

Better together: the role of partnerships in increasing housing delivery



The case for new approaches

savills

Increasing housing delivery is at the heart of the Government's ambitions for growth. But the target of 1.5 million homes in England during this Parliament – equivalent to 300,000 new homes per year, or over 800 homes being built per day remains a long way off. The first quarter of 2025 saw the lowest number of new homes built in a twelve-month period for over eight years.

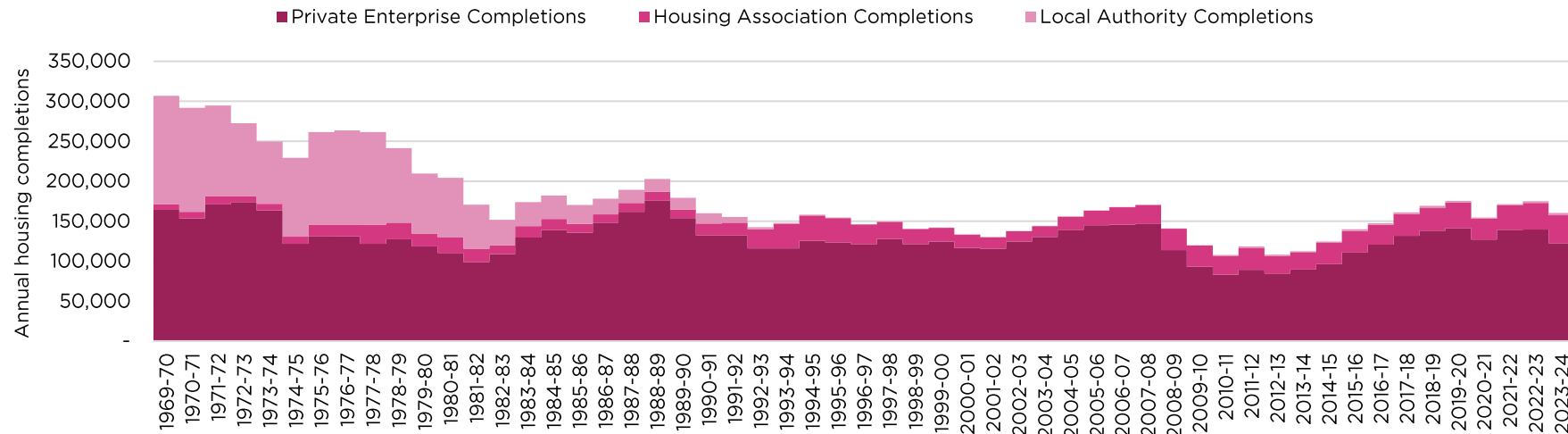
Only c.225,000 homes gained full planning consent in the year to March 2025, according to the latest estimates from Glenigan and the HBF – down 8% compared to the previous year and well below the 367,000 new homes per annum called for by the Government's most recent calculation of housing need.

The number of new homes starting on site contracted sharply in 2023 and 2024. Overall volumes have recovered slightly at the start of 2025. But pressure on SME developers remains particularly acute, with starts on sites by these builders still 20% below last year on an annualised basis.

Relying solely on unsupported private sector activity will not deliver the homes that are so desperately needed. Long-run housing completions data shows that the private sector has delivered at approximately the same annual rate for over 50 years, with some volatility resulting from market cycles.

The key difference in recent years is the absence of local authority housebuilding, which has been at negligible levels since the 1980s. But with lack of in-house development expertise in many councils, and constrained finances limiting appetite for development risk, we cannot look to decades old models of development.

Recent guidance from the Local Government Association instead encouraged public sector bodies to look to public-private partnerships (PPPs) to “bring together resources, expertise and powers” in ways that cannot be achieved by either the public or private sector in isolation.

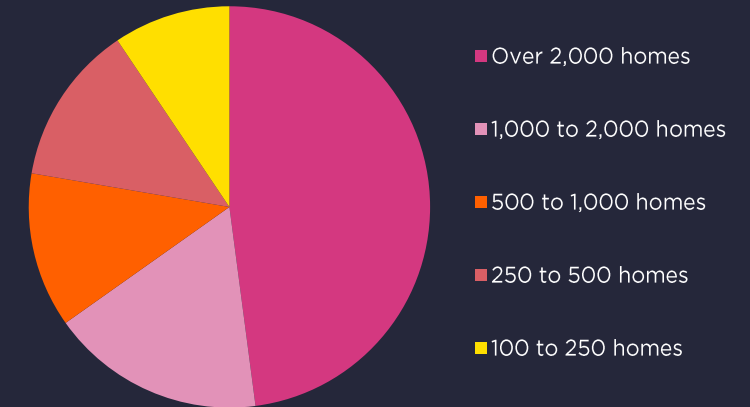


The scale of partnership delivery

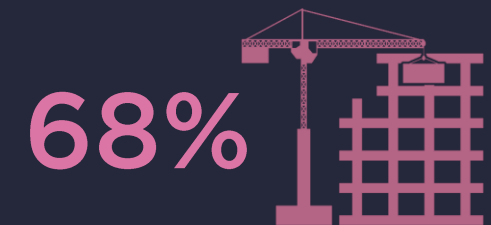
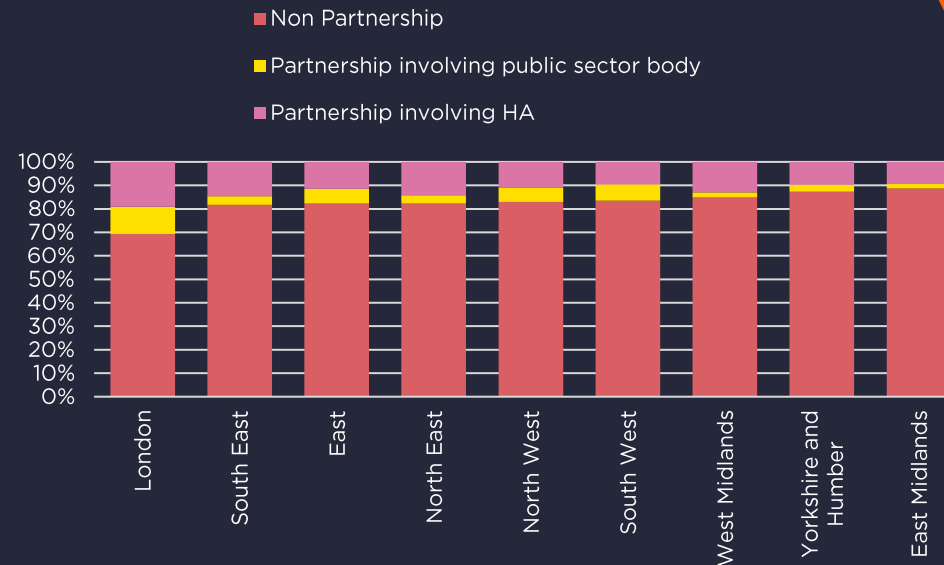
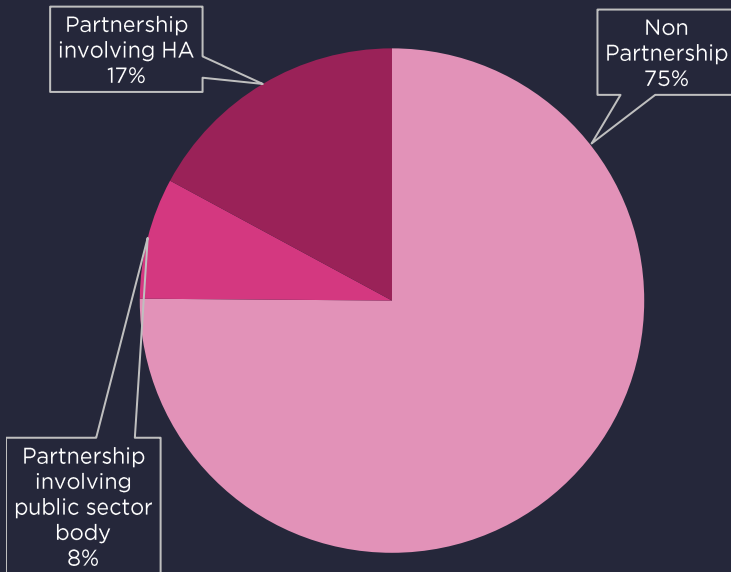
Although public-private partnerships (PPPs) are frequently touted as a route to increasing housebuilding, it is very challenging to identify the volume of homes currently being built via this route. Government data only splits delivery into private enterprise, local authority and housing associations, “disguising” joint delivery through partnerships, joint ventures or the provision of public funding through Homes England.

We have instead analysed sites from contracting database Glenigan, to identify sites with capacity for over 100 homes where local and national government, and public sector bodies, are working with the private sector. This is unlikely to be fully comprehensive, but can give an indication of the scale of PPPs, and the types of schemes where they are most frequently used.

Partnership delivery is heavily weighted towards larger schemes, including new settlements and urban regeneration



Distribution of homes in the development pipeline



of PPP delivery is on brownfield land, a higher proportion than seen across the whole pipeline.

London has the highest proportion of PPP delivery, likely driven by the high level of public land ownership in the capital (20%, compared to a national average of 6%). Other regions seeing high PPP development typically contain major regeneration schemes, with local authorities contributing land for the development

The key public sector players

Unsurprisingly, **Homes England** dominates public sector involvement in the PPP model. Our research identified direct Homes England involvement in 23% of the partnership sites in our sample.

This is still likely to be a significant undercount. It does not fully capture sites funded through the Strategic Partnerships program, through which the Agency is aiming to deliver 90,000 homes over five years with over 30 partners, encompassing for profit registered providers and a developer as well as Registered Providers. Nor is our analysis able to capture schemes that have been enabled by financing such as the Brownfield, Infrastructure and Land fund, which aims to unlock 40,000 homes through investing £1 billion.

Beyond Homes England, **local authorities** are the main drivers of PPPs. Our research has identified over 100 local authorities involved in PPP development, equivalent to 36% of all lower tier local government organisations. These partnerships account for just under 200,000 homes, a third of all the capacity on the partnership sites we have identified. As with the overall mix of partnership sites, the majority of partnering local authorities are in urban areas; local authority involvement in more rural locations tends to be with the delivery of new settlements or large urban extensions.

The typical partnership model for local authorities is to use private sector contractors to deliver housing schemes, largely on a site-by-site basis. However, some more complex, longer-term structures have emerged, including partnerships with strategic land promoters that encompass land assembly and planning. For sites with capacity for over 1,000 homes, the primary delivery vehicles are joint ventures, with the complex nature of schemes such as Brent Cross Town or Port Loop in Birmingham requiring a more formalised sharing of risk and return.

However, there is relatively little joint working from some of the major public landowners such as **central government departments** or NHS trusts. This likely is a consequence of the approach of 2010s, where through schemes such as the 2015-20 Public Land for Housing Programme, government departments were encouraged to dispose of surplus land on the open market rather than progress schemes themselves. Sites with capacity for 61,000 homes were released under this program, well short of the original 160,000 home target. The main exception to this trend has been the Ministry of Defence/Defence Infrastructure Organisation, which is actively partnering on the redevelopment of several large former barracks sites.



**West Midlands
Combined Authority**



**Defence
Infrastructure
Organisation**



BARNET
LONDON BOROUGH

**Homes
England**

NetworkRail



**Basingstoke
and Deane**

NHS

**Barts Health
NHS Trust**

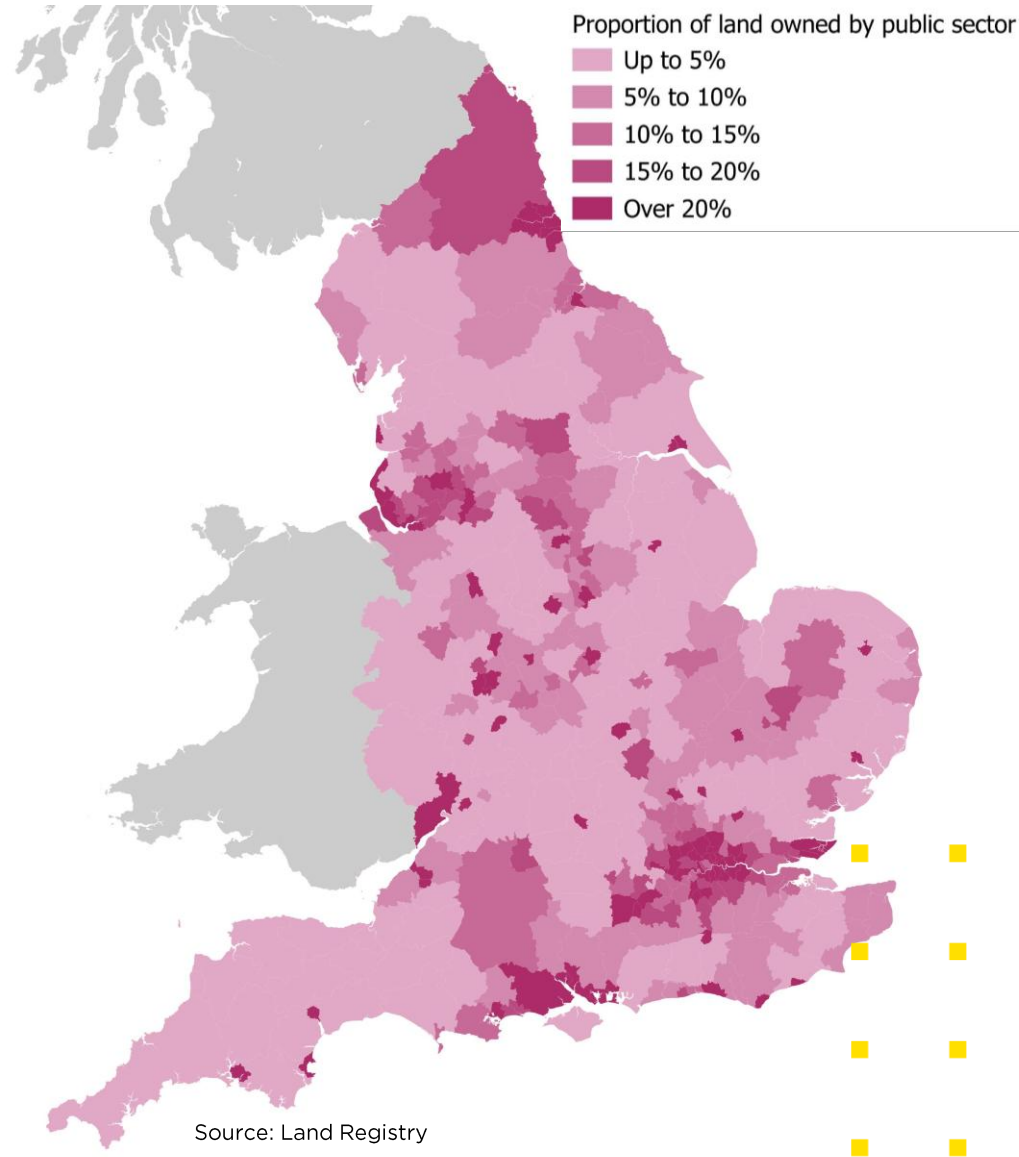


**Chatham
Maritime
Trust**



**MANCHESTER
CITY COUNCIL**

The role of land



Combining publicly-owned land with private housebuilder expertise has long been hailed as a way to “fix” the housing crisis, and the contribution of public land is the most common form of public-private partnership development.

The scale of the opportunity is significant. Our analysis of Land Registry title documents has shown that:

- 6% of all land in England is in public ownership
- In major urban areas this proportion rises to 14% of all freehold property
- Just over a quarter of the land within the GLA boundary is owned by a public body
- In eight local authorities, more than 40% of land is owned by the public sector.

There is approximately a 1:2 split between central and local government land ownership. The Ministry of Defence is the largest single landowner, with 252,000 hectares either owned outright or with rights held.

Other major land-owning bodies include the Department for Environment, Food and Rural Affairs (although these sites are less likely to be suitable for development), NHS Trusts and NHS Property Services. In London, Transport for London (TfL) owns around 3,800 hectares. Rather than selling its assets, TfL has set up a property arm which manages over 2,220 hectares of land. In 2021, TfL published plans that could see 60 hectares developed to deliver 13,000 homes and a further 110 hectares of developed land has been identified which can deliver 33,000 homes.

Future evolution

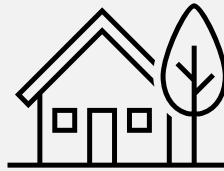
Public-private partnerships will continue to play an important role in increasing housing delivery, but will need to evolve to scale up output. Future partnerships won't simply depend on public sector land, but also providing planning certainty, and kickstart funding to drive further private investment. Several schemes have been announced by the Labour Government, that signal a shift towards long term arrangements that place PPPs at the heart of housebuilding and expand the scope of partnerships to cover a broad range of sites and tenures. Announcements and early initiatives so far have included:



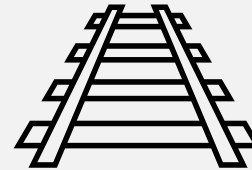
Habiko: A long-term public private partnership between Pension Insurance Corporation, Muse and Homes England. It will focus on affordable homes for rent, unlocking institutional investment with the aim of becoming self-funding in the long term.



MADE Partnership: A joint venture between Homes England, Lloyds and Barratt that will act as a master developer on large sites of over 1,000 homes. The partners have contributed initial combined equity of up to £150m.



New Towns Taskforce: Reporting in summer 2025, the taskforce is considering the appropriate delivery mechanisms to engage with developers to deliver the next generation of new towns



Network Rail: As part of a wider taskforce to identify and develop unused public sector land, a new property company will be created between Network Rail and London & Continental Railways. It will aim to attract private investment to develop brownfield sites.

Long-term, flexible and patient capital is often needed to fund the upfront infrastructure to enable development. Our recent research into large site delivery found that master developers often stated that the most helpful intervention Homes England could make was through the provision of infrastructure funding.

However, more options are needed. Another example is TIF funding (Tax Increment Financing). This is a mechanism by which local authorities issue bonds to fund major development projects. The bonds can be repaid using business tax revenues generated by the new or improved infrastructure. Borrowing costs are commonly lower using this mechanism as interest received from a TIF-funded project is usually exempt from tax to encourage investment. Although common in the US, it has been used in limited cases in the UK to date.

If long-term flexible funding at lower rates was more widely available, it could ease the delivery of major enabling infrastructure, allowing sites to be unlocked that might otherwise have been stalled. Public guarantees could also lower the risk profile of development sites, encouraging increased volumes of private sector investment.



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