

PAGABO®

In association with



Building 1.5 million homes – is it achievable?





Contents

Introduction	3
About Pagabo	4
Survey methodology	4
An Ambitious Target Meets a Sobering Reality	5
Overcoming the Obstacles to Delivery	7
The Refurbishment Dilemma: A Widening Chasm in Strategic Priorities	9
Strategic Priorities and Diverging Paths	12
Beyond Bricks and Mortar: The Critical Role of Public Sector Collaboration	14
Conclusion	16



Introduction

In December 2024, the government made a landmark announcement: a sweeping overhaul of the planning system designed to accelerate housebuilding and deliver an ambitious 1.5 million new homes over the course of this parliament. The plan promises to put “builders not blockers first,” introducing mandatory new housing targets for councils, a reclassification of lower-quality ‘grey belt’ land for development and a renewed focus on brownfield sites.

In the months since, the government has begun to outline the details of its plan, from funding for hundreds of new planning officers to new ‘golden rules’ intended to ensure development is matched with the necessary infrastructure and affordable housing. The message is one of decisive action to finally provide security for families locked out of the housing market.

However, against a backdrop of rising costs, significant infrastructure deficits and longstanding funding uncertainty, how feasible is this target in reality?

What are the practical barriers preventing public sector organisations from translating these national ambitions into local delivery?

In response, Surveys in Public Sector has partnered with Pagabo – one of the UK’s leading public procurement specialists – to identify some of the thoughts of local government and housing associations on progress made towards the 1.5 million homes target and other factors that are impacting the new homes strategy.

Specifically, this comprehensive study asks: how achievable is the government’s target in the eyes of those on the front line; what are the most critical obstacles to increasing the housing supply; and what policy changes are truly needed to unlock delivery and build the thriving communities of the future?



About Pagabo

Pagabo is a public sector procurement specialist that helps the public sector deliver projects faster, more effectively and with greater long-term value.

With expertise that spans strategic advisory through to delivery, Pagabo's CIPS-qualified team provides hands-on support across all stages of the procurement process. Its approach reduces risk, unlocks opportunities and ensures projects deliver not just on budget and time, but on purpose – particularly around environmental and social outcomes.

Along with its framework partners, Pagabo brings deep knowledge of housing development to the fore – supporting the public sector in accessing funding to turn projects from planning to developer selection and delivery.

For more information, visit: pagabo.co.uk

Survey methodology

Building 1.5 million Homes – Is It Achievable? was conducted by Surveys in Public Sector in partnership with Pagabo. The consultation period ran from Tuesday 23 September 2025 to Wednesday 19 November 2025.

Survey respondents represent a broad cross-section of job functions across the public sector, including:

Administration, Asset Management, Audit, Business Development, Business Management, Cabinet Member Local Gov, Cabinet Member for Planning, Chief Executive/Deputy, Commissioning, Community Health, Corporate Services, Environment, Environmental Health, Facilities & Estates, Finance Management, Governance,

Planning, Policy, Political, Procurement/Purchasing, Project, Property, Regeneration, Service Delivery, Social Services, Strategy, Sustainability, Sustainable Communities, Transformation/Change Management, Transport/Fleet.

A total of 84 individuals from 69 unique organisations participated in the survey, each of whom received a complimentary copy of the key findings report.

There was no inducement to take part in our research project, and Pagabo was not introduced as the survey partner.

An ambitious target meets a sobering reality

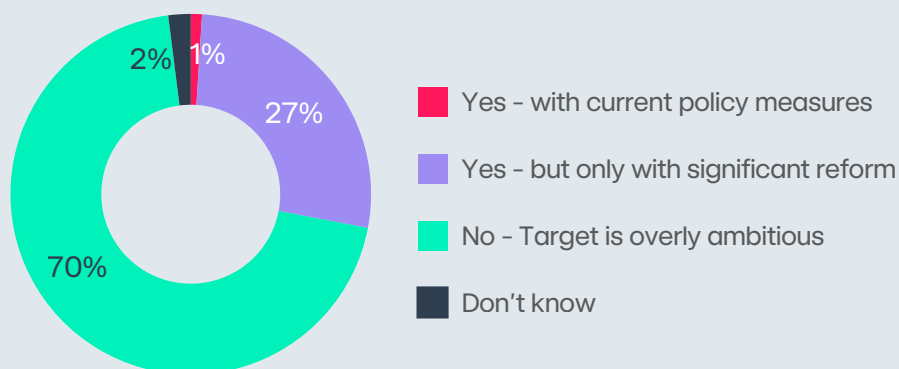
Since the Labour party entered government, its target of delivering 1.5 million new homes has become a central pillar of its domestic agenda. However, our findings reveal a deep-seated pessimism across the housing sector about the feasibility of this ambition. There is a belief that the target is unachievable with current policy, a sentiment that is substantiated by the sector's own assessment of its recent progress.

Our research shows that professionals on the front line of housing delivery have little confidence in the government's headline target. A significant majority

view the goal as unattainable, suggesting a major disconnect between policy ambition and practical reality.

Less than 1% of respondents believe the 1.5 million homes target is achievable with current policy measures, meanwhile, **70% of all respondents believe the target is "overly ambitious,"** indicating a need for significant policy reform or a more realistic timescale.

Do you believe the government's target of 1.5 million homes this parliament is achievable?



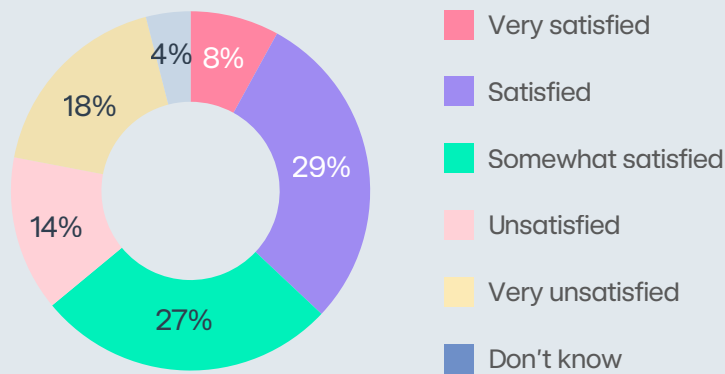
This widespread doubt is mirrored in the sector's own performance. When asked about their progress against local targets, almost a third of respondents expressed dissatisfaction. This suggests that the barriers preventing the acceleration of housing delivery are already deeply entrenched.

Organisations appear to be struggling to meet their existing local targets, reinforcing the belief that a

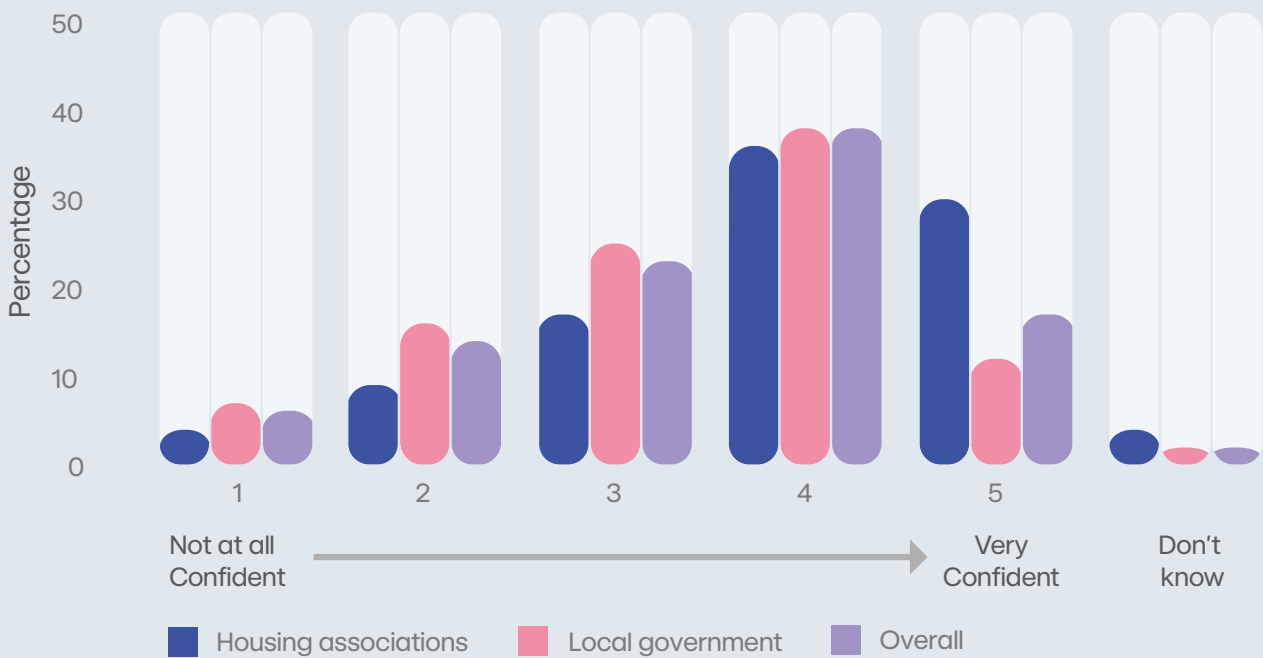
national step-change is out of reach. A combined 32% of respondents are either "Unsatisfied" (14%) or "Very unsatisfied" (18%) with their organisation's progress against local delivery targets. Elsewhere, confidence in increasing supply over the next five years is mixed, with only 17% feeling "Very confident," while a combined 20% are "Not at all confident" or have low confidence.



Since the Labour party entered government in 2024, how satisfied are you with your organisation's progress in relation to the delivery of affordable homes compared with the local target?



On a scale of 1-5, how confident are you that your organisation can increase affordable housing supply over the next 5 years?



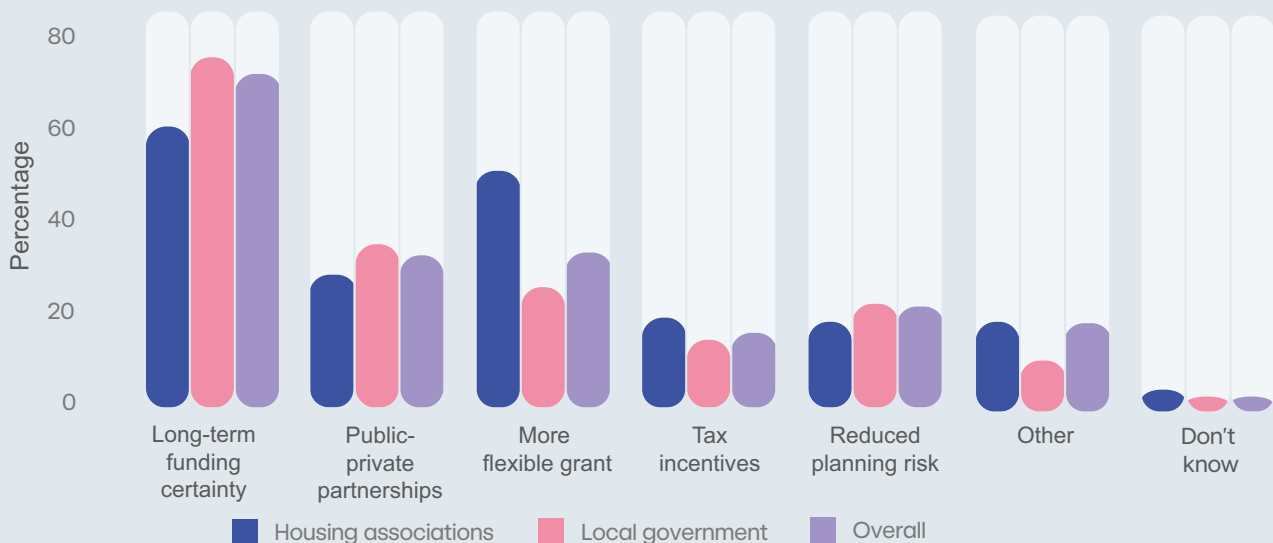
Overcoming the obstacles to delivery

With the housing target widely seen as unachievable by those tasked with delivering it, our research sought to identify the root causes of this sentiment. The findings point to a combination of chronic underfunding, systemic barriers related to land and planning and an infrastructure deficit that together are stifling the sector's ability to build at the required scale.

Chronic underfunding and investment uncertainty is the primary barrier: The most critical factor holding back housing delivery is the lack of sufficient, flexible

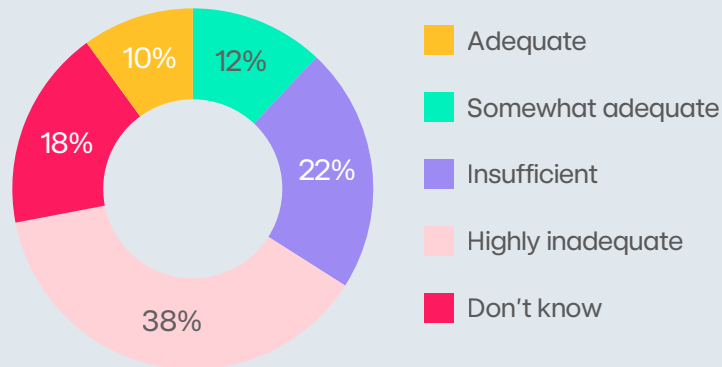
and long-term funding. The sector is clear that without a stable financial framework, it cannot make the necessary investments. When asked what would most help unlock investment, **73% of respondents cited "Long-term funding certainty from government."** Meanwhile, a combined 60% described the current availability of funding as either "Highly inadequate" (22%) or "Insufficient for required delivery" (38%).

What would most help unlock further investment in housing?





How would you describe the availability of funding for housing projects in your area?

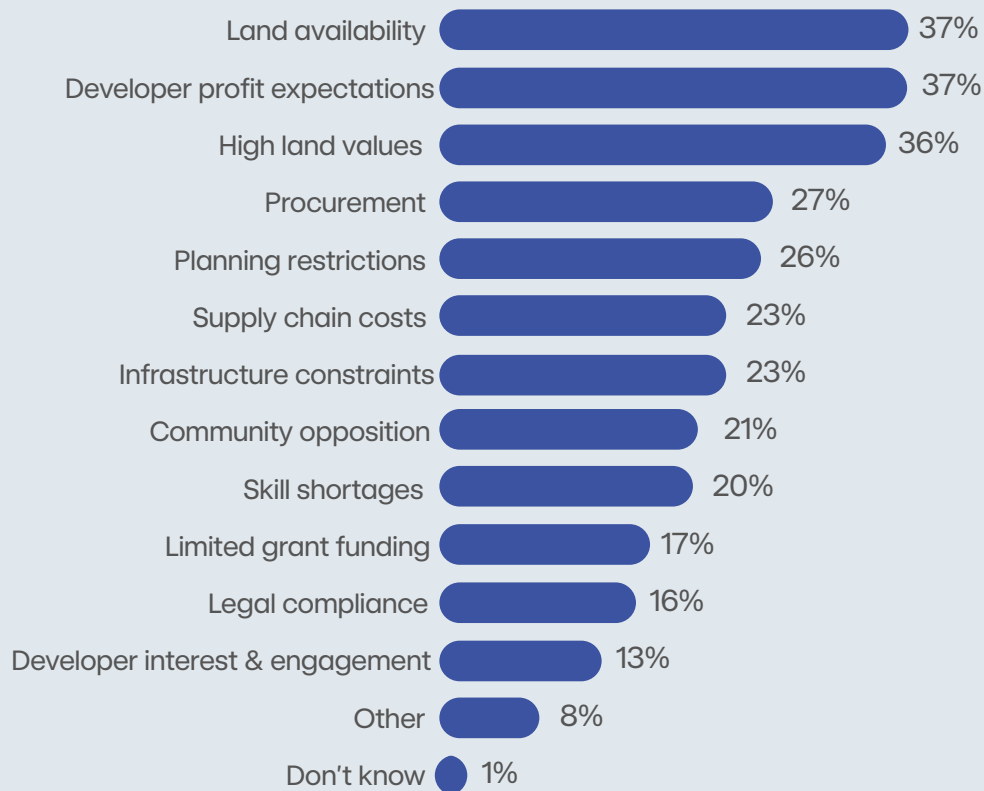


Beyond funding, a trio of interconnected issues surrounding land, viability and developer motives presents a formidable obstacle. As one respondent noted, the biggest problem is the 'viability' get out clause, which allows developers to shirk responsibilities and keep profits vast." This sentiment is reflected across the sector. Even if funding were available, issues with the land market and developer behaviour create significant blockages. When asked about this topic of barriers to delivering new homes, the top three barriers cited by respondents were "**Developer profit expectations**" (37%), "**Land availability**" (37%), and "**High land values**" (36%).

This is compounded by the poor state of existing infrastructure, a challenge felt most acutely by local government with the lack of sufficient roads, rail and utilities is a significant factor slowing down the delivery of new homes.

33% of local government respondents stated that inadequate infrastructure "Significantly" slows housing delivery, a figure more than three times higher than for housing associations (10%).

What are the main barriers to delivering more homes in your region?



The refurbishment dilemma: a widening chasm in strategic priorities

While the national conversation is dominated by the push for new home construction, our research reveals a critical and growing tension beneath the surface: the need to balance new delivery with the urgent requirement to maintain and improve existing housing stock. This challenge is not felt equally across the sector. The findings show a significant strategic divergence between housing associations (HAs) and local government (LG), highlighting the competing pressures that an exclusive focus on new build targets can overlook.

Our survey shows that for housing associations, which often manage vast portfolios of existing properties, refurbishment is a core strategic priority. In contrast, local government bodies are more likely to view it as secondary to the primary goal of enabling new development.

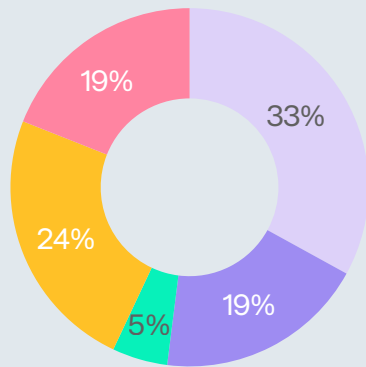


33% of housing association respondents state that refurbishment of existing stock is a “core focus” of their current strategy. This figure is nearly three times higher than for respondents representing local government, where only 12% say the same. Conversely, almost a third (32%) of local government respondents describe refurbishment as “important, but secondary to new development,” a view shared by only 5% of their housing association counterparts.

This data underscores the conflicting priorities between the two sectors. While local government is often focused on planning and enabling supply, housing associations are on the front line of managing the quality, safety, and sustainability of the nation's affordable housing, making the upkeep of these assets a non-negotiable priority.

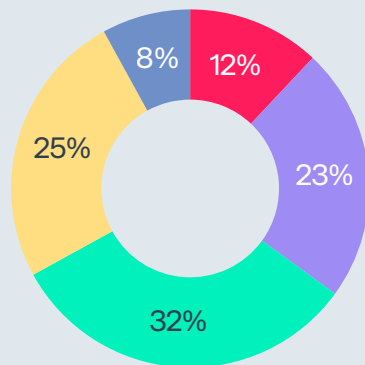
Thinking about your current strategy, how important is the refurbishment of existing housing stock compared to the construction of new homes?

Housing association



- Very important
- Equally balanced
- Important but secondary
- Less important
- Don't know

Local government



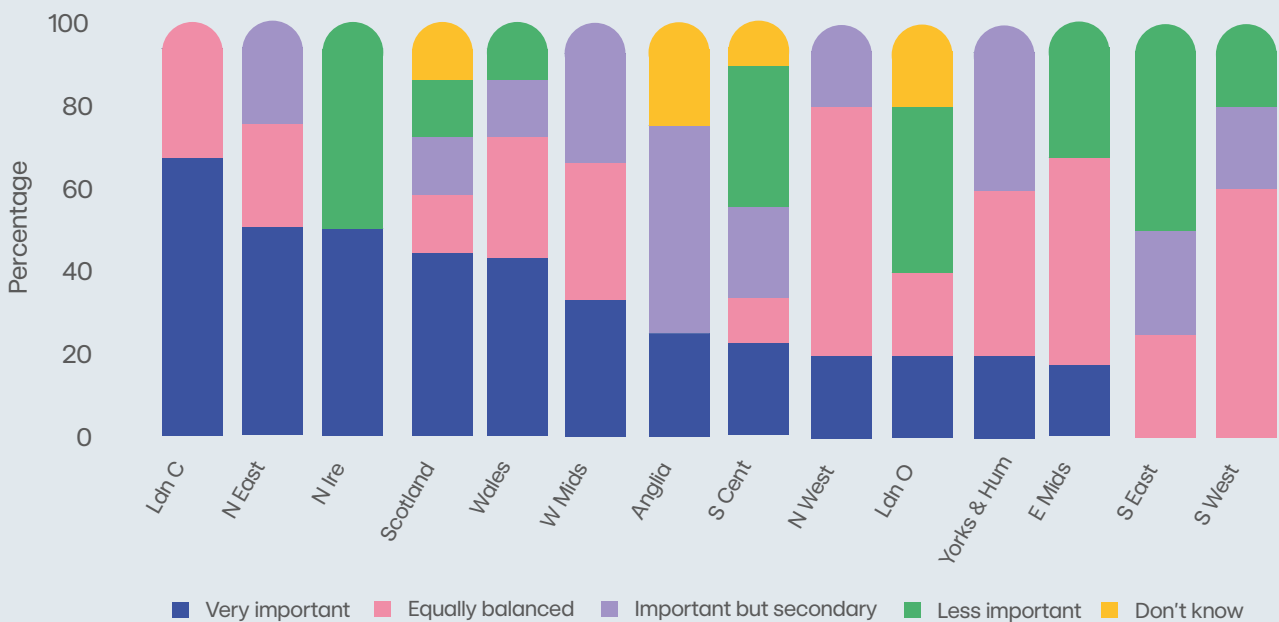
- Very important
- Equally balanced
- Important but secondary
- Less important
- Don't know

This strategic divide is also reflected in stark regional variations. In dense urban areas like Central London, refurbishment is the dominant priority, likely reflecting the challenges of managing older, more complex housing stock. In other regions, the focus remains squarely on new construction. The importance of refurbishment differs significantly across the country, suggesting that a national, one-size-fits-all housing policy may not be effective. In Central London, 67% of respondents said refurbishment was a “core focus,” the highest in the country. This was followed by the North West (50%) and Scotland (44%). In stark contrast, in Wales and the South West, 0% of respondents

described refurbishment as a core focus, indicating that the strategic agenda in these regions is far more heavily weighted towards new builds.

Ultimately, this refurbishment dilemma brings the issue of competing priorities into sharp focus. For a significant portion of the sector, particularly Housing associations, capital that could be used for new development is already committed to vital works on existing homes. This internal competition for limited resources further complicates the challenge of meeting ambitious national housebuilding targets.

Thinking about your current strategy, how important is the refurbishment of existing housing stock compared to the construction of new homes?





Strategic priorities and diverging paths

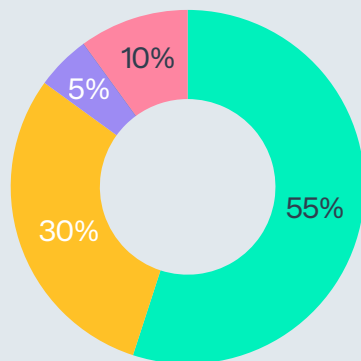
Our research reveals that housing associations and local government face a different set of challenges and are, in some cases, moving in strategically different directions. While both are committed to delivering housing, their primary focus and experiences on the ground vary significantly.

A house divided - HAs focus on existing stock while local government grapples with developers: A clear divergence has emerged. HAs are increasingly focused on the challenge of maintaining and improving their

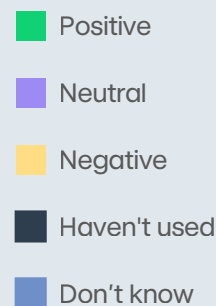
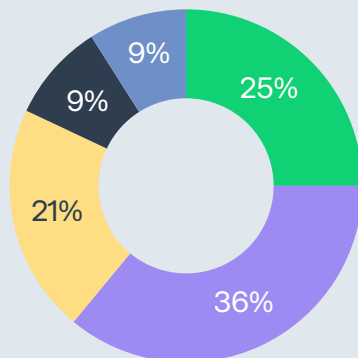
existing properties, while local government reports a more challenging relationship with private sector developers. For 24% of housing associations, balancing new builds with improving existing stock is a "major barrier to our objectives," more than double the figure for local government (11%). Meanwhile, HAs report a far more positive relationship with developers, with 55% describing their experience as "Positive," compared to just 25% of local government.

What has your experience been working with developers on past schemes?

Housing association



Local government



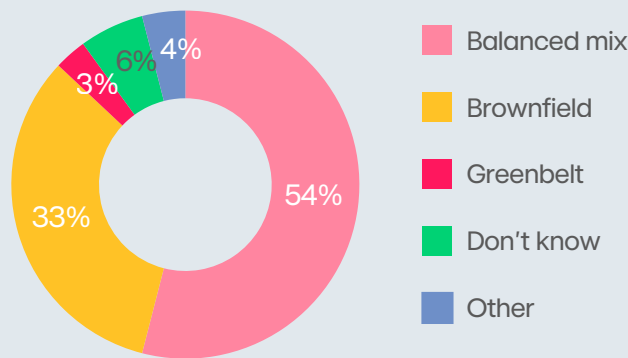
This strategic split is also reflected in the ongoing debate around land use. While there is an ideological preference for building on brownfield sites, the sector adopts a pragmatic stance, acknowledging that a mix of both brownfield and greenbelt land will be necessary to meet housing needs. Faced with the high costs of remediation, most housing professionals favour a pragmatic, mixed approach to land use. 54% of respondents would prioritise a “balanced mix of both” brownfield and greenbelt sites. “High remediation

costs” were cited by a more than half of respondents (56%) as the main constraint in bringing forward brownfield land.

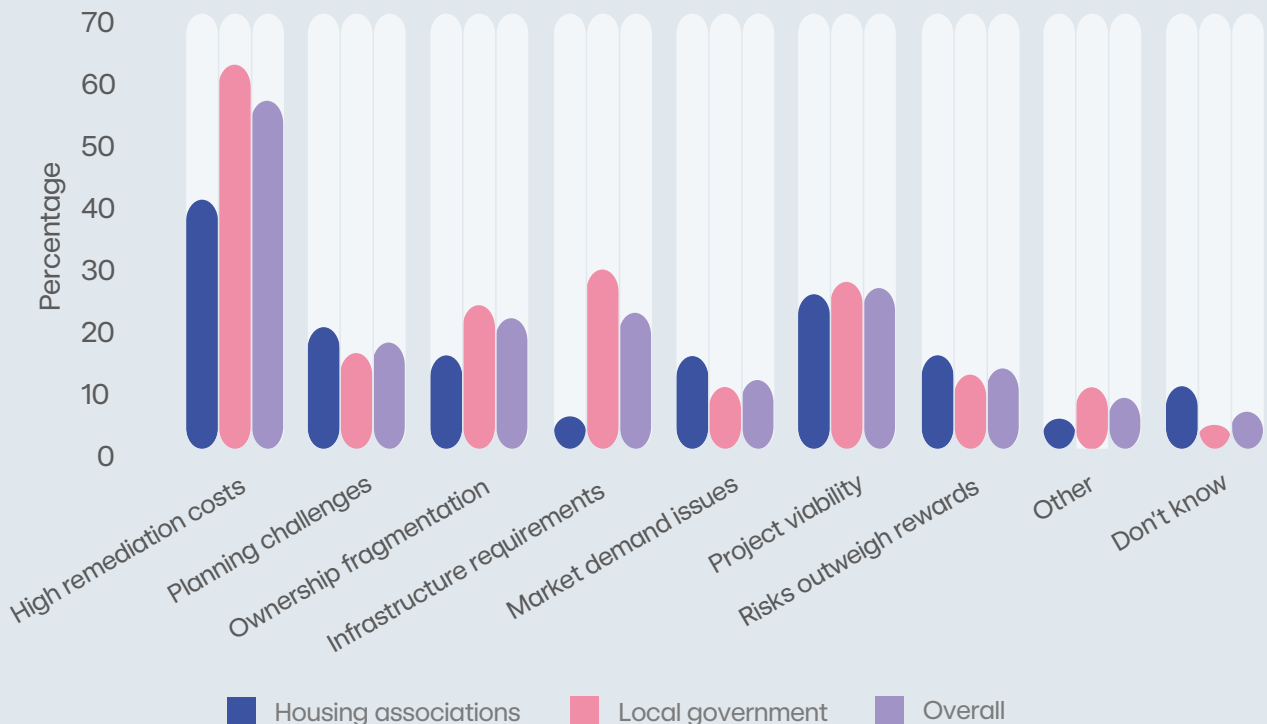
There were also concerns raised over the environmental impacts associated with the policy of building on greenbelt sites. As one respondent commented:

“I bitterly oppose release of Greenbelt as a policy – it isn’t just pretty – it is our food supply and our lungs.”

If forced to choose, would you prioritise new housing on greenbelt land or brownfield sites?



What is the main constraint in bringing forward brownfield land for housing?





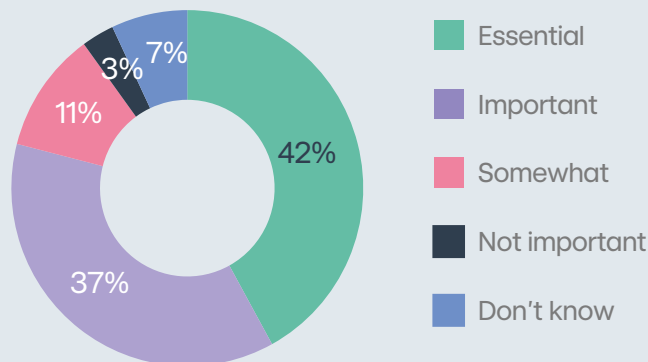
Beyond bricks and mortar: the critical role of public sector collaboration

The findings of this survey make it clear that for housing professionals, success is not measured in housing units alone, but in the creation of sustainable, thriving communities. A central theme emerging from the research is the universal agreement that housing delivery cannot be successful in a silo. There is an overwhelming consensus that meaningful collaboration with other public sector bodies, such as the NHS and education providers, is a fundamental prerequisite for success. Across the sector, there is a strong view that new housing must be supported by corresponding investment in social infrastructure. Respondents see

collaboration not as a 'nice-to-have', but as a critical component of place-making.

An overwhelming 79% of all respondents view collaboration with other public sector bodies as either "Essential" (42%) or "Important" (37%). Supporting Data Point 2: This view is felt most acutely within local government, where 45% of respondents described this collaboration as "Essential," compared to 35% of their housing association counterparts.

How important is collaboration with other public sector bodies (e.g. NHS, education providers) to successful housing delivery?

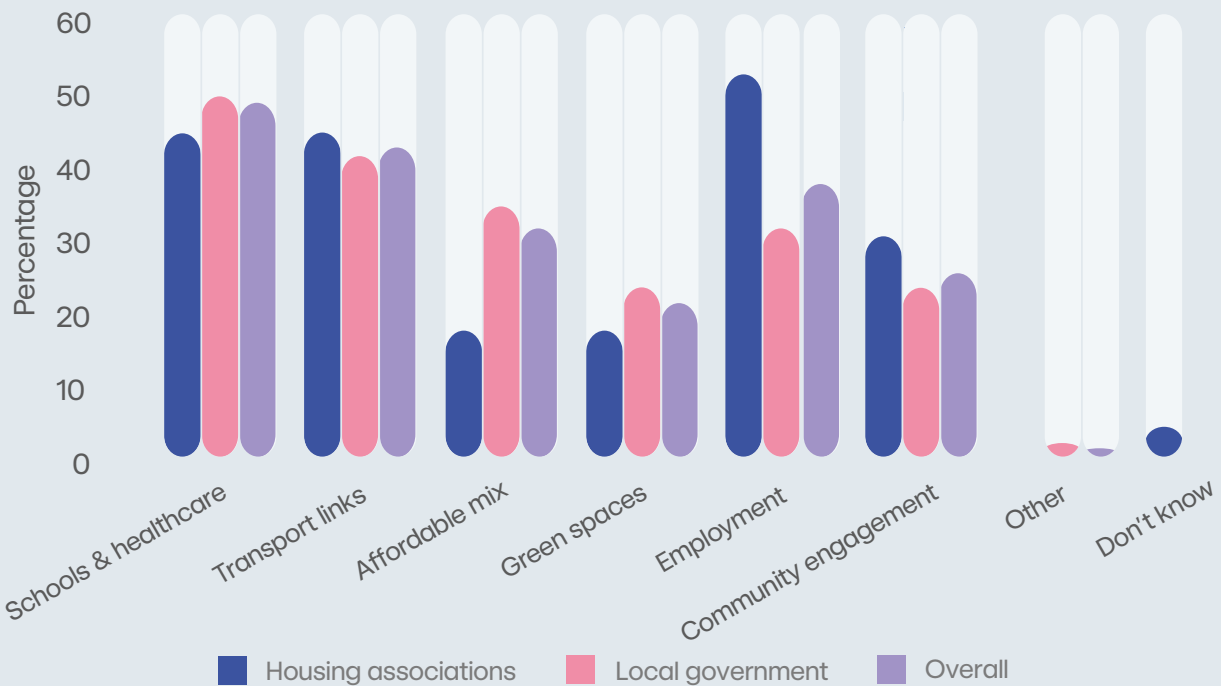


This belief is rooted in a clear and practical understanding of what makes new developments succeed in the long term. When asked separately to identify the top factors in creating thriving communities, respondents overwhelmingly pointed not to the houses themselves, but to the services and opportunities that surround them. The call for collaboration is therefore a direct reflection of the desire to ensure new homes are supported by the infrastructure residents need.

The data shows that the demand for integrated planning is driven by the core elements that define a successful community.

The top factors cited for creating thriving communities were “Access to schools and healthcare” (48%) and “Good transport links” (42%) – all of which depend on effective cross-sector public planning.

What are the top three factors in creating communities that thrive long-term?





Conclusion

Is building 1.5 million new homes in this parliament achievable? Our findings suggest that this target is more optimistic than realistic.

There is a clear view that the government cannot meet its housing targets by relying on the traditional model of land sales followed by developer delivery. This approach leaves build-out rates largely driven by commercial priorities, profit and timing, rather than housing need. The structure of these contracts is widely seen as misaligned with public objectives, reinforcing the need for a more collaborative delivery model in which the public sector and developers share responsibility from the outset to accelerate delivery and maximise public value.

However, through greater understanding of the challenges, we are now better placed to influence changes that will not only increase confidence but also have a direct impact on progress against local targets.

The most significant barrier is the lack of long-term funding certainty. Respondents report that current funding is insufficient, short-term and restrictive, limiting the public sector's ability to plan strategically, invest at scale and manage rising land, construction and infrastructure costs. Addressing this challenge requires not just increased funding, but clearer, more flexible and longer-term commitments.

The survey also highlights that housing delivery cannot be considered in isolation. Success is defined not by numbers alone, but by the creation of thriving places, underpinned by access to healthcare, education, transport and social infrastructure. Strong cross-sector collaboration is therefore essential; without coordinated planning, new housing risks placing further strain on already stretched services.

The developer-led solution

At Pagabo, we believe that procurement offers a powerful opportunity to make a difference, from the outset of development planning through to the legacy that is created. Despite public sector challenges with private developer relationships being cited throughout

this report, greater investment is going to be essential in tackling underfunding, and local government cannot continue this journey alone – which is where a unique market offering comes to the fore.

Our managed Developer-Led Framework promotes early engagement between developers and public sector clients to improve viability, placemaking and delivery. It is the first framework of its kind to provide private sector funding to public sector schemes. Launched in late 2020, it connects clients with over 25 pre-approved developers. To date, over 50 schemes have been procured, driving billions of pounds of investment, delivering more than 15,000 homes and significant new commercial, retail and public space.

Since conducting the survey that informed the insights within this research report, the government's Planning and Infrastructure Bill has gained Royal Assent and has become law – seeking to move the dial as housing sector professionals desperately seek solutions. Despite what's been said and done already, an open-minded attitude and collaboration driven approach can make 2026 the year that will be remembered for the right reasons.

Learn more about the Developer-Led Framework here: www.pagabo.co.uk/frameworks/developer-led-framework

For more information on the wider suite of public sector procurement framework agreements we manage, from construction and infrastructure through to consultancy, visit www.pagabo.co.uk/frameworks

Contact us to discuss housing development with our team: info@pagabo.co.uk



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Developer director at Pagabo



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