



Fact sheet 8: The economic, social and environmental benefits of new homes

This fact sheet looks at the types of benefits that can be created by new housing developments. If you are reading this online, please click on the hyperlinks for further information. See the full New Homes Fact Sheets series [here](#).

New homes can deliver a range of additional benefits to local economies and communities whilst reducing impacts upon the environment. Many of these types of benefits can be quantified, measured and monitored.

How can new homes support the economy?



Employment

In 2021, one in 20 jobs in England were in the construction sector- approximately [1.3 million jobs](#).

Jobs in the construction sector include those involved in building and renovating homes as well as supporting infrastructure. This can include roads, utilities, schools and healthcare facilities.

Jobs in construction include entry-level apprenticeships and traineeships as well as roles that require specialist skills and management experience.

Depending on the location and scale of new homes, a proportion of construction jobs will likely be taken up by people living in the local area, including school-leavers and people previously unemployed. New job opportunities can help support economic strategies such as [Levelling Up](#).

Based on national averages using the Home Builders Federation's '[Housing Calculator](#)', 100 homes is estimated to support:

310 jobs in construction and the supply chain

3 new construction apprenticeships, graduate placements or traineeships

Based on [ONS data on household spending](#) in England for 2022, 100 homes could generate:

£1.2 million in annual spending by residents in the retail and leisure sectors



Spending

New residents can lead to an increase in spending in the local economy which can help to boost activity in high streets and support local jobs and businesses such as shops, pubs and cafés.

How can new housing create social benefits?



Providing more housing in a local area can support social networks. Older people living in an area can downsize, first time buyers can afford to buy where they grew up, and growing families can move into larger homes.



New housing and regeneration projects can include new amenities which create opportunities for social interaction and recreation, such as parks, play areas and community halls. Recreation has been shown to have [health and wellbeing](#) benefits.

For further information, refer to [Fact sheet 4: New homes and healthcare facilities](#).



New housing and regeneration projects can include affordable homes. For further information, please refer to [Fact sheet 9: What is affordable housing?](#)



Driving community benefits

The 2012 [Social Value Act](#) requires local authorities to consider ways to secure wider social, economic and environmental benefits for communities and local areas. Since then, a growing number of local authorities across the country now require developers to commit to generating [community benefits](#), both during construction and once the houses are built, through initiatives such as:

- Offering construction jobs to people who live in the local area
- Using local companies during the construction of new homes, for items such as fixtures and finishes including windows, doors and landscaping
- Commitments to training and upskilling people
- Financial donations and technical support for local organisations and charities
- Career advice to people interested in working in construction, architectural design or maintenance
- Sponsorship of local events

Through effective community engagement, initiatives can be aligned to the local area’s context, needs and priorities.

How can new homes support environmental sustainability goals?



From November 2023, [regulations on Biodiversity Net Gain \(BNG\)](#) require developers to contribute to the recovery of nature and wildlife habitats as a condition of planning permissions.

New homes can create opportunities to deliver new green, open spaces in local areas. These spaces can typically be accessed by existing residents as well as new residents and can improve the overall environmental quality of the area.



Heating and powering buildings, which includes homes, currently makes up [40%](#) of the UK’s total energy use. To help meet the UK’s [Net Zero target](#), the Government will implement the national [Building Regulations](#) and [Future Homes and Buildings Standard](#) from 2025, which state that new homes must produce 30% less carbon dioxide compared to homes built according to previous regulations.

The Government’s [National Planning Policy Framework](#) (NPPF) guides local authorities to set their own planning requirements to ensure that new homes will be more energy efficient compared to older homes. New homes can be:

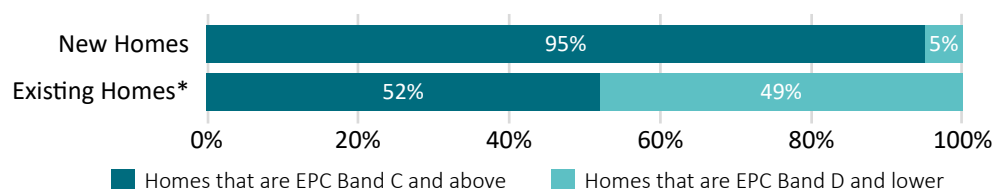
- Built sustainably using recycled and low-carbon materials and use construction methods that reduce environmental impacts.

- Easier and cheaper to heat and cool. Over the last five years, the number of households in England experiencing fuel poverty increased by over [700,000 from 2.5 million to 3.3 million](#).
- More energy efficient, with higher [Energy Performance Certificate](#) (EPC) ratings. New homes built in England achieve much higher sustainability credentials, as evidenced through EPC ratings.

What are EPCs?

An EPC measures the energy efficiency of a building on a scale from A (most efficient) to G (least efficient). EPCs for buildings in England are published [online](#).

Energy Efficiency Ratings of new homes built in England between January and March, 2023



*does not sum to 100% due to rounding.