



# The Social and Economic Impact of Home Building in Wales

June 2026

**HBF** Home Builders Federation  
Cymru | Wales





“New homes help create thriving places for both new and existing residents”



# Foreword from Neil Jefferson, Chief Executive

**The home building industry has a vital role to play in delivering the homes Wales needs, supporting homeownership while also making a major contribution to Affordable Housing delivery.**



However, the benefits of building homes go far beyond housing supply. The industry supports communities across Wales, investing over a hundred million pounds each year in infrastructure and local services, while supporting economic growth and sustaining skilled jobs. From schools and transport links to green spaces and community facilities, new homes help create thriving places for both new and existing residents.

This report highlights the contribution the home building industry makes to communities and the economy in Wales, and what could be achieved if housing supply increases over this Senedd term. With the right support for delivery, increasing housing output could unlock further investment in local communities, support more jobs and help meet Wales's housing need.

The opportunity is significant, and the home building industry stands ready to work with the Welsh Government to increase delivery in the years ahead.

# Introduction

The home building industry supports investment, jobs and Affordable Housing delivery in communities across Wales.

This report quantifies the economic and social footprint of home building in Wales, highlighting the investment, jobs and wider economic activity supported by the industry, as well as its contribution to local communities.

The analysis draws on research and modelling undertaken by Lichfields on behalf of the Home Builders Federation (HBF), alongside Welsh Government and Stats Wales data, as well as wider HBF research. Estimates of wider benefits per year are based on the average annual delivery of new homes over the past five years.

The report also looks ahead at what could be delivered if home builders in Wales are enabled to increase output and help meet housing needs over this Senedd term.





# Executive summary



23,000 market homes is the Welsh Government's estimate of housing need by 2030.

## On average, every year, the home building industry in Wales:

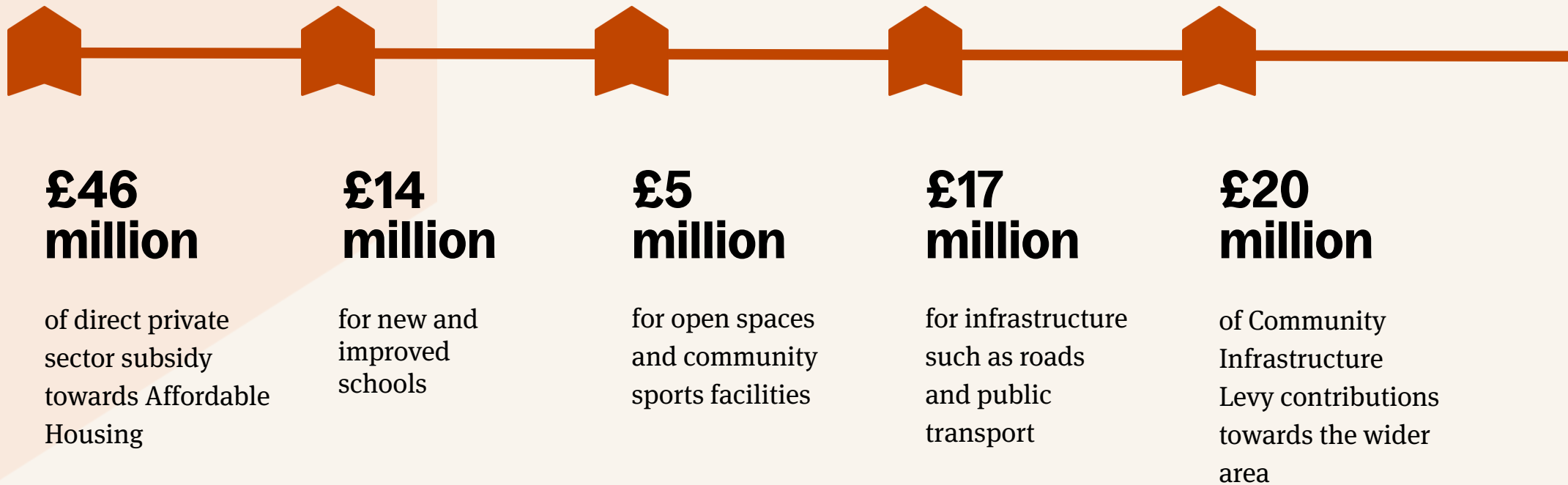
- ▶ Delivers around **900** Affordable Homes through Section 106 agreements - a third of all new Affordable Housing
- ▶ Invests over **£100 million** in community amenities such as new schools and open spaces
- ▶ Supports **17,500** jobs and over **200** apprentices, graduates and trainees
- ▶ Generates **£1.1 billion** of economic activity
- ▶ Supports **£142 million** of spending in local shops and high streets

## Delivering 23,000 homes for market sale during this Senedd term could unlock:

- ▶ Thousands of new Affordable Homes, supported by **£200 million** of private sector investment
- ▶ Around **3,700 school places** - based on £65 million of investment in new and improved schools
- ▶ Spending in local communities and high streets worth **£650 million**
- ▶ Around **110 community games areas** or 180 football pitches - based on £21 million of investment in open spaces
- ▶ Increased tax revenue for public services of around **£650 million**

# Building communities

Across Wales, new homes generate over £100 million of investment in local communities every year, helping to ensure development supports both new and existing communities





From employee volunteering to community growing spaces, home builders' support for local communities goes beyond planning obligations

Developers contribute to local communities through planning obligations such as Section 106 agreements and the Community Infrastructure Levy (CIL).

These contributions are secured through policies set out in Local Development Plans, and the scope and scale of these contributions have increased significantly over time.

Home builders also support local communities beyond planning obligations, including through charitable giving, employee volunteering and nature-led initiatives such as hedgehog highways and community growing spaces.



New school building delivered by Persimmon in Llanedeyrn

# Supporting economic development

**The home building industry makes a significant contribution to the Welsh economy, supporting jobs, investment and economic growth across Wales**

Every year, the home building industry supports:

- ▶ **£1.1 billion of economic output** and £820 million in Gross Value Added (GVA)
- ▶ **Around £150 million in tax revenues** to support public services
- ▶ **Over £140 million of spending in local shops and high streets**
- ▶ **Around £350 million of spending with suppliers and subcontractors** - supporting a wide range of businesses across the Welsh supply chain



Apprentices of Davies Homes, an SME home builder based in South Wales



# Skills, jobs and the future workforce

The home building industry is a major employer, supporting 17,500 jobs across sites, the supply chain and wider economic activity - equivalent to 3.5 jobs per dwelling.

Home building also supports skills and workforce development through apprenticeships and training placements for new entrants. More than 200 apprentices, graduates and trainees are supported every year.

Bridgend College has recently become one of HBF's partner colleges,

strengthening its role in training the tradespeople needed to build the homes of the future.

However, meeting Wales' housing needs in this Senedd term will require around 12,000 additional recruits - highlighting the scale of the skills challenge.

The industry is calling for a roadmap to support the skills and talent pipeline needed to build low-carbon, energy-efficient new homes.

**More than 200 apprentices, graduates and trainees are supported every year by the industry in Wales.**

# Delivering Affordable Housing

## Private home builders deliver around a third of all new Affordable Housing in Wales

Through Section 106 agreements, the industry helps provide homes for those who need them most. Unlike Affordable Housing delivered directly by Registered Social Landlords or local authorities, these homes are typically delivered with limited or no direct government subsidy.

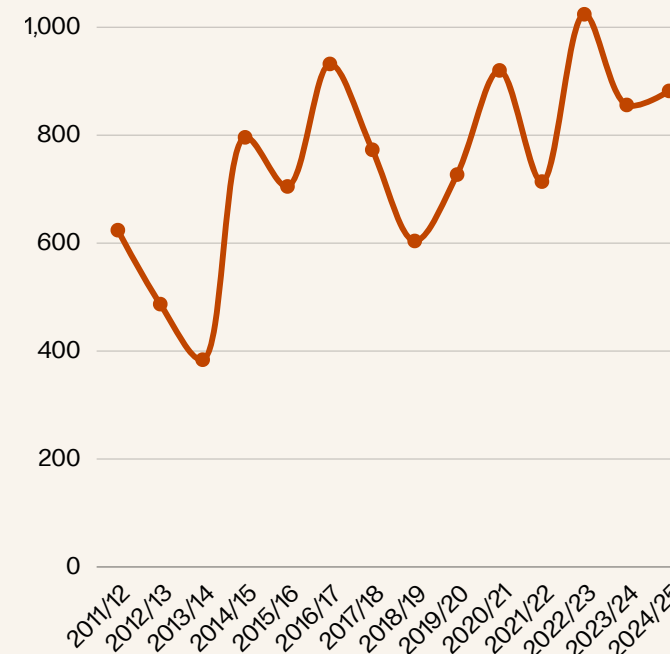
The proportion of Affordable Homes delivered on each site is set through policies contained within Local Development Plans.

Recent years have seen:

- ▶ Almost 900 Affordable Homes delivered through developer contributions every year on average
- ▶ Around a third of all new Affordable Housing cross-subsidised by the private sector
- ▶ £46 million of direct subsidy every year

Without market housing delivery, much of this supply would not come forward. Increasing the supply of market homes is therefore vital to meeting Wales' broader Affordable Housing ambitions.

**Affordable housing delivered by the private sector through planning agreements**





# Help to Buy Wales

## Supporting first-time buyers and housing delivery

Since its introduction a decade ago, the Help to Buy Wales scheme has played a significant role in increasing access to home ownership - supporting the purchase of around 15,000 new homes and helping 11,000 first-time buyer households onto the housing ladder, while also generating a return to the Welsh Government of over £40 million.

Extending Help to Buy Wales beyond 2026 would help maintain access to home ownership for future buyers and support housing delivery in the years ahead.

### 65%

of households receiving a shared equity loan under the scheme provided a 5% deposit, with 84% providing a deposit of up to 10%.

This shows the scheme has helped buyers who would otherwise have struggled to access higher loan-to-value (LTV) mortgages.

### 64%

of participating households had an income of £40,000 or less - supporting those on low and medium incomes.



# Sustainable new homes



Around 90% of new build homes achieve an EPC A or B rating

In a nation with Europe's oldest housing stock, increasing the supply of modern, efficient homes can help tackle energy costs while supporting Wales' climate ambitions.

Around 90% of new build homes in Wales achieve an EPC A or B rating.

New build homes also emit up to 74% less carbon than older properties, and can save households around £420 a year on energy bills compared to typical older homes.

Home building companies increasingly incorporate features such as heat pumps, solar panels and heat recovery ventilation into new homes.

Incoming Building Regulation changes will further improve energy efficiency, take new homes off the gas grid and require solar panels on all new homes.



# What can be delivered in this Senedd term?

## 23,000 homes for market sale are needed by 2030

The Welsh Government's estimates of housing need show that an average of 5,700 homes for market sale are needed every year up to 2030 - almost 23,000 in total over this Senedd term.

This is before accounting for Affordable Housing delivery and the existing backlog of unmet need.

As well as helping meet housing need, increasing supply would unlock wider benefits, including greater infrastructure investment, economic activity and skilled jobs across Wales.

## Delivering 23,000 new homes for market sale by 2030 could support:

- ▶ Thousands of new affordable homes, supported by over **£200 million** of private sector investment
- ▶ **£65 million** of funding for new and improved schools, creating capacity equivalent to 3,700 new school places
- ▶ Over **£20 million** of investment in open spaces, community sport and leisure, equivalent to 110 community games areas or 180 football pitches
- ▶ **£650 million** of additional spending in local shops and high streets
- ▶ Jobs and growth across Wales - generating over **£650 million** in tax revenue for public services and **£5.1 billion** of economic output

# The industry stands ready to deliver more homes

However, a number of barriers are holding back supply



A lack of up-to-date Local Development Plan coverage remains a major challenge. SME home builders face disproportionate barriers. Viability pressures from the growing burden of costs continue to threaten delivery.

With the right policy environment in place, housing need can be met during this Senedd term.

To increase housing delivery and realise the benefits set out in this report, HBF Cymru is calling for measures that will help remove barriers to development, therefore delivering greater investment in communities across Wales.



## The home building industry's asks of the next Welsh Government

### Support builders and buyers

- ▶ Develop a roadmap for the talent pipeline needed to deliver low-carbon and energy-efficient new homes.
- ▶ Extend Help to Buy Wales beyond September 2026 to support first-time buyers.

Increasing supply would unlock wider benefits, including greater infrastructure investment, economic activity and skilled jobs



## Deliver more homes

- Set a national all-tenure target for housing delivery.
- Support SME home builders.
- Provide additional funding for public bodies involved in the planning process.
- Issue standard templates for legal agreements, such as Section 106, to reduce inconsistencies and delays.
- Implement the Welsh Government's sustainable drainage systems (SuDS) review.
- Introduce a moratorium on new policy requirements that would further challenge viability.

## Make the plan-led system work

- Ensure full coverage of up-to-date Local Development Plans (LDPs).
- Restore Technical Advice Note 1 (TAN 1), enabling sustainable, policy-compliant sites to come forward outside the plan-led system.
- Move to a stock-based approach for local assessments of housing need, addressing historic under-delivery.
- Ensure the four Strategic Development Plans (SDPs) are adopted before the end of this Senedd term.



Cymru | Wales

The Home Builders Federation (HBF) is the principal representative body for private sector home builders and the voice of the home building industry in England and Wales. HBF member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from widely recognised national firms, through to regionally-based businesses and small local companies.

**Download this  
report in Welsh**

