

## Labour to miss housing target by eight years, based on current rate of new homes under construction

10 months ago



Despite overseeing an increased level of work starting on new homes, it appears that, as we approach their one-year anniversary in power, Labour still needs 12 years to honour its headline manifesto pledge on new-build housing delivery. This is according to the latest analysis by [West One Loans](#), a leading provider of property finance and specialist mortgages.

During the [2024 General Election](#), the Labour party manifesto was headlined by an ambitious promise to deliver 1.5m net additions to England's housing supply during its first five years in power. At the time, this was reported to mean an average of 370,000 homes must be added to the nation's stock each year, a target that was instantly labelled as nigh-on impossible by the majority of commentators.

Now, West One Loans' new research reveals that almost one year in, Labour's progress does indeed suggest that they are already falling significantly short of their target.

The analysis does, however, begin with some positive news for Labour. In the three quarters that have passed since the party came to power in Q3 2024, work has started on a total of 86,000 new homes in England. This marks a significant increase compared to the previous three quarters (Q4 2023 - Q2 2024) when starts totalled 68,080.\*

### New build progress and requirements

When outlining their housing target, Labour talks in terms of net additions, a term that includes the creation of new dwellings through things such as property conversions and changes of use of existing

buildings. However, historic data shows that 89.8% of net additions come through new-build development.\*

This means that new-builds can be expected to account for around 1.35m of Labour's overall 1.5m target.

Since coming into power, Labour has overseen an average of 28,667 new-build starts each quarter, which equates to an average of 114,667 per year.

By continuing at this rate, it is going to take the government 11.8 years to meet their new-build target of 1.35m new homes: a far cry from their five-year manifesto pledge, particularly when they're already one year in.

Co-Head of Short-Term Finance at West One Loans, Thomas Cantor, commented:

"The Labour Government was quick to hang its hat on an ambitious target with respect to housing delivery and, with previous government's having consistently fallen short, this was understandably met with a great degree of scepticism.

Of course, it is still early days and Labour may well be in the process of laying the initial groundwork required to eventually pave the way for an explosion in new home delivery.

But whilst it's possible that they need time to [overhaul planning rules](#), [cut red tape](#), and prepare and incentivise the nation's housebuilders to increase output, it's already looking as though the task of delivering what was promised is running away from them.

This will come as little surprise to the industry who have been consistently calling for further market stimulation via government intervention of monetary policy. We simply haven't seen enough done in this respect and given the lack of movement with respect to interest rates of late, the worry is that we aren't unlocking the full potential of development activity at a time when it's needed most."

Data tables and sources

- [\\*Housing supply: Net additional dwellings data sourced from the UK government](#)
- [\\*Housing supply: Indicators of new supply sourced from the UK government](#)
- *Full data tables and sources can be viewed online, [here](#)*