

How many homes did housing associations build last year?

This report looks into how many homes the sector built in 2020/21. In a year that saw the impact of the pandemic felt all across country, housing associations continued to build homes for those that need them most. This report covers:

- How delivery by housing associations compare with total house building.
- Housing association new build completions by tenure.
- Longer-term trends in delivery by housing associations.
- Housing association new build completions by region.

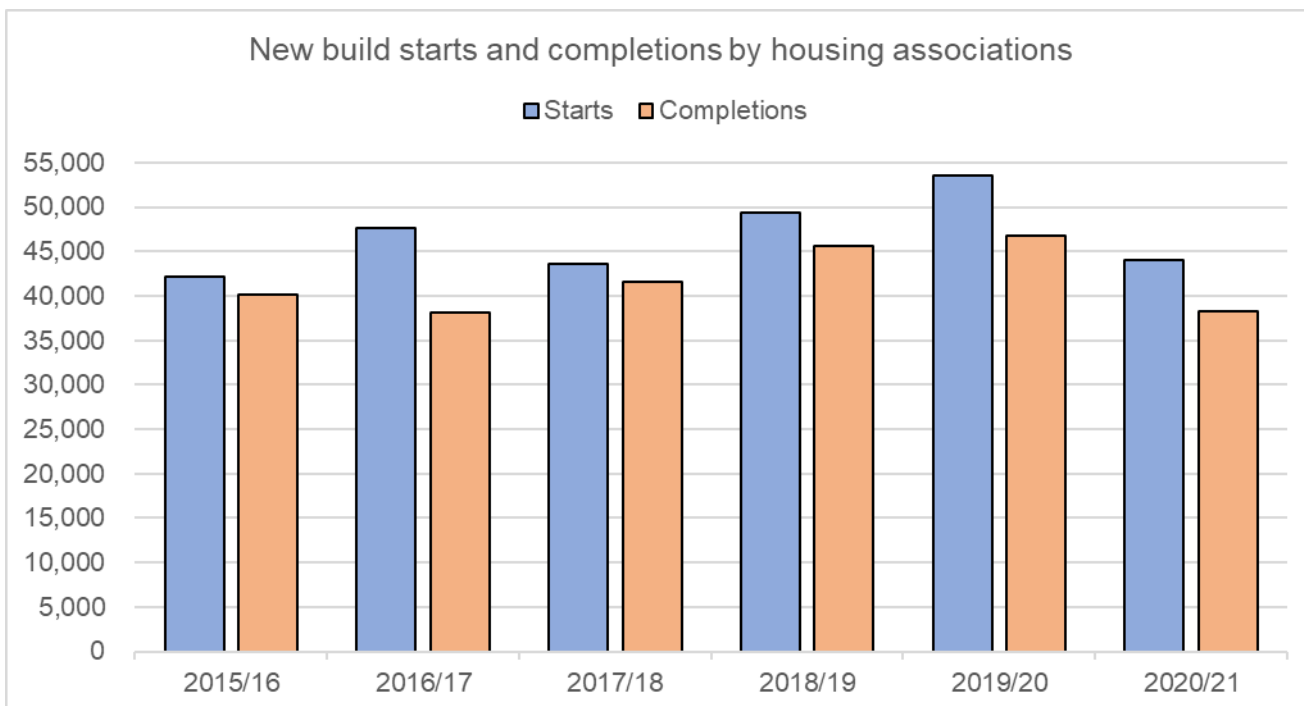
Housing associations started 44,000 homes of all tenures in 2020/21, and completed 38,200. Starts and completions in 2020/21 were both 18% down on the previous year.

Delivery was also partly slowed down by the re-prioritisation of some housing associations' resources towards building safety and existing tenants. This is more likely to have impacted housing associations that own high-rise buildings in London or other high-density urban areas.

The decrease in new build activity in 2020/21 should be looked at in the context of 2019/20, which was a record year for delivery. The difference between any two single years could also reflect an uneven annual roll-out and delivery of the Affordable Homes Programme (AHP) and other funding initiatives.

A longer-term view is that housing associations completed an average of 43,500 new homes in the three years to 2020/21, compared with an average of 41,700 in the previous three years, a growth of 4%.

It is also worth mentioning that the previous AHP in London was extended to 2023 to account for the impact of the pandemic on housing delivery. As the previous AHP will overlap with the new AHP covering 2021-2026, we should expect an increase in delivery in the next couple of years for the London region, which accounts for a large proportion of house building by housing associations.



How did delivery by housing associations compare with total house building?

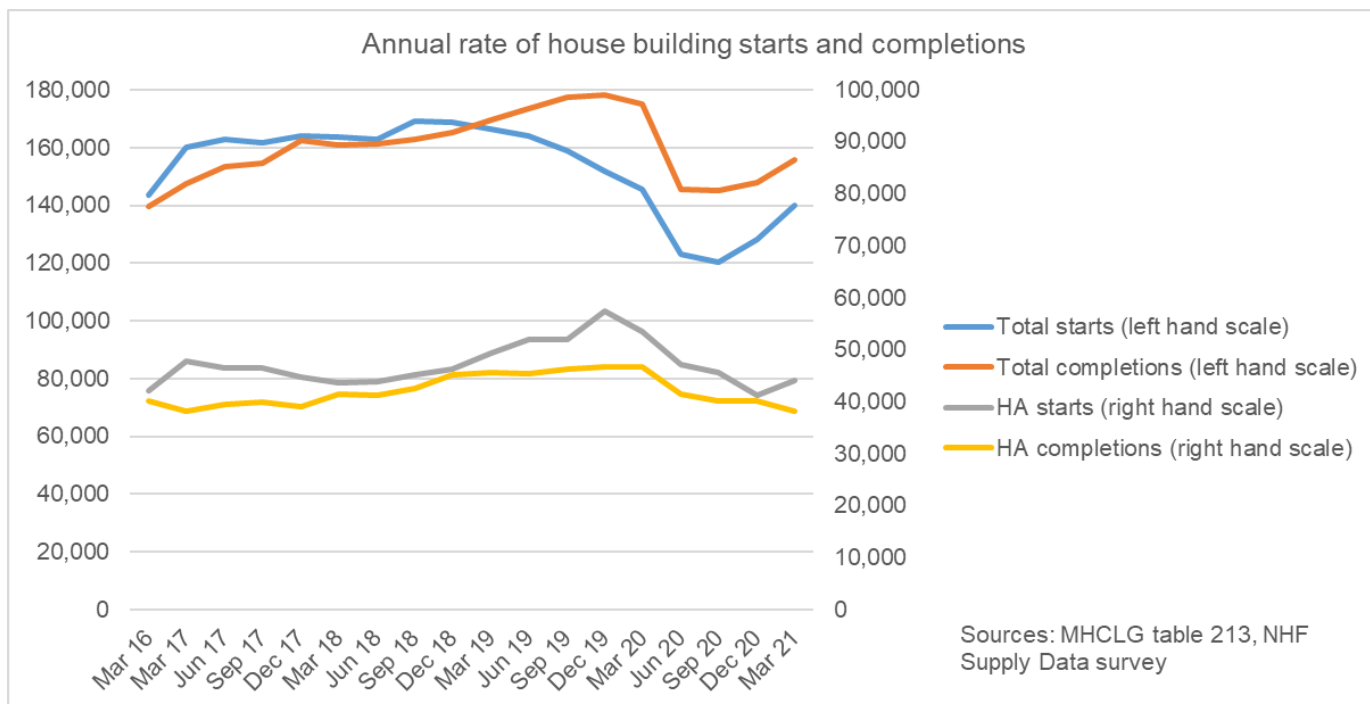
House building activity in the private and social sectors was severely affected by the impact of the pandemic during 2020/21.

The annual rate of all new homes completed by all developers fell by 17% between March 2020 and September 2020 to its lowest level (145,000) since 2016.

However, in the same period the annual rate of completions by housing associations fell less, by 14%. This meant that the share of total homes delivered by housing associations increased at that time to 28%, compared with a long-term average of about 25%, underlining the important contribution that housing associations made during a time where the economic impact was felt the most due to the pandemic.

Towards the end of 2020 total house building bounced back. By March 2021 the annual number of starts (140,200) rose to the nearly the same level as in March 2020. There was also an increase in the number of starts by housing associations, though this still left the annual rate of 44,000 starts 18% below March 2020.

Total house building completions were 156,000 in the year to March 2021, down 11% on March 2020 despite some recovery, and completions by housing associations were 38,200 at March 2021, the lowest number since the Supply Data survey began in 2016. However, completions by housing associations at March 2021 still represented nearly a quarter of all new homes.



‘Annual rate’ is the total per year, for the 12 months ended at each date.

Housing association results for 2020/21 across different tenures

Housing associations started 39,400 new affordable homes in 2020/21, down 14% on the previous year. Affordable home ownership decreased the most, while social rent the least. Despite this, the share of all starts by housing associations represented by social rent increased from 11% in 2019/20 to 13% in 2020/21 demonstrating the sector’s continued commitment to delivery of this tenure and to provide homes for those that need them most.

New homes started for market sale were down by more than a third, and a total of just over 44,000 new homes were started, 18% less than in 2019/20. Housing associations completed 32,200 new affordable homes in 2020/21, down 18% on the previous year. Affordable rent and affordable home ownership were both down 19%, and social rent was down 13%. Completions of new homes for market sale also dropped 19%.

A grand total of just over 38,200 new homes were completed, 18% less than in 2019/20.

	Year to March 2021 (change on March 2020)			
	Starts		Completions	
Social rent	5,574	(-9%)	4,240	(-13%)
Affordable rent	20,002	(-10%)	16,038	(-19%)
Affordable home ownership	13,783	(-20%)	11,959	(-19%)
Total affordable	39,359	(-14%)	32,237	(-18%)
Market rent	180	(-77%)	1,095	(-12%)
Market sale	4,557	(-36%)	4,910	(-19%)
Total market	4,737	(-40%)	6,005	(-18%)
Grand total	44,096	(-18%)	38,242	(-18%)

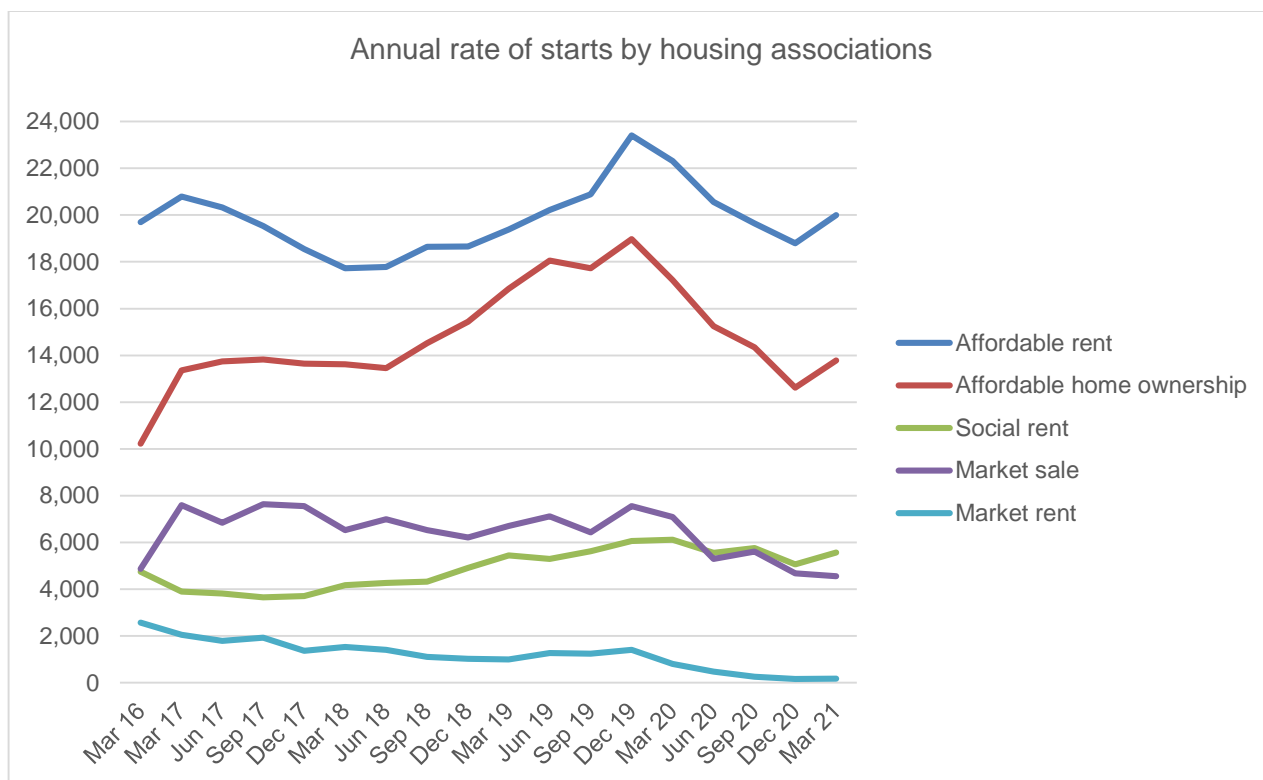
Longer-term trends in delivery by housing associations

Starts

There was a clear bounce-back in starts of all the affordable tenures at the end of 2020/21, though not enough to recover all the ground lost since March 2020.

Affordable home ownership was the most severely affected tenure earlier in the year. It fell from a peak annual rate of nearly 19,000 in December 2019 down to 12,600 in December 2020, but recovered to 13,800 by March 2021.

Starts of social rent kept up more evenly during 2020/21 and did not drop as sharply as starts of affordable rent or affordable home ownership. Nearly 5,600 homes for social rent were started in 2020/21, which is still relatively high compared with the annual rate in previous quarters.



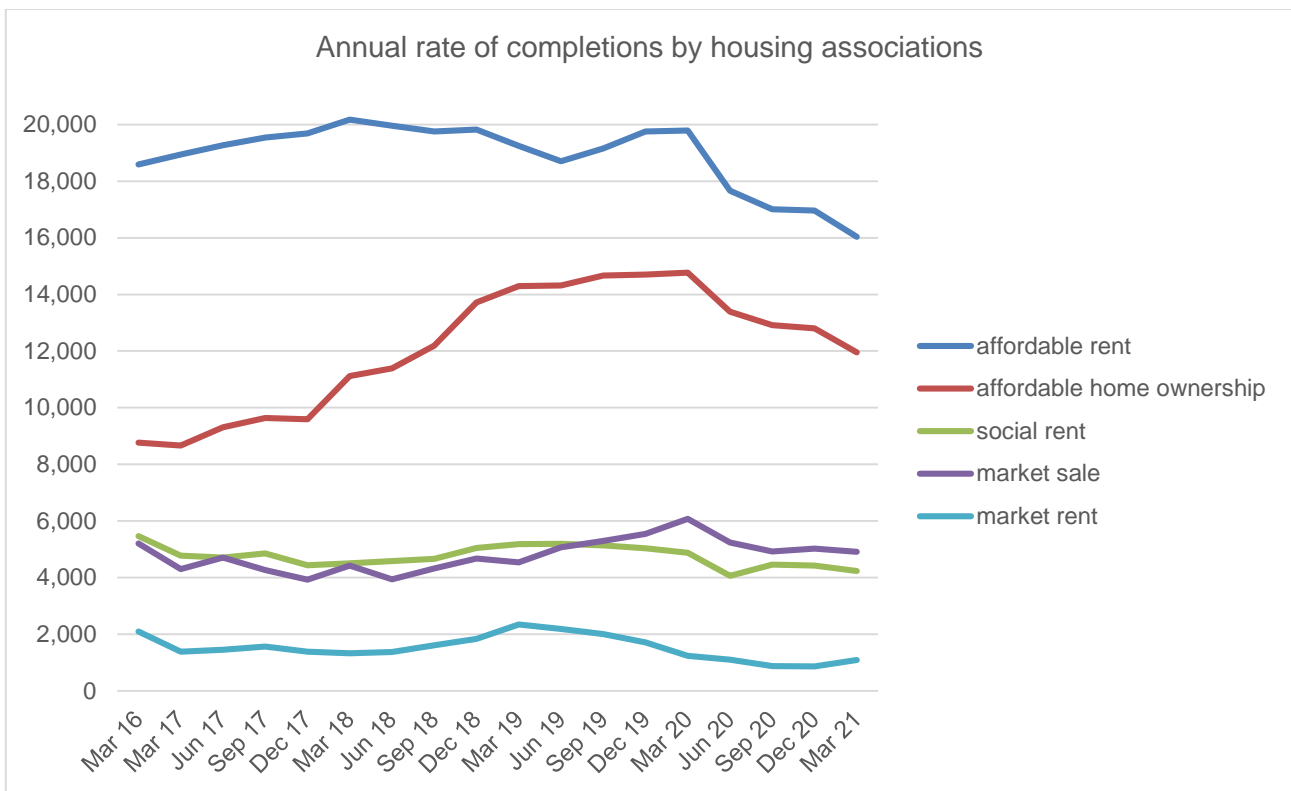
Completions

Unlike the results for starts, there was no uplift in completions by March 2021 with all the affordable tenures still trending downwards.

Completions of affordable rent were hit hardest during 2020/21, falling 19% on 2019/20. Just over 16,000 homes for affordable rent were completed in 2020/21, the lowest number recorded since the survey began in 2016.

Completions of affordable home ownership also fell 19% in 2020/21 to just below 12,000, back to a similar level in 2018.

Completions of social rent were less severely affected during 2020/21 and stayed above 4,000 throughout the year.



What happened to delivery in the regions?

There was a marked variation in the way that individual regions contributed to the results in 2020/21.

The regions that usually have the highest volumes of delivery (London, South East, East of England) recorded the largest fall in the number of completions. These three regions accounted for 6,300 or nearly three quarters of the decrease in completions between 2019/20 and 2020/21 (total 8,500). As previously mentioned, the drop in London might reflect the need for housing associations with high-rise buildings to divert investment towards building safety remediation works.

Other regions (East Midlands, West Midlands and South West) also showed a fall in completions during the year but this was far less in number (2,600) compared with the regions with the highest volumes.

By contrast, northern regions (North East, North West, Yorkshire and Humber) were hardly affected, with North West the only region to record an increase in completions in 2020/21.

New build completions by housing associations in regions

