



*Working together to build the homes we need*

# Boosting housing delivery

Opportunities for the new Housing Secretary

The Housing & Finance Institute

September 2025

Natalie Elphicke Ross OBE, Head of Housing Delivery

[www.thehfi.org.uk](http://www.thehfi.org.uk)

[natalie@hfi.org.uk](mailto:natalie@hfi.org.uk)

[Connect@hfi.org.uk](mailto:Connect@hfi.org.uk)

## *A new direction for housing policy?*

Angela Rayner's resignation last week saw the appointment of the Rt Hon Steve Reed OBE MP as Housing Secretary. The question on everyone's mind is whether this will herald a change in government policy for housing delivery?

Steve Reed takes over the brief against a backdrop of some of the worst housing delivery numbers in recent years. The latest ONS statistics, released just last week, make for grim reading. They record the lowest number of new homes being started in England (2024/25) for 12 years, making it the worst set of results in 50 years outside of the global Credit Crunch and its aftermath.

The Housing Minister, Matthew Pennycook MP, remains in post and continues to lead on the Government's extensive planning reforms. These planning reforms are not yet complete and will require careful stewardship to be implemented coherently. That is positive for longer term housebuilding and should, in time, support higher housebuilding permissions. In the short term, planning and local government reform will take time to bed down, with the potential to subdue housebuilding activity as market participants adapt to the changes. Keeping a clear and detailed focus on completing the planning and new towns reforms will continue to be a central focus for the Housing Minister.

The latest ONS statistics for new homes being started make for grim reading ... the worst set of results in 50 years outside of the global Credit Crunch and its aftermath.

While securing an effective planning framework is important, it is not a complete answer to the challenges and opportunities to accelerate housing delivery. The challenge for the new Housing Secretary is what can he do to turn round the housing delivery numbers more immediately so that housebuilding is turbocharged for growth?

So what can be done to boost housebuilding? There are five areas that could make a real and immediate difference: tackling environmental red tape, supporting owner occupier buyers, firing up affordable housing, sorting out the building safety backlog along with targeted funding and investment for local areas



### *Five areas to turbo boost housing delivery*

1

tackling  
environmental  
red tape

2

firing up  
affordable  
housing

3

supporting  
owner occupier  
buyers

4

sorting out the  
building safety  
backlog

5

funding and  
investment for  
local areas

## **(1) Eye of newt, bats and biodiversity net gain**

In years past, decisions around the built and natural environment could be made within the same department. However, for many years now, the environment department, DEFRA, makes environmental laws and regulations that have the effect of undermining housebuilding and wider infrastructure, without a balanced consideration of the needs of the country as a whole. With newts, bats and biodiversity net gain, Steve Reed's experience of having been the DEFRA Secretary should better equip him to tackle environmental red tape to create a more balanced approach between the natural and built environment. As the new Housing Secretary, swift progress to create a more sustainable and cost-effective regime that seeks to forge a better partnership between nature and national needs is a priority.

With his longstanding interest in strategic land use, the new Housing Secretary may well play a more active and pivotal role in directing and approving major infrastructure overall and streamlining the clunky processes around nationally important construction, as well as a renewed strategic focus on retrofit and regeneration. The long awaited 'long term housing strategy' can be expected to be refreshed with a new ministerial team in place.

## **(2) Firing up social and affordable housing**

With significant government investment committed to social and affordable housing, a key priority of outgoing Housing Secretary Angela Rayner, there is a lot of potential for affordable housing over the coming period.

Unfortunately, there is little sign that many housing associations are significantly changing their overall development and purchasing appetite and numerous reports of developments being held back due to a lack of affordable housing offtake. Measures to intervene in this space, such as the Homes England clearing house, have been marginally helpful. Structurally, there remains a problem, with many builders delaying the opening of new sites as well as building out existing ones more slowly. Many housing associations remain focused on meeting regulatory requirements and getting their own housing stock up to scratch after years of underinvestment. Much of the capacity raised by the Government's commitment to a long term rent settlement will go towards that, rather than building new social and affordable housing.

In view of this, there is a need to consider new approaches for investing in, owning and managing social and affordable housing and a willingness on the part of Government to engage with institutional investors to raise new money for social and affordable housing provision. This will require more flexibility than has been the case to date. There is potential to use property restrictions in addition to regulation to get more affordable housing on the ground. There would be benefit in national planning flexibilities to allow individual sites to be configured to meet current market conditions, without diminishing the overall amount of affordable housing being delivered.

With a huge temporary accommodation shortage, there is an opportunity to remove red tape and prioritise more innovative programmes to provide the housing that is required. The Housing & Finance Institute's 'Operation Homemaker' provides a template for the type of new approach that could be introduced to provide more temporary accommodation. There are pockets of innovation and excellence all over the country that should be showcased and harnessed to deliver in other areas. For example, the Tiron model in Wales has demonstrated a new model to bring forward high quality affordable housing on brownfield sites funded without affordable housing grant and harnessing institutional investment.

With the major new towns programme likely to absorb significant amounts of government investment, embracing new ideas and partnerships to ensure local housing schemes across the country are adequately supported will be key to boosting activity in all regions.

### **(3) Supporting home owners over landlords**

It's a simple statement but an important one: for builders to build, there must be buyers to buy.

In spite of lower interest rates, home buying remains sluggish. Many housebuilders have needed to adapt their delivery models so that they are building more for rent than for owner occupier home buyers. These sales are to a broad range of commercial landlords, including the 'for profit' institutional sector.

Institutional and professional landlord purchases will usually take place at bulk and a discount. This reduces housebuilder profits and affects investment decisions in opening new sites. In addition, it means that purchase discounts go to commercial landlords and not to the broader market of buyers.

There are a range of measures that could support new home buyer activity. The priority must be a new type of buyer support scheme. At the Housing & Finance Institute, we have recommended allowing pension scheme flexibility to help young people save for their first deposit, reviewing and updating the Lifetime ISA and bringing in targeted equity loan schemes for those on lower and middle incomes. There is scope for new discounted and deferred purchase schemes which would offer an alternative to shared ownership. The Government has put in place a 'permanent' 5% mortgage guarantee scheme in line with its manifesto. However, that in itself is not expected to move the dial. More action is needed to boost housebuilding and it is vital to see new measures for buyer support in the upcoming Autumn Budget.

The Housing Ministry has not supported buyer side interventions to date. Both Rayner and Pennycook are understood to have been lukewarm on home buyer assistance and indeed have actively promoted renting over home ownership, including the 'build to rent' commercial market.

With the housebuilding market in the doldrums, this will be a closely watched area to see if there is a change of approach under Steve Reed. HM Treasury is thought to be keen on more support for home ownership, particularly for those on lower incomes and has long wanted to see house building numbers grow. Home ownership is an expressed priority of the Prime Minister. This will be a key area to watch in the Autumn Budget.

### **(4) London : tackling the building safety sign-off backlog**

Both the Housing Secretary and the Housing Minister are London MPs and will know first-hand the truly shocking state of housing delivery in London. Housing delivery has all but stalled in some areas of the Capital amid a huge backlog of building safety sign offs affecting hundreds of buildings.

Tackling the building safety backlog must be a key priority for the new Housing Secretary. With billions of pounds of investment capital said to be tied up in buildings awaiting sign-off, investors are reluctant to put more money into London when the sign-off processes are not working at the pace required.

While it's not just London that's affected by the building safety sign off backlog, the Capital is the worst affected area. Currently sign-offs for new high-rise applications are taking the best part of a year – an average of over 43 weeks. The target is 12 weeks, so that's more than 3.5 times the target. In view of this serious failure, it is not surprising that building confidence and investment in higher rise buildings and flats is at a low.

## (5) Regional and rural solutions

By contrast to London, many regional and local areas continue to have different types of opportunity and potential for growth. Steve Reed as the new Housing Secretary is widely expected to be more radical and flexible in land and delivery approaches than his predecessor. It will be important that there is a greater range of solutions for regional and rural housing markets, for example greater practical planning flexibilities for small permitted developments and access to investment from government funds and programmes. There could even be a move away from the traditional approach to Homes England investment programmes which have favoured larger 'strategic partners' over smaller and regional housebuilders and smaller housing organisations. Councils should continue to be actively supported to lead on local developments where that is appropriate for their areas, such as One Horton Heath in Eastleigh.

Creating more localised investment will help increase housebuilding across the country and provide opportunities to link skills, employment and construction opportunities. A former council leader himself, Steve Reed has been a strong supporter of mayoral and localised approaches to decision making and delivery over many years. He has significant practical experience in housing and regeneration from his time in local government. Expect greater support for devolved funding and decision making alongside stronger strategic delivery for nationally required housing and infrastructure.


The scale and pace of Local Government Reorganisation has had a significant impact on housing delivery. This is because many of the areas where additional homes are needed are ones where local government changes are happening, creating uncertainty and delay around strategic and local plans as well as strains on finance, skills and wider resourcing. Speeding up local government reforms and ensuring that funding and skills resource are in place to support speedy and effective implementation should be a focus for the new MHCLG team.


## Conclusion

The new Housing Secretary has arrived at a pivotal time for housebuilding. Housebuilding is in a serious state and needs active support from Government to ensure that homes are built to meet the nation's housing and growth needs. Steve Reed might be just the Housing Secretary who can make that happen.

# Housing Delivery Snapshot


September 2025 [www.thehfi.org.uk](http://www.thehfi.org.uk) [connect@hfi.org.uk](mailto:connect@hfi.org.uk)






**Housebuilding annual starts in England are at the lowest for 50 years outside of the credit crunch and its aftermath**

HFI analysis of ONS, Indicators of UK Housebuilding (Starts and Completions), 2 September 2025




**UK cement production falls to an all time low since 1950**

Mineral Products Association, September 2025




**Planning Permissions for new homes fall to the lowest level since 2012**

Glenigan Housing Pipeline Report, September 2025



**Half of UK regions saw a rise in new homes registrations between Q2 2025 compared to Q2 2024. The highest increases were in Yorkshire and Humberside (+96%), the South West (+75%) and Northern Ireland (+44%). London saw the biggest fall (-59%)**

NHBC, 30 July 2025



**Bank of England bank rate reduced to 4%, continuing its gradual reduction glidepath**

Bank of England Monetary Policy Committee Summary, August 2025

# About the Housing and Finance Institute

## Who we are

- The Housing & Finance Institute was established in 2015 with the support of UK Government, businesses and councils. Its creation was a recommendation of the Elphicke-House Report 2015. The HFI is a not-for-profit organisation.

## What we do

- The Housing & Finance Institute acts as an accelerator hub, to increase knowledge and capacity in order to speed up and increase the number of new homes financed, built and managed across all tenures.

## How we work

At the HFI, we do the following:

- share best practice through workshops, networking and our landmark 'Housing Business Ready' programmes, that support capacity building in councils to explore the housing their communities want and need
- publish policy papers
- engage across a range of stakeholders.

We are not politically affiliated with a particular party and we work cross-party.

We do not represent an individual business/industry/ sector.

## Important legal notice

This brief has been compiled in line with the HFI's work to inform and share views about housing and finance matters. It contains matters of opinion. It does not, and should not be taken, as financial or legal advice – separate professional advice should always be taken before making financial, development or investment decisions.

TO FIND OUT MORE AND CONNECT WITH OUR WORK: [connect@hfi.org.uk](mailto:connect@hfi.org.uk)