# Labour’s housing promises fade as London reports historic lows in housebuilding



Labour’s grand promise to deliver 1.5 million new homes over the next five years rings increasingly hollow as the capital and the rest of the UK suffer from some of the lowest levels of housebuilding in over a decade. Under Labour’s watch, London has seen a catastrophic decline, with recent figures revealing the lowest number of private housebuilding starts since 2009. In the first quarter of 2025, only 1,210 new private homes were initiated across the city—a staggeringly small fraction of the government’s quarterly target of 22,000. Alarmingly, 23 out of London’s 33 boroughs reported no new housing starts at all during this period, exposing a widespread crisis that Labour fails to address.

This housing drought hits particularly hard in areas like Kingston upon Thames, where new builds have fallen to their lowest point since 2009. The bleak forecasts suggest this trend will only worsen, with just 7,100 private homes projected to be completed across London in 2027 and 2028—yet most boroughs, including Bromley, Lewisham, Hackney, and Kingston, anticipate no new developments at all. Such figures lay bare the chasm between Labour’s hollow promises of 88,000 homes annually in London alone and the grim reality on the ground.

Multiple factors, exacerbated under Labour’s tenure, have stifled housebuilding prospects. Developers point to a host of crippling issues—after-Grenfell fire safety regulations piling on delays, rising construction costs, stagnant sale prices, a shrinking pool of affluent off-plan buyers, and persistently high interest rates. These supply constraints are worsened by a long-term decline in housing demand. Since 2017, misguided policies and market stagnation have drained sales volumes, creating a vicious cycle where even regulatory reforms appear insufficient to ignite building activity. While the government has tools such as fiscal incentives, it’s far from clear if Labour’s administration will muster the political resolve necessary to actually implement measures that stimulate demand and rebuild confidence in the market.

Nationwide, the outlook is equally dismal. In the year leading up to June 2024, new housing starts plummeted below 88,000—the lowest since 2009—and an eye-watering drop from over 190,000 the previous year. Planning approvals have also hit multi-year lows, with only 230,000 units granted permission—fewer than in recent years and since 2014. Industry bodies like the Home Builders Federation warn that this decline will worsen the housing shortage, pushing up prices and rents as supply dwindles further.

London Mayor Sadiq Khan’s recent comparison of the current housebuilding slowdown to the 2008 banking crisis reveals the depth of the failure. Despite record levels of affordable homes initiated in 2022-23, the latest figures indicate a stark reduction in housing starts supported by City Hall, with just 2,358 new homes begun in 2023-24. Khan blames previous government policies for hampering the construction sector, but Labour’s own failures have only deepened the crisis.

Critics argue that Labour’s control over London has coincided with some of the worst housing delivery figures in recent history. Their proposed Planning Bill, aimed at streamlining approvals, remains untested and unproven, offering little hope for reversing these declines. The scale of the housing emergency demands decisive action—regulatory reform, targeted financial incentives, and demand stimulation—that Labour has yet to deliver. Without such reforms, their lofty housing targets will remain nothing more than empty promises, as the city and the country continue to suffer from Labour’s continued mismanagement and neglect.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.standard.co.uk/news/politics/keir-starmer-labour-james-parliament-gatwick-airport-b1249113.html> - Please view link - unable to able to access data
2. <https://www.standard.co.uk/business/housebuilding-london-housing-crisis-molior-property-homes-b1224633.html> - In the first quarter of 2025, London experienced a significant decline in housebuilding, with only 1,210 new private flats and houses started, representing just 5% of the government's quarterly target of 22,000. Alarmingly, 23 out of London's 33 local authority areas reported no new housing starts during this period. This downturn poses a challenge to Labour's goal of constructing 1.5 million new homes nationwide by the end of the decade, including 88,000 annually in the capital. Developers cite obstacles such as post-Grenfell fire safety regulations, planning delays, increased building costs, stagnant sale prices, a shortage of wealthy off-plan investors, and high interest rates as contributing factors. Projections for 2027 and 2028 indicate a further decline, with only 7,100 new private homes expected to be completed, and no completions anticipated in 16 boroughs, including Bromley, Lewisham, Hackney, Hounslow, Havering, Kingston Upon Thames, and Merton. The report suggests that while the government is working to address supply-side regulatory hurdles, it can do little to stimulate demand, which has been in steady decline since 2017 due to policy constraints and falling sales volumes. The government holds some tax levers in this respect, but it remains to be seen whether it has the political appetite to pull them.
3. <https://kingston.nub.news/news/local-news/kingston-housebuilding-sinks-to-its-lowest-level-since-2009-258545> - In Kingston, housebuilding has reached its lowest level since 2009, mirroring the broader trend in London. In the first quarter of 2025, only 1,210 new private flats and houses were started across the capital, with Kingston among the 23 out of 33 local authority areas reporting no new housing starts during this period. This decline poses a challenge to Labour's goal of constructing 1.5 million new homes nationwide by the end of the decade, including 88,000 annually in the capital. Developers cite obstacles such as post-Grenfell fire safety regulations, planning delays, increased building costs, stagnant sale prices, a shortage of wealthy off-plan investors, and high interest rates as contributing factors. Projections for 2027 and 2028 indicate a further decline, with only 7,100 new private homes expected to be completed, and no completions anticipated in 16 boroughs, including Kingston Upon Thames. The report suggests that while the government is working to address supply-side regulatory hurdles, it can do little to stimulate demand, which has been in steady decline since 2017 due to policy constraints and falling sales volumes. The government holds some tax levers in this respect, but it remains to be seen whether it has the political appetite to pull them.
4. <https://www.bloomberg.com/news/articles/2024-10-25/lowest-uk-housing-starts-since-2009-reveal-challenge-for-labour> - In the year leading up to June 2024, the UK experienced the lowest number of new housing starts since 2009, with fewer than 88,000 homes under construction, a significant decline from over 190,000 the previous year. This downturn presents a substantial challenge for the Labour government, which has pledged to build 1.5 million homes over five years. The sharp decline is attributed to factors such as increased interest rates and reduced developer confidence, leading to a slowdown in housing projects. The government faces the task of stimulating the housing market to meet its ambitious targets.
5. <https://www.standard.co.uk/news/london/number-of-private-newbuilds-in-london-halved-to-lowest-level-since-2012-a3965301.html> - In the three months from June to September 2018, the number of private new-build homes in London halved compared to the previous quarter, reaching the lowest level since the third quarter of 2012. Work commenced on just 3,655 new private flats and houses, down from 7,153 in the previous quarter. This sharp slowdown is attributed to uncertainties following the Brexit referendum and the subsequent general election, leading to a decline in developer confidence and a reduction in housing starts.
6. <https://www.standard.co.uk/news/london/housebuilding-london-global-banking-crisis-sadiq-khan-affordable-homes-b1193220.html> - London Mayor Sadiq Khan has described the current state of housebuilding in London as being as bad as during the 2008 global banking crisis. In the 2023-24 financial year, only 2,358 homes were started with City Hall funding, the lowest level since Khan became mayor eight years ago. This contrasts sharply with the record 25,658 affordable homes started in London in 2022/23. Khan attributes the decline to the previous government's policies, which he claims have had a 'catastrophic effect on housebuilding.'
7. <https://www.reuters.com/world/uk/english-home-building-approvals-hit-lowest-since-2014-2024-09-19/> - In the 12 months leading up to June 2024, planning approvals for home-building in England fell to their lowest level since 2014, with only 230,000 units receiving planning permission. This decline presents a significant challenge for Prime Minister Keir Starmer's new government, which aims to boost house-building to 370,000 new homes annually across the UK. The Home Builders Federation reported that the number of permissions and new housing schemes has been decreasing since 2022, contributing to rising house prices and rents due to the scarcity of housing stock.