



# Fact sheet 1: The need for homes

This fact sheet explores why new homes are needed. If you are reading this online, please click on the hyperlinks for further information. See the full New Homes Fact Sheet series [here](#).

## How many new homes are needed?

The Government estimates that **300,000** new homes are needed per year.

Local authorities review the need for housing in a Local Plan, usually informed by Strategic Housing Market Assessments.

Local authorities set the policy on housing need, informed by calculations following the method by the Department for Levelling Up, Housing and Communities. For further information on how housing need is calculated, please see the [guidance](#) published by DLUHC.

The Government publishes the number of new homes being built in each local authority, presented in the [Housing Statistics Dashboard](#).

## Why does England need more homes?



### Population growth

- [The 2021 Census](#) found that the population of England was 56.5 million people. [Estimates released in 2022](#) show that the population could increase to 60.3 million people in 2045 which means more homes are needed for England's population.



### Increased life expectancies

- People are living longer.
- In [2021](#), 1.4 million people in England were aged 85 years and above, equal to 2.4% of the population.
- This is projected to more than double to [3.1 million people by mid-2045](#), representing 4.3% of England's population according to estimates released in 2022.



### Changing lifestyles

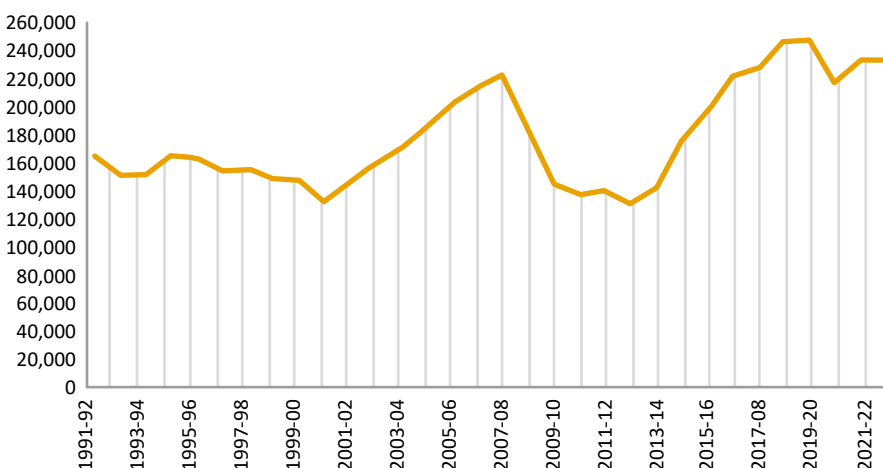
- Household sizes, on average, are [getting smaller](#). This contributes to an increase in the number of households in England, which, based on 2018 projections, are expected to rise from [23.2 million in 2018 to 26.9 million in 2043](#).
- As people are living longer, there is a need more specialist accommodation to cater for elderly people.

## How many new homes are delivered?

A total of [234,000 net additional dwellings](#) were delivered in England in 2022-23.

Net additional dwellings in 2022-33 were 6% below their 2019-20 peak and were 79% above their 2012-13 trough.

[Net additional dwellings, England \(1991/92 - 2022/23\)](#)



The calculation of 'net additional dwellings' includes:

- Homes that are newly built
- Homes that are created by change of use, for example a shop into a house
- Conversions, for example a house into flats
- Demolitions
- Other changes to the dwelling stock such as caravans or houseboats.



## What are the consequences of not building enough homes?



### Purchasing a home has become more unaffordable

The cost of a home is increasing more quickly than earnings. [Data published in March 2023](#) shows that in 2002, the median salary in England was £20,739 and the median house price was £102,000. This equated to an affordability ratio of 4.92. In 2022, the median salary was £33,208 and the median house price was £275,000 equating to an affordability ratio of 8.28.

London was the least affordable region for buying a home in 2022, with the median home price costing [13.3](#) times the annual median salary. The Office for National Statistics (ONS) provides [information on housing affordability](#) in local areas across England.



### More adults are living with their parents for longer

In 2002, [2.4 million](#) young adults aged 24 to 30 years were living with their parents in the UK. Data from 2022 shows that over the last 20 years, this has increased by over 1 million to 3.4 million young adults, representing around one in four people aged between 20 and 24 years. Many young people cannot afford to buy homes in their local communities where they have grown-up, due to worsening affordability.



### People are living in sub-standard and unsuitable homes

[3.5 million](#) homes in England in 2021/22, including 12% of households with dependent children, were in 'non-decent' condition. This can be hazardous to occupants and have negative impacts to health and wellbeing.

Non-decent homes are defined by the [Decent Home Standard](#) to be homes which do not meet the statutory minimum standard for housing, do not provide a reasonable degree of thermal comfort, are not in a reasonable state of repair, or do not have reasonably modern facilities and services. In 2021/22, [732,000 households](#) in England were considered to be living in overcrowded homes. In some cases, a home which has deteriorated beyond its original lifespan is not being replaced.

Non-decent homes can be particularly detrimental to vulnerable members of the community and people living with disabilities. For more information, please refer to [Fact sheet 4: New homes and healthcare facilities](#) and [Fact sheet 8: The economic, social and environmental benefits of new homes](#).

## Where are new homes needed?

All types of areas across England need new homes, to help local people stay in the areas where they want to live, as well as provide for people moving to an area. Urban areas are under the greatest pressure for new homes as they are where a large number of jobs and services are located.

However, rural areas also need new homes to ensure there are enough people to support the services in small villages and towns. Planning for new homes takes into account local needs and priorities and involves community consultation. For further information, please refer to [Fact sheet 2: How new homes are planned](#) and [Fact sheet 6: The role of design and placemaking in new homes and communities](#).

## Can vacant homes address the need for housing?

In 2022, England had approximately [676,000 vacant homes](#). Even if all vacant homes were used to assist in meeting the country's need for housing, it would equate to less than three years of new housing supply, based on the national figure of 300,000 homes per year.