MARKET IN MINUTES
Savills Research

Children's Day Nursery Research

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Childcare and new housing

With increased government funding for childcare places and national targets for new home developments, we explore the correlation between nursery openings and new housing developments.

Research from the Department for Education (DfE) shows that new housing creates demand for early years education. To examine this in more detail, we looked at the number of nurseries which have been established within proximity to new housing within the last five years.

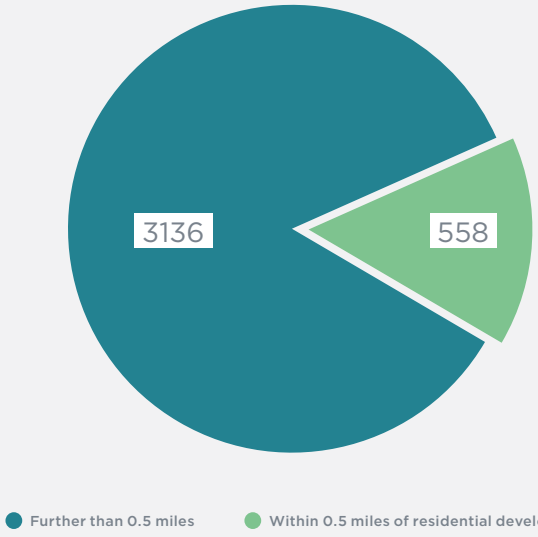
We found that a total of 3,694 nurseries, providing full daycare on non-domestic premises, have been registered in England in the last five years. Of those, 15% are located within 0.5 miles of a new residential development of 50 units or above.

According to Ofsted's analysis of childcare providers and inspections for data, the average size of a childcare setting in England (providing full or sessional daycare) is 54 places. Using the DfE estimate of 6.31 early years children (0 - 5 years) per 100 homes, that would mean one average-sized day nursery will be needed for every 855 new homes that are built.

> "One average-sized day nursery, providing at least 54 places, is required for every 855 new homes"

Full daycare or non-domestic nurseries built since Jan 2019

Source: DfE, Glenigan



We mapped data to get a clearer view – overlaying net additional dwellings (new homes) and new nurseries built within the last five years. This shows that Birmingham has the highest number of new nurseries, with a total of 88 on non-domestic premises offering full daycare. Elsewhere, North Yorkshire has 47, Buckinghamshire has 44 and Leeds has 40.

Those areas that have a relatively high number of new nurseries, between 28 and 68, are highlighted in yellow on the map. Of the 21 areas with over 28 new nurseries, nine locations have built over 11,343 new homes and seven locations have built over 7,167 new homes. This shows that 76% of areas with over 28 new nurseries are within the highest two categories of new homes – proving that there is a link between new nurseries and new housing.

Happy Days and Kido are two examples of new nurseries which have been established within the last two years within new housing developments.

Happy Days, Bristol

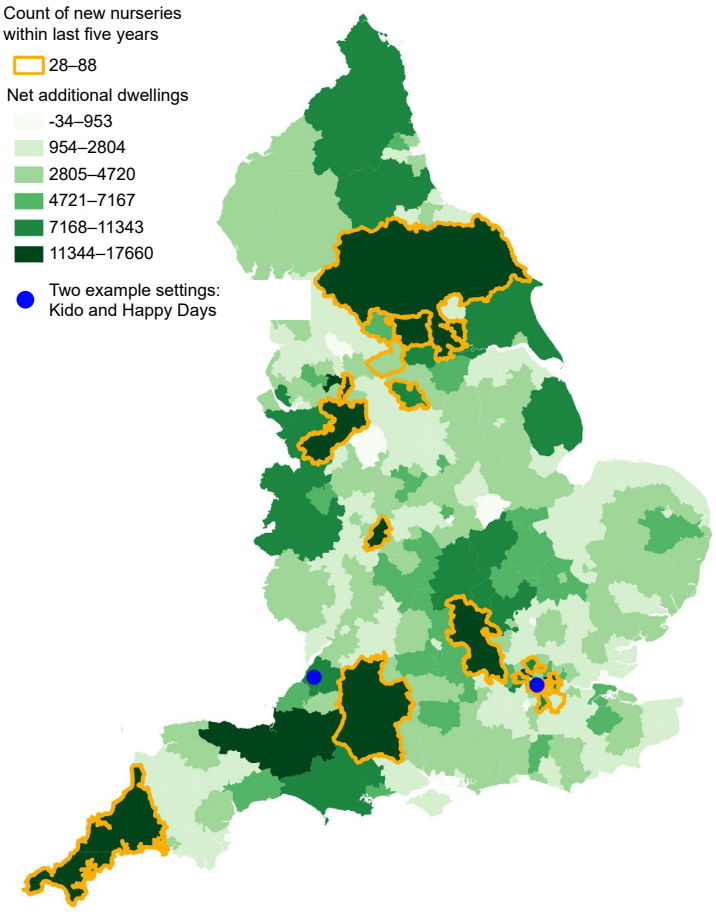
Happy Days is a purpose-built, 90-place nursery and pre-school. Registered in July 2023, the site is opposite Charlton Wood Primary School and within the heart of Charlton Hayes – a 2,400-unit housing development scheme.

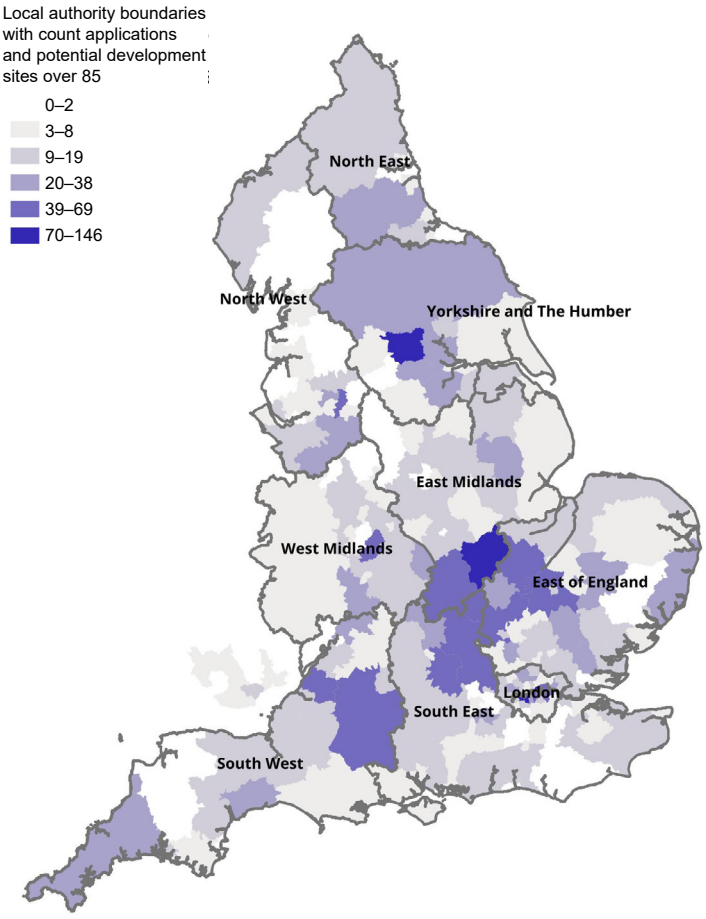
Kido, London

Kido was established in January 2023 as a 65-place, 5,990 sq ft day nursery. It's located within the Prince of Wales Drive development scheme – made up of 926 flats in Battersea, London.

The research suggests that a new, medium-sized nursery with 54 places may be required for any development with over 855 homes. This means that nursery providers could focus on areas where new housing is planned when considering where to build new settings. To support this, we mapped data from applications for potential residential sites with over 850 units.

This includes all applications and sites that are expected to come forward in the future, some of which may have been unsuccessful in securing planning permission so far. There are a particularly high number of new development sites in Leeds, North Northamptonshire, Wandsworth and Tower Hamlets – highlighting areas where there may be a need for new nurseries.





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