STRATEGIC BRIEFING

State of UK housebuilding: mid-2026.

Where the 1.5 million target stands. What the numbers actually say. What Burnham's plans could change.

2026

Ubrix | ubrix.co.uk · July 2026

Inside this briefing.

The 1.5 million homes target is the defining commitment of the current parliament, and the most contested. Government spokespeople say the programme is on track once planning reforms land. The OBR expects it to fall short. Savills and Britain Remade model scenarios that undershoot by 40 per cent or more. This briefing does not settle the argument. It sets out what the data says, what Burnham's return to Westminster changes, and what it means for pipeline decisions that cannot wait for the politics to resolve.

Who this is for

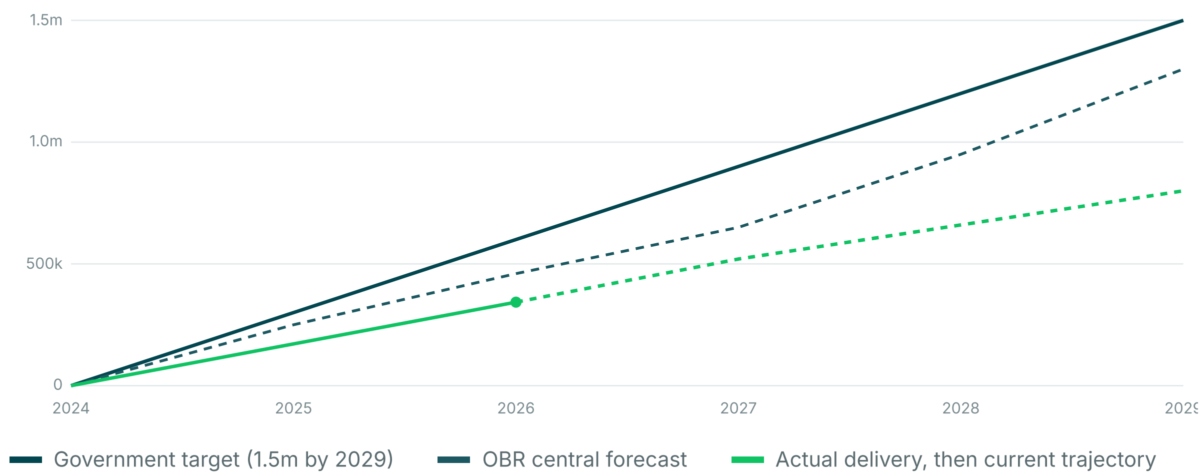
Housebuilder boards, development directors, land buyers, finance directors, principal contractor leadership and housing association executives whose pipeline decisions depend on where UK housebuilding actually goes over the next four years.

The delivery position at mid-2026.

The government's manifesto commitment is 1.5 million net additional homes in England this parliament, an annual average of roughly 300,000 to 330,000. Angela Rayner has cited 370,000. Actual delivery in the first twenty months came to 342,100 homes, about 22.8 per cent of the target.

BCIS data shows starts rising (33,960 in Q1 2026, up 18 per cent year on year) while completions fall (143,110 for 2025-26, the lowest since 2015-16). The lag between a start and a completion is typically 12 to 24 months, so today's start rate should surface in completions from 2027.

CUMULATIVE HOMES DELIVERED, 2024 TO 2029 · SOLID = OUTTURN, DASHED = FORECAST



342,100
homes delivered since the parliament opened, to 15 March 2026

22.8%
of the 1.5 million target achieved so far

300,000
average annual net additions still required

Behind, not disastrous

Whether the shortfall closes this parliament depends on planning, funding and delivery decisions being made now, several of which shifted materially last month.

Where the shortfall sits.

Forecasts diverge because they disagree about which constraint binds hardest, not just about the headline number.

The OBR forecast

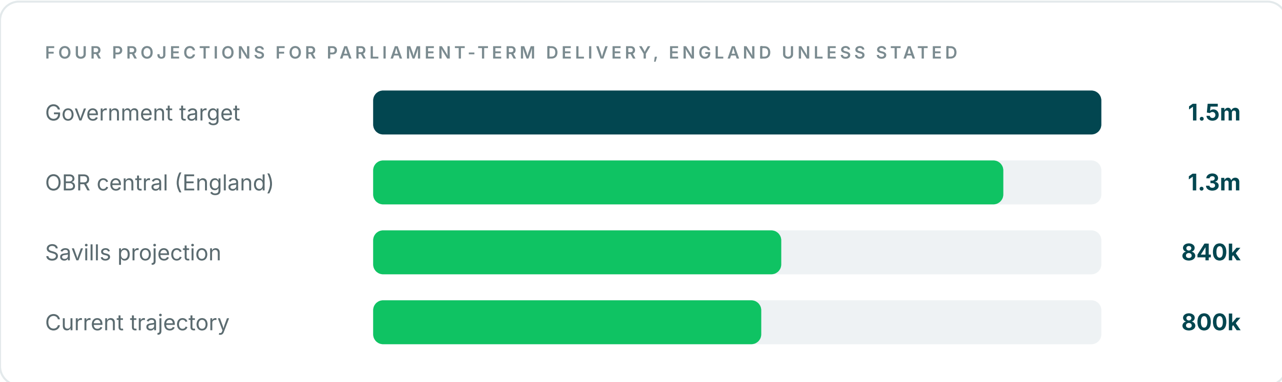
1.49m UK-wide by 2029-30, but around 1.3m for England alone, roughly 200,000 short. Annual additions fall to about 215,000 in 2026-27 before recovering.

The Savills projection

840,000 net additions, 42 per cent below target, citing labour shortages, falling consents and softer mortgage-rate demand.

Britain Remade

Just 3.4 per cent of the English population lives somewhere on track to meet its housing requirement, rising to 12 per cent under optimistic planning assumptions.



Arithmetic, not defeatism

The target may be undeliverable this parliament under current conditions. That is not the same as nothing working: every 50,000 homes closer changes the political and commercial picture for what comes next.

What the planning reforms actually change.

Three specific interventions carry the government's response to the delivery gap.

The revised NPPF	Restored mandatory local housing targets, reinstated the five-year land supply test and directed grey belt release. Government analysis credits it with the highest housebuilding levels in 40 years; the OBR is more cautious, modelling around 170,000 additional homes over five years.
Mandatory local plans	Every authority must maintain an up-to-date local plan aligned to its mandatory target, or face intervention. The first updated plans under the revised NPPF are expected to conclude during 2026 to 2027.
Extract, the AI planning tool	Confirmed June 2026, built with Google DeepMind and rolling out to every English authority. It targets a 50 per cent cut in decision times on straightforward applications, adding throughput without more planning officers.
What the reforms don't fix	None of this forces a permitted plot to start, or a started plot to complete, faster than the developer, supply chain and finance stack allow. Mortgage conditions and construction skills sit outside the reforms' reach.

Right, but late

The reforms are directionally correct, but their timing means the biggest effect lands after this parliament ends. What is already in the pipeline, plus what starts in the next 18 months, is what actually counts now.

Burnham's plans, and what they could redirect.

On 19 June 2026, Andy Burnham won the Makerfield by-election, returned to Westminster and launched a leadership bid built around a four-part housing platform.

01	**Council housebuilding**	the "biggest programme since the post-war period", delivered through local authorities rather than registered providers
02	**SAHP redirected**	the £39bn Social and Affordable Homes Programme redirected toward genuine Social Rent, above the current 60 per cent minimum
03	**Number 10 North**	a Manchester-based devolution model coordinating housing policy alongside Whitehall
04	**Right to Buy suspension**	devolved powers to suspend Right to Buy on new council-built homes

In Greater Manchester, Burnham committed to 10,000 council homes by 2028 and a £1bn regional growth plan. Nationally, none of this is policy yet: leadership nominations were expected to open in early July 2026, and redirecting the SAHP would need primary legislation or ministerial direction, triggering pushback from providers whose pipelines depend on Shared Ownership and Affordable Rent.

	CURRENT SAHP PROSPECTUS	BURNHAM'S PROPOSAL
Funding	£39bn, fixed prospectus	Redirected toward Social Rent; envelope contested
Social Rent share	At least 60% of homes	Materially higher; potentially all homes
Delivery route	Registered providers, primarily	Council-led, direct local authority delivery
Right to Buy	Standard Right to Buy applies	Suspension sought on new council stock
Horizon	Ten-year prospectus, 2026 to 2036	Tied to leadership outcome; timing uncertain

A candidate's intention, not policy

Any organisation whose pipeline leans on Shared Ownership or Affordable Rent should be modelling the sensitivity now, not once the leadership contest is settled.

The industry response so far.

Reaction splits into three broad positions.

Council advocates

The LGA and Chartered Institute of Housing broadly welcomed the council housebuilding pledge and the Right to Buy suspension proposal, framing it as a natural extension of devolution.

Built environment

Contractors and consultants welcomed the ambition while flagging the funding gap. The Home Builders Federation continues pressing for better first-time buyer mortgage conditions.

Private and SME builders

Warned that redirecting SAHP grant toward Social Rent would undercut Shared Ownership viability, and that council-led delivery risks bypassing SMEs entirely.

Where the consensus sits

Three points hold across the response: the current trajectory is insufficient, funding is not the only constraint, and the sector needs policy and funding signals that outlast the electoral cycle. SAHP's ten-year horizon was welcomed for exactly that reason; a mid-programme redirection would test it.

Not opposed, just unpaid-for

The industry wants the change paid for, sequenced sensibly, and to leave room for the private and SME delivery models already carrying a significant share of output.

What this means for housebuilder pipelines.

Five questions for board-level pipeline decisions over the next 12 months.

01	**SAHP dependency**	what share of the five-year pipeline relies on SAHP grant for anything other than Social Rent, and what happens to viability if that grant falls by 20 to 60 per cent
02	**Council relationships**	whether Section 106 routes, council contract track record and procurement capability exist to absorb demand moving toward direct council delivery
03	**Local plan timing**	where operating areas sit in the 2026 to 2027 local plan update cycle, and whether land bought now is exposed to imminent changes
04	**Demand sensitivity**	whether forecasts assume mortgage rates fall, and what the pipeline looks like if they do not
05	**Scenario modelling**	building a position that survives both continuity and a Burnham-led redirection, rather than waiting for political certainty

An operating condition, not an excuse

Political uncertainty is not a reason for pipeline paralysis. The organisations ahead in 24 months will be the ones that modelled the scenarios and acted on the parts of the pipeline that survive both.

Scenarios for 2027 to 2029.

Three plausible paths for the rest of the parliament, each with a different priority for pipeline planning. None is certain; each is plausible enough to warrant preparing for.

A SCENARIO A

Continuity

Current SAHP prospectus and planning reforms continue. Delivery tracks the OBR range, 100,000 to 200,000 short of target.

Priority: maximise SAHP bid competitiveness and optimise Shared Ownership and Affordable Rent delivery within the current framework.

B SCENARIO B

Burnham programme

SAHP redirected toward Social Rent, council-led delivery expanded, housing devolved further through Number 10 North.

Priority: strengthen council relationships and model Social Rent scheme viability at higher grant rates.

C SCENARIO C

Political stasis

The leadership question stays unresolved for months. No direction crystallises into policy. Delivery drifts toward the lower end of the OBR range.

Priority: protect the current pipeline, avoid speculative land purchases, hold cash.

WHAT TO WATCH

Mid to late summer

Labour leadership decision expected, resolving whether Scenario B becomes live policy

2026 to 2027

First updated local plans conclude, resetting land supply and mandatory targets area by area

From 2027

Q1 2026 starts uplift should begin surfacing in completions, testing the OBR trajectory

Prepare for all three

Waiting to see which scenario materialises means reacting to it once it does. Preparing for all three means being positioned to move first, whichever one lands.

Sources and closing note.

PRIMARY DATA

BCIS starts and completions, Q1 2026 and FY2025-26. MHCLG dwelling completions trajectory, March 2026. OBR forecasts, Spring and Autumn Budget 2025. Full Fact 1.5 million homes tracker. Homes England SAHP 2026 to 2036 prospectus.

SECTOR AND POLITICAL

Savills UK housing supply projections. Britain Remade / Britain Wants To Build analysis. Barclays Business Prosperity Index, January 2026. Andy Burnham speeches, Makerfield launch and 20 June 2026. LGA and Home Builders Federation statements. Google DeepMind and MHCLG on Extract, June 2026.

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