



Portal > News > General > UK House Building Q1

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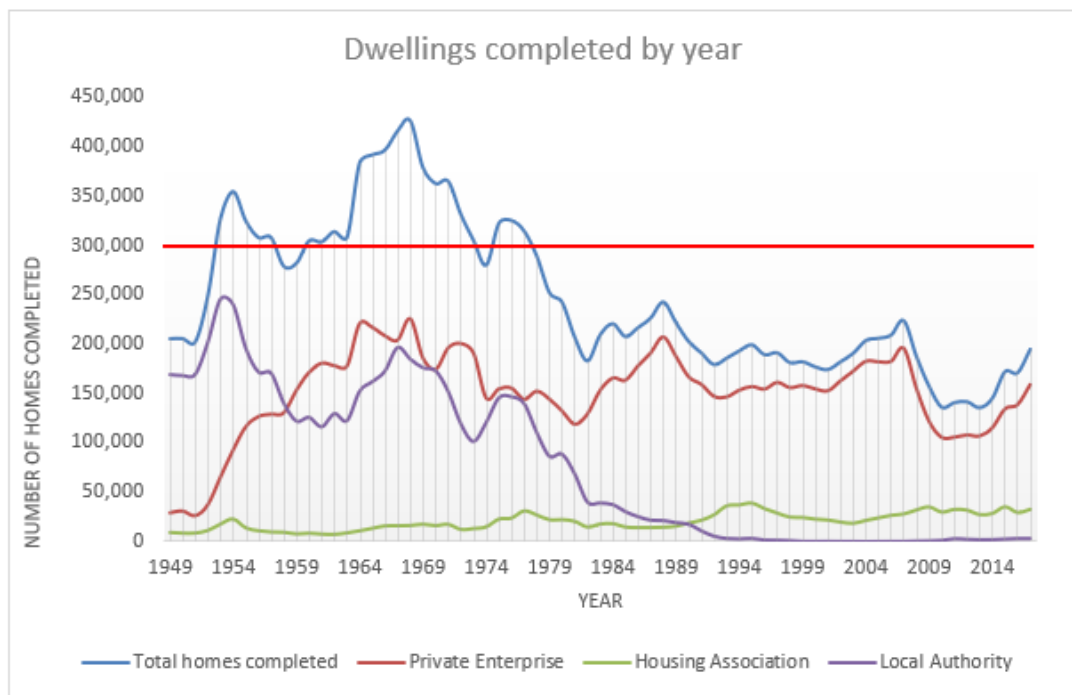
2018-08-21 - Lisa - in General

With Teresa May telling us we need to build 300,000 new houses a year to solve the housing crisis, this article looks at the data published on UK house building statistics (read more [here](#)).

The UK needs 200,000 new homes each year to keep up with population growth, however this has not been met for over a decade, to make up the shortfall we now need 300,000 new homes each year.

England is projected to have 210000 extra households per year (read more [here](#)), a household being a person living alone or a group of people living together (such as a family). While we do not necessarily need a new home for every new household, in 2014, Dr Alan Holmans analysis (read more [here](#)) suggests we need about 170,000 private sector homes and 75,000 social sector homes – a total of 245,000 per year. Although lower than the 300,000 purported by Theresa May, this is way beyond the housing building figures the UK is currently achieving. In 2017 nearly 200,000 houses were built, a third away from what we need. In fact, the last time there were 300,000 completed in the UK was 1977, the Silver Jubilee. The 80's saw a relatively steady building rate of just under 200,000.

The chart below looks at the history of housebuilding post WW2.



The graph shows Local Authority building nearly 250,000 homes in 1953/4, we can then see the steady decline of home building by Local Authorities to just of 100,000 in 1961, as private home building overtook. The introduction of the high-rise block in the 60's, provided a boost to Local Authority home building, in part responding to the growth in demand for housing as the 'baby-boomers' came of age.

In the 1990's rules banning councils from borrowing money effectively put an end to council house building. Housing associations considered private landlords, could still borrow and took over social home building, albeit only building around 30,000 homes per year.

During the financial crisis from 2007, home building reached its lowest since the 1920's (excluding the War years). Since 2013 we have seen the rate of home building increase year on year, although we are still a long way off the 300,000 needed to make up the shortfall.

The first quarter of 2018 saw just 43,000 homes completed, Q1 is traditionally the quarter which sees the most prevalent home building. If we compare Q1 2018 to Q1 2017 and extrapolate, we would see housing building reach around 160,000 this year. This lack of house building puts the UK further behind and increases the shortfall. It seems the Housing Crisis is here to stay for now.