not give them enough time to actually acquire land, plan a development, go through the planning process, get approval from the Building Safety Regulator, and begin construction. And if they fail to get construction started up through the first floor by 31 March 2030, a potentially viability-wrecking 'gain share' mechanism would apply, which defeats the purpose of the change.

At the same time as the emergency measures were introduced, the Government failed to tackle damaging second staircase rules or substantively improve the performance of the dismal Building Safety Regulator, which can delay projects for up to a year. Instead, Labour recently handed the head of the regulator, Andy Roe, a peerage. The regulator also recently refused to change its overbearing definition of what a higher risk building was, which forces any building seven storeys or taller to go through the arduous approval timeline.

When considering the low numbers of homes finishing construction, the Government is failing to deliver its lofty promises on housebuilding. Its draft NPPF changes are a chance for it to turn around the falling building rate. Combined with additional action on the building safety regulator and realism towards viability challenges, the Government still could deliver a significant boost to housebuilding in the new year.

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