<u>New Homes England statistics show</u> <u>overall housing starts up in 2019-20,</u> with a higher proportion of affordable homes

- Proportion of affordable homes completed was up on the previous year.
- Overall starts were the highest since official starts were published in 20109-10, and completions the highest for five years.
- Homes for social rent were up by a 91 per cent increase on the previous 12 months, following the reintroduction of grant funding by the government.

Housing programmes delivered by Homes England saw an overall increase in starts and completions in 2019-20 compared to the previous year, according to <u>official statistics released today (16 July)</u>.

Last year there were 47,965 new houses started on site and 40,452 houses completed between 1 April 2019 and 31 March 2020. Three-quarters (75 percent) of starts were for affordable homes, with the proportion up from two-thirds (67 per cent) from the previous year.

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 21 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 highest overall level of starts since official figures were first published in 2009-10, and the highest overall level of completions for five years. Total starts for the previous year (2018-19) were 45,970 with 40,350 completions.

The drop in affordable completions is a result of delivery of different and overlapping funding streams. Delivery through the 2015-18 AHP is tapering off as allocations complete, while the launch of SOAHP 2016-21 is now seeing increasing delivery.

Overall completions are likely to be have been reduced by the impact of Covid-19 on housebuilding in March, when there has historically been an increased rate of completions very close to year end.

Of the starts on site, three-quarters (35,809 or 75%) were for affordable homes, a 17 per cent increase on 2018-19. These are the highest numbers of

affordable home starts for ten years. Of the housing completions, 28,261 (70%) were for affordable homes, which is a 2 per cent decrease on 2018-19.

A total of 17,015 affordable homes started in 2019-20 were for Affordable Rent – down 4 per cent on the previous year. There were 11,656 starts under schemes including Shared Ownership and Rent to Buy – up 1 per cent on last year. There were 4,739 starts defined as "Affordable Tenure TBC" homes, where the ultimate tenure category is not known until completion (see note 4 below).

The remaining 2,399 were for Social Rent, a 91 per cent increase on the previous 12 months, following the reintroduction of Social Rent as an eligible tenure for grant funding by the government, which took effect in July 2018.

Of the affordable homes completed, 16,863 were for Affordable Rent – representing an 11 per cent decrease on the previous year, whereas the 9,920 completed under affordable housing schemes including Shared Ownership and Rent to Buy represent a 12 per cent increase on 2018-19. There were 1,478 Social Rent completions, up 49 per cent on the previous year.

Housing Minister Rt Hon Christopher Pincher MP said:

"We are determined to ensure all have access to good quality housing and building green, well-designed homes is at the heart of this Government's mission to support people in every part of the country.

"These figures show Homes England starting the highest number of affordable homes in a decade and a doubling of new social rent homes, meaning many thousands of jobs have been supported too. "And more homes will be coming as we invest £12 billion to deliver up to 180,000 new affordable homes for families across the land."

Simon Dudley, Interim Chair of Homes England, said:

"We are pleased to see that the proportion of affordable homes increased significantly last year, and that increased government funding has led to a big increase in the social rent start figures.

"We don't know the precise impact of the lockdown on completions last year, but we do know Covid-19 is having a major impact on the housing sector and the wider economy in the current year. So it has been really encouraging to see work on site starting to pick up again.

"We welcome the Prime Minister's recent commitment to building more homes and the additional £450m secured for the Home Building Fund underlines our determination to support SMEs."

Summary table

HOUSING STARTS	2019-20 2018-19 Variance % Variance
Affordable Rent	17,015 17,772 -757 -4%

HOUSING STARTS	2019-20	2018-19	Variance	% Variance
Social Rent	2,399	1,255	1,144	91%
Intermediate Affordable Housing	11,656	11,540	116	1%
Affordable Tenure TBC	4,739			
Total Affordable Housing Starts	35,809	30,567	5,242	17%
Market	12,156	15,403	-3,247	-21%
Total Housing Starts	47,965	45,970	1,995	4%
HOUSING COMPLETIONS	2019-20	2018-19	Variance	% Variance
HOUSING COMPLETIONS Affordable Rent		2018-19 18,889		% Variance -11%
Affordable Rent	16,863 1,478	18,889	-2,026 483	-11%
Affordable Rent Social Rent	16,863 1,478 9,920	18,889 995 8,842	-2,026 483	-11% 49%
Affordable Rent Social Rent Intermediate Affordable Housing	16,863 1,478 9,920	18,889 995 8,842	-2,026 483 1,078 -465	-11% 49% 12%

Notes to editors

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 half-year starts and completions, which are due to be published in November/December. 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 2009 and 31 March 2020 in England excluding London (for both the current and historical series) with the exception of the Build to Rent (BTR), Builders Finance Fund, Get Britain Building and The Home Building Fund – Short Term Fund (HBF – STF) programmes which are administered by Homes England on behalf of the Greater London Authority (GLA) and where delivery covers all of England including London.

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

"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.

The list of programmes included in these totals are detailed in the official housing statistics report, which can be found <u>here</u>

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 Communities and Local Government and, therefore, are excluded from these statistics.