



The UK's Housing Crisis is Getting Worse

By Ben Hopkinson and Sam Williamson

It is widely accepted that the UK does not have enough homes for its population. Last year, the CPS [published](#) figures, based on data from 2023, comparing the number of homes per 1,000 residents in the UK with other Western European countries. This analysis found that the UK was 6.5 million homes short of the average. England accounted for 5.9 million of that shortage. However, new 2025 data show that this shortage has worsened, and now stands at an extraordinary 6.9 million across the UK and 6.2 million in England.

Over the last two years, the average Western European country has increased its number of homes per 1,000 people, indicating a strong rate of housebuilding. In the UK, the reverse was the case.

Indeed, it is often debated whether the cause of our housing shortage is not enough housebuilding, or elevated migration. As this briefing will show, both are to blame – and any analysis that neglects either one is incomplete.

How many homes does the UK have?

Of all the major Western European countries, the UK has the second lowest rate of homes per 1,000 people. The average Western European country has 545 homes per 1,000 residents, while the UK only has 445 per 1,000. England's shortage is even worse than the rest of the UK, standing at only 439 homes per 1,000.

Historically, the UK, and especially England, have not built enough homes. Since 1982, France has on average grown its housing stock by 1.07% a year, while England has only managed 0.82% a year.¹ Over that period, England has only ever exceeded the French average twice, in 1987 and 1988.

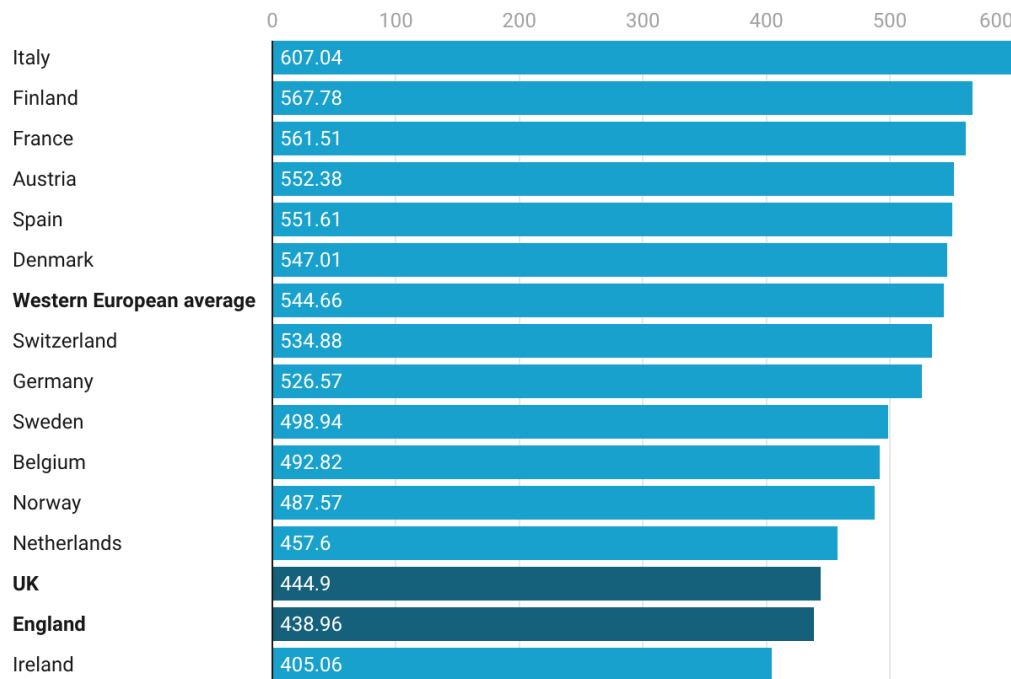
This lack of housing is the main driver of Britain's housing crisis, with property prices that are expensive for homes that are older and smaller than the European norm. This is also one of the main reasons the British economy has stagnated over the past two decades. It is too expensive for workers to live in Britain's most productive areas, where they would earn and produce more. (Indeed, London has the lowest homes per 1,000 of any of the regions at just 422.) Constrained supply also pushes credit and household income into paying for existing land rather than into productive investment, while suppressing household formation, mobility and consumer spending.

¹ The [French data](#) only go back to 1982



The UK has among the fewest homes per head in Europe

Homes per 1,000 people in 2025



Switzerland and Austria using 2024 figures. France excludes territory outside of Metropolitan France

Chart: Centre for Policy Studies • Source: National Statistics Agencies • Created with Datawrapper

France has consistently built more homes than England

Total housing stock (1982=100)

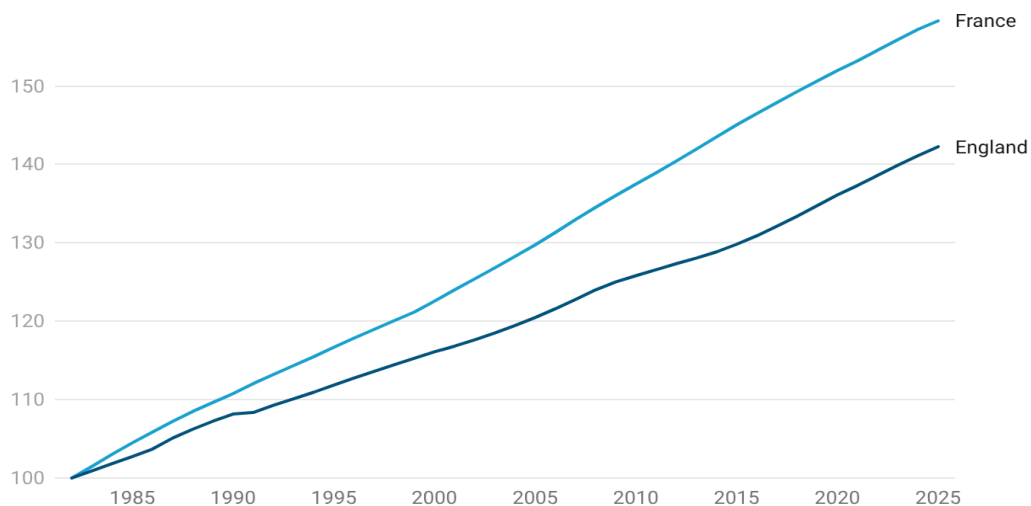


Chart: Centre for Policy Studies • Source: ONS; INSEE • Created with Datawrapper



The updated data show that in the average year since 1982, England has only built 178,000 homes. This is just over half the current Government's target of 300,000. It is widely acknowledged that the Government will not hit this target – indeed, Angela Rayner recently confessed as much, relabelling the manifesto commitment as a 'stretch target'. Yet planning application data analysed by Britain Remade suggests that even in an optimistic scenario, England will only average [161,000](#) homes a year over this Parliament.

If England had matched France's building rate since the early 1980s, England would have built 2.9 million additional homes. That would mean England would have 489 homes per 1,000 instead of the 439 it has today. By itself, matching France's building rates would have cut the size of England's housing shortage in half.

Homes per capita continually improves in France while England stagnates

Homes per 1,000 people

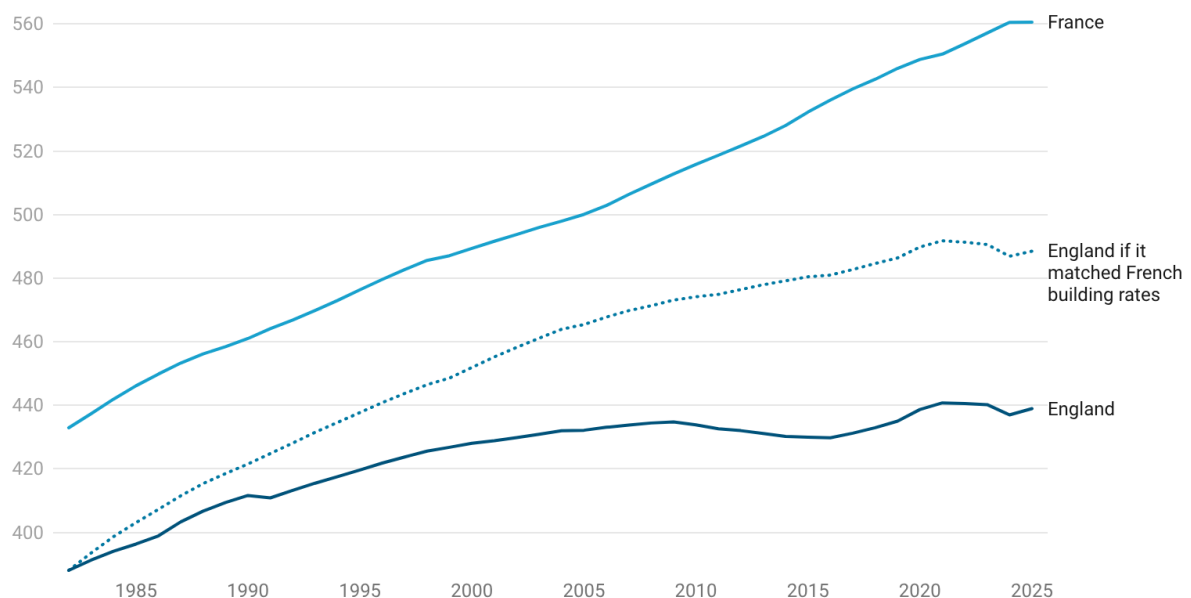


Chart: Centre for Policy Studies • Source: ONS, INSEE, CPS • Created with Datawrapper

Every single year, France has expanded its housing stock faster than its population has grown. England cannot say the same. The number of dwellings per 1,000 people peaked at 441 in 2021, but high levels of migration reduced that number to 437 in 2024. In other words, due to migration, England's population growth has outpaced its ability to build homes. This means that the housing shortage is getting worse despite over 1.1 million homes being built in that time period.



Indeed, while net migration has been especially pronounced recently, higher levels of migration and stagnant housebuilding have meant that England's number of dwellings per 1,000 people has essentially flatlined since around 2004, only improving from 432 to 439 in 2025.

Is the housing shortage about housebuilding or migration?

There has been a fierce debate about the impact of migration on housing demand. The honest answer is that the two cannot be separated: even without migration, we would still find ourselves millions of homes short, but large-scale migration has clearly exacerbated housing imbalances severely.

For example, if net migration had been capped at 100,000 a year since 1997, and the rate of housebuilding had remained unchanged, England would now have 473 homes per 1,000. That makes up about one third of the gap that England has with the rest of Western Europe.

Clearly migration has contributed to our housing shortage, but it would be wrong to say that our housing crisis is solely a migration crisis: in this scenario, England would still have the third lowest number of homes per capita of any major Western European country.

What if there hadn't been any migration at all? Even in the very unlikely scenario where England had had zero net migration since 1997 and still built the same number of houses, there would still be a housing shortage compared to the Western European average. In this case, the number of homes per 1,000 would be 498, which represents a remaining shortage of 2.4 million. So while migration is clearly a significant driver of the housing shortage, England still needed – and needs – to build more homes, with or without migration impacts.

These migration impacts expand to house prices. Had net migration stayed to the tens of thousands, since 2020, rather than the recent large spike, house prices would be roughly £15,270, or 5.2%, lower in England.² That would put the average English house price at £275,650 instead of £290,920. Repeating this analysis with net zero migration over the same period sees a slightly larger estimated decrease of £19,370 or 6.7%. This spike in migration could be the missing puzzle piece that explains why high interest rates have not had the catastrophic impact on house prices that many predicted.

² MHCLG, using figures from the National Housing and Planning Advice Unit, [estimates](#) that a 1% increase in the number of households increases house prices by about 2%. Using ONS data, we have estimated that the average foreign-born household size is [2.82](#). Had net migration been kept to the tens of thousands between 2020 and 2025, there would be approximately 687,000 fewer households in England. Migration figures came from the [ONS](#) and historical data from the [Bank of England](#) with the assumption that 90% of migrants settle in England, based on [House of Commons Library](#) analysis.



Conclusion

Had England matched the building rate of France since the early 1980s and kept net migration to the tens of thousands since 1997, we would have 526 homes per 1,000 people. This is not far off the Western European average of 545 homes per 1,000. In effect, building an achievable number of homes while controlling the level of net migration would have been enough to end the housing crisis.

The best time to adopt pro-housebuilding and sustainable migration policies was 20 years ago. The second-best time is now. Action on either will improve the situation, but action on both is required to end Britain's housing crisis.

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