

Private housing starts dip in 2019

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By Joey Gardiner

Construction starts for private sale homes fell by 3% last year, according to the National House Building Council.

Overall housing starts and completions were virtually flat in 2019 compared with the previous year. It saw 161,022 starts, a rise of 1%, and 150,436 completions, an increase of 0.5%.

This was driven by the growth in purpose-built affordable and rental housing, up 13% on the previous year. Private sector starts fell to 112,086, according to the NHBC.

The data, recorded from housebuilders that use the warranty provider for their new-build homes, supports recent surveys suggesting the recent surge in housebuilding numbers may have petered out.

The NHBC noted 4,788 build-to-rent starts in 2019 compared with 3,055 recorded in 2018. The number of starts has increased almost fourfold in the last four years.



Source: Shutterstock

The number of BTR starts has increased almost fourfold in the last four years

While overall rises in starts and completions were minimal, the 2019 figures for both

represent decade highs. Starts are at their highest level since 2007 - the year before the credit crunch. The figures showed positive news for London, which has seen falls in residential construction in recent years, as it recorded a 37% rise in starts.

NHBC chief executive Steve Wood said: "It is great to see the resilience of housebuilders in 2019. This momentum needs to be maintained as we enter a new decade, with the industry ever more focused on quality and fire safety."

Richard Jackson, co-founder and managing director at Apache Capital Partners, said: "The rapid increase in build-to-rent registrations over the last five years is a clear sign of progress and continued investor interest in this emerging sector.

"However, today's figures are also a reminder that BTR is only in its infancy and there is still a huge opportunity for growth as there are only a small number of genuine purpose-built schemes that have been completed."

Dean Clifford, co-founder at Great Marlborough Estates, said: "It is no secret that London needs more homes so today's figures are good news for the capital, even if the number of completed homes fell last year, and the national picture is looking rosier too even if we are some way off meeting the government's house-building targets."