

UNITED KINGDOM (WALES)

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Table 1: Housing in Wales, by tenure (2023)

Tenure	# of Dwellings	% of total
Social Housing	235,000	15.9
– of which: Housing Associations	148,000	10.0
– of which: Local Authorities	88,000	6.0
Private Rental	200,000	13.5
Owner Occupiers	1,041,000	70.5
Total	1,478,000	

Source: UK Housing Review 2025

Notes: Percentages do not sum to 100, due to rounding issues.

Origins and brief historical overview

Wales is a relatively small country, in terms of both its area and its population. Geographically, it lies between England (with which it shares a land border) and Ireland. It has its own language (the Welsh word for Wales is Cymru), history and culture. Prior to the Industrial Revolution economic activity was predominantly associated with agriculture, quarrying (e.g. slate and stone) and mining (copper, iron ore and subsequently coal). Wales's population grew from under half a million in 1750 to 587,245 in 1801 and then doubled in the period to 1851. However, this growth was unevenly distributed, being much faster in the south of Wales, particularly around the southern coalfield and the emerging ports of Cardiff, Barry, Swansea and Newport.

In comparison with other parts of the UK, Wales has a relatively elderly population and higher levels of economic and social disadvantage. In mid-2023, it had an estimated population of 3.16 million (4.6% of the UK population), of whom just over 380,00 live in Cardiff, the capital and largest city in Wales.

As in other parts of the UK Wales has witnessed a significant decline in its social housing¹ (a term introduced in the UK under the Housing Act 1996 and in broad terms encompassing housing owned and provided by public bodies and not-for-profit housing organisations) over more than 40 years. This has been in part because of the limited scale of new social housing provision over this period, as well as a result of the sale of social rented housing; primarily under the Right-to-Buy (RTB) scheme. Sales (which have tended to be concentrated in the better quality and more desirable parts of the stock) have had a marked impact on the profile of the social housing stock.² However, in recent years the Welsh social housing sector has started to grow again, albeit at a very modest rate. There has also been a restructuring of social housing, with a reduced dominance of publicly owned housing towards a more pluralist social housing sector, with the growth in the scale of housing association provision, in part underpinned by the wholesale transfer of council housing, often to new social landlords.³

The advent of the National Assembly for Wales (now the Welsh Parliament - Senedd Cymru) in 1999, following a narrow vote in favour in a referendum, and the creation of a Welsh Government as its executive arm, initiated a new era in government and policy making in Wales.⁴ The Government of

¹ Harriot, S and Mathews, L (1998). *Social Housing : An Introduction*, Harlow, Longman

² Murie, A (2016). *The Right to Buy?*, University of Bristol, Policy Press

³ Pawson, H and Mullins, D (2010). *After Council Housing: Britain's New Social Landlords*, Basingstoke, Palgrave Macmillan

⁴ Smith, R, Stirling, T and Williams, P (eds) (2000). *Housing in Wales: The Policy Agenda in an Era of Devolution*, Coventry, Chartered Institute of Housing

Wales Act 1988 (and subsequent legislation increasing the powers devolved to Wales) has provided opportunities for variations in public policy and differences in outcomes, compared with other parts of the UK.

Although not all aspects of social or economic policy (including housing policy) have been devolved from Westminster to Wales; welfare benefits remain non-devolved, as do many aspects of taxation. The process of political devolution (and particularly the arrival of primary legislative powers following a second referendum in 2011) has created the conditions for the development of policies and priorities which reflect the needs of Wales. This has been the case in relation to social housing policies, where over the last 25 years we have seen a degree of policy divergence, particularly relative to England, shaping the sector. The changing role and responsibilities of Senedd Cymru and the significance of the Welsh Government in shaping social housing in Wales are considered in more detail later in this chapter.

Traditionally, social housing in Wales has been dominated by local council provision although as *Table 1* indicates, this is no longer the case. However, many of the classical studies of council housing in Britain have made few specific references to council housing in Wales. Bowley's study of housing and the state 1919-1944, whilst having an appendix on Scottish housing problems, and arguing the case for considering their housing problems and solutions independently from those of England and Wales, had few separate references to Welsh council housing.⁵ Merrett's *State housing in Britain*, published in 1979 when the scale of council housing in Britain was at its zenith, only refers to Wales in terms of combined data for England and Wales (except on one occasion, where there is reference to council housing allocations in Wales).⁶ In his seminal work on 'The Government of Housing', Donnison drew attention to how the housing situation in England differed from other parts of the UK. He wrote: "*The different sections of Wales are too varied, and yet insufficiently different from England, to constitute a distinct region for housing purposes...*".⁷ As will be shown in this chapter, political devolution has changed all this.

Wales does have its own history in relation to social housing. Though the philanthropist Robert Owen was born in Wales, model dwellings in Wales during the nineteenth century were few and far between. The earliest significant period of development by what are usually referred to as 'public utility societies' came in the years before the First World War (encouraged by the provisions of the Housing and Town Planning Act 1909). Bodies such as the Housing Reform Company (founded in 1911 by H. Stanley Jeavons, an economics professor at University College Cardiff) the South Wales Garden Cities and Town Planning Association and the Welsh Housing Association (both founded circa 1912 and subsequently merged to form the Welsh Housing and Development Association), the Welsh Town Planning and Housing Trust Ltd (1913), and the National Welsh Housing Pioneers Ltd (also 1913) were all established in this period. For more detail of some of the small schemes developed see Fisk.⁸ He also cites evidence from Charles,⁹ showing that public utility societies completed just 1,589 houses (of which about a thousand were in the south Wales valleys), but their activities (mainly funded through private borrowing and loans from local authorities) came to an end with the outbreak of the First World War.

⁵ Bowley, M (1945). *Housing and the State 1919-1944*, London, George Allen and Unwin

⁶ Merrett, S (1979). *State Housing in Britain*, London, Routledge and Kegan Paul

⁷ Donnison, D (1967). *The Government of Housing*, Harmondsworth, Penguin

⁸ Fisk, M (2000). historical perspectives on housing development in Smith, R, Stirling, T and Williams, P (eds.) *Housing in Wales: The Policy Agenda in an Era of Devolution*, Coventry, Chartered institute of Housing, pp17-35.

⁹ Charles, E A (1936). *Housing Provision in Wales and Monmouthshire*, Welsh Housing and Development Yearbook, pp21-25.

The first council housing developed in Wales was in Llandudno on the north Wales coast. By 1915 over 2,500 council homes had been developed in Wales, mainly in South Wales, but also in Aberystwyth and Bangor as well as Llandudno.¹⁰ Greater expectations were raised during the Great War (1914-18) of more direct interventions by local authorities. Prime Minister David Lloyd George had campaigned during the 1918 general election for “Homes fit for Heroes”¹¹ and the return of a coalition government heralded the introduction of the Housing and Town Planning Act 1919. This introduced central government subsidies to enable local authorities to develop and manage council housing.

In the aftermath of the First World War council house building exceeded that of private enterprise, with Cardiff and Swansea in the vanguard.¹² However, success was relatively short-lived, primarily because of the deteriorating national economic situation and in the second half of the interwar period council house building declined and was surpassed by output from the private sector, and only really began to recover in the late 1930s.¹³

After the Second World War there was again pressure for council house building to address the housing shortages, which had been exacerbated by war damage. Almost 120,000 council homes were built in Wales between 1945 and 1959, peaking in 1953 with council housing exceeding private housing provision in every year during this period.¹⁴ However, as Fisk has noted, this included council housing built using non-traditional methods, the consequence of which needed to be addressed in subsequent periods, through often expensive refurbishment or demolition and replacement.¹⁵ The 1950s also saw the establishment of a new town at Cwmbran in south-east Wales, with the Development Corporation building more than 10,000 social homes by the time the stock was transferred in 1988 to Torfaen CBC¹⁶ (and subsequently in the early 2000s to a newly created housing association under stock transfer).

It has been argued that there was little that was distinctive about social housing in Wales (e.g., relative to England) up until the 1960s,¹⁷ although as outlined, it does indeed have its own history. Even by the late 1980s the UK Guide to Housing included separate chapters on Scotland and Northern Ireland, but only six references to Wales.¹⁸ This was rectified in later supplements.¹⁹ ²⁰ While the enactment of primary legislation remained a function of the Westminster (UK) government, there was a history of decentralising the administration of government housing policy from London (Whitehall) to Cardiff. This was particularly so after the creation of the Welsh Office (1965) and a Secretary of State for Wales (1964) in the UK cabinet, with responsibility for a range of functions, including the administration

¹⁰ Ibid p26.

¹¹ Swenarton, M

¹² Fisk, op cit, pp25-26

¹³ Williams, J (1985) *Digest of Welsh Statistics*, Cardiff, Welsh Office

¹⁴ Ibid

¹⁵ Fisk, op cit, p31

¹⁶ Riden, P (1988) *Rebuilding a Valley: A History of Cwmbran Development Corporation*, Cwmbran Development Corporation

¹⁷ Harmer, M and Runnett, S (2000) The changing role and nature of Welsh social Housing, in Smith, R, Stirling, T and Williams, P (eds) *Housing in Wales: The Policy agenda in an Era of Devolution*, Coventry, Chartered Institute of Housing

¹⁸ Smith, MEH (1989) *Guide to Housing*, London, housing Centre Trust

¹⁹ Williams, P and Smith, R (1991) Housing in Wales: Recent Developments, in Smith, MEH, *The Developing Housing Scene*, London, Housing Centre Trust, pp134-145

²⁰ Williams, P and Smith, R (1996) The Changing Nature of Housing Policy and Practice in Wales, in Smith, MEH, *Housing Today and Tomorrow*, London, Housing Centre Trust, pp120-133

of housing policy in Wales.²¹ The mid sixties also saw the establishment of the Housing Corporation, with responsibility for funding and regulating the housing association sector, with a regional office and Board in Wales. However, it was not until 1989 that Tai Cymru/Housing for Wales was established, independent of the Housing Corporation, with its own Board and accountable to the Secretary of State for Wales. Although a referendum on political devolution for Wales had been emphatically defeated in 1979, the 1980s and 1990s saw the creation of separate institutional structures for housing emerging in Wales, as well as pressures for more radical housing policies to address specific Welsh housing problems²² (e.g., the housing needs of predominantly Welsh Speaking communities, the issues of second and holiday homes in parts of Wales – issues still of concern in the 2020s).

As should be clear from the section above, traditionally, social housing provision in Wales up until the late 1970s was dominated by local authorities. However, there was a shift in the 1970s to a growth in housing association provision (following the 1974 Housing Act) and with the election of Mrs Thatcher's Conservative Government at Westminster in 1979 the direction of policy became even more clear with the continued support for home ownership, a significant reduction in public expenditure on housing and a further shift away from council housing to investment via housing associations in the declining social rented sector in Wales (as in other parts of the UK). In 1981 28% of the Welsh housing stock was in local authority ownership (298,000 homes) with just 1% rented from housing associations (11,000 homes).

The 1980 Housing Act gave existing tenants the right-to-buy, often with significant discounts and by 1999 (the time of political devolution) the local authority sector in Wales had declined by almost a third. As in other parts of the UK, much of the more desirable council housing in Wales was sold to existing tenants under the Right to Buy scheme, and those remaining in the sector were predominantly the most economically and socially disadvantaged. The general picture was of social housing accommodating more elderly people and those on low incomes or dependent upon benefits. The shift within social housing was, therefore, towards meeting the needs of the poorest households with the least housing choice, effectively residualising the sector.

During the 1980s housing associations were encouraged to take on the main role as providers of additional social housing, rather than merely complementing the work of local authorities. At a UK level, the 1988 Housing Act advanced this agenda with the introduction of a system of mixed funding (public capital subsidy combined with private borrowing). The intention was to stretch public funding and increase social housing output, whilst at the same time encouraging housing associations to become more commercially orientated in the way they operated. Indeed, the concept of mixed public-private funding (with significantly reduced capital subsidy) was pioneered at St Mellons in Cardiff, ahead of the 1988 Housing Act.

The 1980s and 1990s saw a significant loss of social housing stock in Wales following the introduction of the Right-to-Buy in the 1980 Housing Act. Sales of social housing in Wales between 1980-81 and 2023-24 totalled more than 156,000 homes, of which over 140,000 (almost 90%) were statutory sales.²³ Sales under the RTB in Wales peaked in the early 1980s and again towards the end of the decade, but continued at a rate of more than 1,000 homes per annum up until 2006-07.²⁴ The original legislation excluded tenants of charitable housing associations, but over time rights were extended, for example through the preserved RTB for those whose homes were transferred to housing association ownership and with the introduction of the Right-to-Acquire (RTA) under the 1996 Housing

²¹ Smith, R, Stirling, T and Williams, P (2000) Introduction, in Smith, R, Stirling, T and Williams, P (eds) *Housing in Wales: The Policy Agenda in an era of Devolution*, Coventry, Chartered Institute of Housing, pp 1-16

²² Harmer and Runnett, op cit, p126

²³ Stats Wales, *Total social landlord housing sales by period and type*, Cardiff, Welsh Government

²⁴ Ibid.

Act. Since political devolution in 1999 Welsh Government has made several changes to the Right to Buy. In 2011 and using secondary legislative powers (the Housing (Wales) Measure 2011) local authorities in Wales were empowered to apply to Welsh ministers to suspend the RTB in their area for up to five years. Then, once Wales gained primary legislative powers, the RTB was scrapped under the Abolition of the Right to Buy and Associated Rights Act, 2018. However, statutory sales over this period of more than 40 years represent a loss of around 45% of the social housing stock in Wales, as it was in 1981. Recent research from the Bevan Foundation has also highlighted that voluntary sales of some Welsh social housing have continued, primarily because of prohibitive costs of improvement.²⁵

The late 1980s also saw a significant shift in social housing policy, with the encouragement of the transfer of council housing (which up until then had dominated the provision of social housing in the UK) to the housing association sector.²⁶ In part this represented a continuation of the 'demunicipalisation' of social housing of successive Conservative Governments. The 1988 Housing Act introduced "Tenants' Choice", enabling council tenants to transfer the ownership and management of their homes to an alternative non-council landlord (in Wales the Glyntaff Farm estate transferred from Rhondda Cynon Taff CBC to Newydd Housing Association).²⁷ It also introduced Housing Action Trusts (HATs), enabling the transfer of whole blocks of council housing (a policy never applied in Wales), although neither had a significant impact on the social housing sector in the UK.

However, these central government initiatives did encourage some English local authorities to use earlier permissive legislation to voluntarily transfer council housing to the housing association sector. Initially this was financially attractive to local councils carrying relatively low levels of debt on their council housing stock (and who faced financial penalties in terms of reducing central government housing subsidies) but subsequently other local authorities saw large scale voluntary transfer (LSVT) as a means of financing housing stock repair and modernisation. This was beneficial given that borrowing to fund investment in the housing stock (as with borrowing by associations to part fund new social housing) did not count as public spending, whereas borrowing by local authorities did. In England some additional funding was provided by central government through the Estates Renewal Challenge Fund (ERCF) to support the transfer of some of the lowest (or even negative) value council stock, facing high costs of modernisation.²⁸

In Wales, there was little initial enthusiasm amongst local authorities for pursuing housing stock transfer. In part this may have been because of an expectation in the 1990s that an incoming Labour Government at Westminster would provide greater financial support for councils to retain their council housing stock. However, the incoming Blair-led UK Labour Government continued support for stock transfer (and in England the development of Arm's Length Management Organisations - ALMOs²⁹) as part of a reform and modernisation agenda.

Post devolution, the introduction in 2002 of a new Welsh Housing Quality Standard (WHQS) for all social housing, to be realised by 2012, focussed minds on the option of large-scale voluntary transfer. It was estimated that investment of some £2.9 billion (€4.6bn) would be needed to achieve WHQs in the social housing sector. Although, a number of councils (most notably Cardiff) took the view that WHQS could be achieved within a retention strategy, and tenants in other authorities (e.g. Swansea

²⁵ Deardon, W (2024) *Nowhere to Call Home: The shortage of social and community homes*, Merthyr Tydfil, Bevan Foundation

²⁶ Pawson, H and Mullins, D (2010) op cit

²⁷ For an early review of housing stock transfer options in Wales see National Assembly for Wales Local Government and Housing Committee (2001) *Policy Review of Housing Stock Transfer: Final Report*, Cardiff, NAW

²⁸ Pawson, H, Fancy, C, Morgan, J and Munro, M (2005) *Learning lessons from the Estate Renewal Challenge Fund*, London, Office of the Deputy Prime Minister

²⁹ DETR (2000) *Arms length management of local authority housing: a discussion paper*, London, Department of the Environment, Transport and the Regions

and Wrexham) rejected transfer through tenant ballots, between 2003 and 2011 tenants in eleven local authorities in Wales voted in favour of transfer through individual ballots, resulting in each area to the transfer of council housing to newly created housing associations.

The decision to consider the option of transferring the ownership of council housing to another social landlord (a housing association registered and regulated by Welsh Government) was a matter for individual local authorities. However, the transfer could only go ahead if a majority of council tenants, voting in a secret ballot, supported the transfer. It was made clear that transfer was a one-way process. The first Welsh LSVT took place in September 2003 when Bridgend CBC transferred around 6,500 council homes to the newly established Valleys to Coast housing association.³⁰

One of the innovations introduced in Wales to encourage transfers was the concept of a community housing mutual model (CHMM), giving the opportunity for the new organisations to strengthen their commitment to tenant management and community regeneration.³¹ However, only a minority of the stock transfer organisations actually established as community mutuals. However, the financial advantages of transfer, and the opportunity to secure the necessary public and private investment to improve the quality of the stock were the main drivers.

Due to the disposal of social housing (particularly council housing under the RTB), processes of large scale voluntary transfer in half of local authorities and the post 1980 growth of housing associations as the main providers of new social housing, the housing association sector now dominates the provision of social housing in Wales. Overall, the social housing sector in Wales has declined in scale over recent decades, though seeing some green shoots of growth following the abolition of the RTB.

In the context of a declining scale of social housing there has also been an increased focus on social rented housing being for those with the most pressing needs, though the reduced number of housing opportunities provided by social landlords, coupled with a growth in the private rented sector, has meant that increasing numbers of these households are being accommodated across the rented tenures, both private and social. Social housing in Wales can point to both successes and failures, and the policy agenda also has to be seen in a wider context, in which policies at different times have sought to encourage home ownership, a renaissance in private renting, control public spending, and reform welfare policies. All have shaped the evolution of the sector. However, despite its long-term decline over almost half a century social housing in Wales remains a significant housing resource. Table 2 illustrates how tenure balance in Wales has shifted over the last 30 plus years.

Table 2: Social Housing - United Kingdom (Northern Ireland)

	1991 (%)	2022 (%)	Change 1991-2022 (percentage points)
Owner occupied	71	71	
Privately rented	8	13	+5
Housing association	2	10	+8
Local authority	19	6	-13
<i>Total social rented</i>	<i>21</i>	<i>16</i>	<i>-5</i>
Total	100	100	

Source: UK Housing Review, Table 17b

³⁰ Pawson, H, Davidson, E, Morgan, J, Smith, R and Edwards, R (2009) *Second Generation: The impacts of housing stock transfers in urban Britain*, Coventry, Chartered Institute of Housing

³¹ Bromiley, R, Adamson, D and Connolly, S (2004) *Housing, Mutuality and Community Renewal: a review of the evidence and its relevance to stock transfer in Wales*, Cardiff, Welsh Assembly Government, HRR 4/04

The UK is a unitary state. However, within the UK Wales is a nation with a proud history of its own, with its own unique cultural and political identities and a history of working-class protest, political dissent and radical thought. Over the last 100 years it has been dominated politically by the Labour Party, although with pockets of support for Welsh political independence (with support for Plaid Cymru – the Party of Wales) and for Conservatives and Liberal Democrats.

Since political devolution in 1999 the Welsh Government has been led by the Labour Party, although on several occasions Labour has governed in coalition or collaboration with another party (either the Liberal Democrats or Plaid Cymru). There has also been a tendency to seek to define a distinctiveness about Welsh policy (usually in contrast with England). This was most famously expressed by then First Minister, Rhodri Morgan, in a speech in 2002 where he argued that the Welsh Government would put “clear red water” between Wales and the then Labour Government at Westminster (led by Tony Blair), inspired by Wales’s socialist past. However, there is a danger that this narrative of a distinct “Welsh way” in policy can be overstated. The Senedd (Welsh Parliament) is the democratically elected body that represents the people of Wales, makes Welsh laws and holds the Welsh Government (The executive: Cabinet and Ministers plus the civil servants) to account, not least through the work of its committees. At the present time it’s made up of 60 members (MSs), although this is due to increase at the 2026 elections to 96 members.

Within the Welsh Government, Ministerial responsibility for housing has tended to rest with one member of the cabinet. In the first term of the National Assembly for Wales (now Senedd or Welsh Parliament), 1999-2003, it was the Assembly Secretary for Housing and Local Government. In the current (6th) Senedd term (2021-2026) responsibility rests with the Cabinet Secretary for Housing and Local Government (one of nine cabinet members, including the First Minister). At times, political responsibility for housing has been subsumed within a wider cabinet remit (e.g. Social Justice, Climate Change) and has sometimes included planning (though not at the time of writing).

Within the Welsh Government officials with responsibility for housing are based within the Housing and Regeneration Directorate. This is led by a Director supported by five Deputies covering the following responsibilities.

- Housing Policy
- Homes and Places (essentially concerned with finance and delivery)
- Housing Strategy and Regulation
- Housing Safety, Decarbonisation and Standards
- Land

Welsh Government, over its first 25 years, has not lacked strategies, programmes and policies. In ‘Prosperity for All: the national strategy’³² housing is identified as one of five priorities as having the greatest potential for contributing to the future prosperity of Wales, bringing health and educational benefits with good quality affordable housing providing a bedrock for a good life. ‘Future Wales: The National Plan 2040’ provides the framework for the development of Wales over two decades, setting national priorities through the planning system.³³ At the same time, the ground-breaking ‘Well-being and Future Generations Act, 2015’ (and the Office of the Future Generations Commissioner) require public bodies to take a long-term, joined up and collaborative approach to addressing a range of issues in Wales. With its seven well-being goals and five ways of working, the Act requires public bodies to consider the needs of future as well as current generations. However, the evidence of current strategic thinking in terms of an overarching national housing strategy for Wales is lacking. Although a ‘Framework for a National Housing Strategy for Wales’ had been prepared ahead of the establishment

³² Welsh Government (2017) *Prosperity for All; the national strategy*, Cardiff, Welsh Government

³³ Welsh Government (2021) *Future Wales: The National Plan 2040*, Cardiff, Welsh Government

of the Welsh Assembly (now the Welsh Parliament/Senedd Cymru)³⁴ and a first national housing strategy, 'Better Homes for People in Wales', was published in 2001,³⁵ only one subsequent (and limited) national housing strategy for Wales has been produced (Spring 2010) – some 15 years ago.

However, in a recent Consultation on the White Paper on Securing a path towards Affordable Housing including Fair Rents and Affordability, the Welsh Government indicate their intention to legislate in the next Senedd term (2026-2030) to place a duty on Welsh Ministers to consult on and publish (within a given timetable) a housing strategy, which would support the progressive realisation of housing adequacy.³⁶ It is not clear why Welsh Government needs to legislate to develop a national housing strategy (clearly it does not), but it would strengthen the accountability of Welsh Ministers on this issue.

At a local authority level, housing is the responsibility of each of the 22 unitary local authorities (all of whom exercise strategic housing functions, although only half now have a landlord function). Each local authority is expected to assess levels of housing need within their areas (including developing local housing market assessments – considered briefly in the next section of this paper), develop their own local housing strategy (and appropriate sub strategies, for example in relation to homelessness), to provide advice on housing options, and to operate a local housing register for social housing (the majority of Welsh authorities now operate common housing registers, jointly with local housing associations). In addition, the eleven Welsh authorities that still own council housing are responsible for its management and maintenance. The housing association sector is made up of around 30 active/developing associations (including 11 created as a result of large-scale voluntary transfer) In addition, there are several very small (often historical legacy) associations each with a very limited amount of stock as well as around 300 homes owned and managed by non-developing English associations. The issue of regulating social housing in Wales is considered later in this chapter.

Housing Need, Funding and Investment and Delivery of Additional Social Housing

The importance of increasing the supply of social and affordable housing is a longstanding issue and one that is of concern across the UK at national and regional levels (and beyond). Wales has seen a number of studies and reviews including the 2008 Essex Review (which also considered the future of social housing regulation in Wales),³⁷ the 2019 Independent Review of Affordable Housing Supply³⁸ and the 2024 Senedd Cymru Local Government and Housing Committee's inquiry into social housing supply.³⁹

Increasing the supply of social and other forms of affordable housing is critical to meeting housing needs (helping those who cannot afford private housing to access secure and affordable housing), tackling homelessness and helping to address wider issues such as poverty and inequality, contributing to improved health (physical and mental) and educational attainment and benefitting the wider economy. However, increasing supply and maintaining and improving the quality of existing social housing also requires significant investment (public and private). Securing housing investment in social housing is often a matter of prioritising resources, both in competition with other public

³⁴ Welsh Office/National Consultative Forum for Housing in Wales (1999) Framework for a National Housing Strategy for Wales, Cardiff, Welsh Office

³⁵ National Assembly for Wales (2001). *Better Homes for People in Wales: A National Housing Strategy for Wales*, Cardiff, NAW

³⁶ Welsh Government (2024). *Consultation on the White Paper on Securing a path towards Adequate Housing, including Fair Rents and Affordability*, Cardiff, WG 50375

³⁷ Welsh Government (2008). *Affordable Housing: Task and Finish Group – Report to the Deputy Minister for Housing (Essex Report)*, Cardiff, Welsh Government

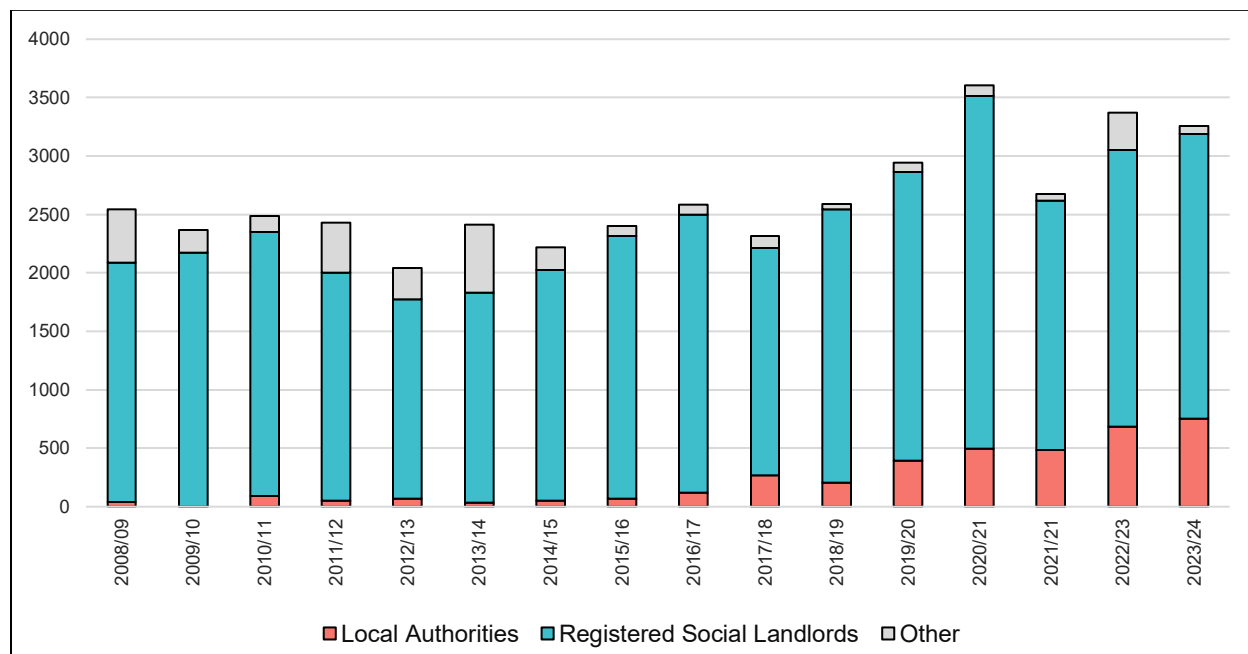
³⁸ Welsh Government (2019). *Independent Review of Affordable Housing Supply*, Cardiff, Welsh Government

³⁹ Senedd Cymru Local Government and Housing Committee (2024). *Social Housing Supply*, Cardiff, Senedd Commission

services (e.g., housing, health, education, etc.) and between different forms of social housing investment (e.g., new provision, investment in the modernisation and improvement of the existing stock). This section looks at recent evidence of the need for additional social housing, recent patterns of investment in social housing in Wales and progress during the current Senedd Cymru term (2021-2026). Consideration is also given to standards in the social rented sector in Wales and social sector rent policy, including its impact in terms of affordability for tenants as well as its importance in ensuring the viability of future housing investments and ensuring housing services which provide quality and value for money.

The Welsh Government’s Programme for Government 2021-2026 set a target of 20,000 additional new low carbon social rented homes, as a key element in seeking to tackle homelessness and other serious housing problems.⁴⁰ However, in its 2023 Annual Report it argued that the focus would be on “delivering” rather than “building” 20,000 additional homes, thus incorporating acquisitions, conversions and the remodelling of existing properties, as well as the construction of new homes.⁴¹ No official breakdown between these different delivery streams is included in the documents outlining the target; thus the relative importance of each will only be known when a final review is completed at the end of the current Government’s term.

Figure 1: Social & Affordable Housing Provision, by type of provider (Wales)



Source: Stats Wales – ‘Additional affordable housing provision by location and year’

Notes: ‘Other’ refers to provision by private providers and others, i.e., via Section 106 agreements. Figures include both new builds, as well as acquisitions, leasing agreements, and other provision mechanisms.

The target is relatively challenging, compared with the previous Senedd term, when the target was 20,000 additional “affordable” homes, which included programmes such as Help-to-Buy, and as such represents a shift in policy towards an emphasis on social housing and away from supporting home ownership. The programme for 2016-2021 target was exceeded, with more than 23,000 homes being added to the total Welsh housing stock, of which almost 13,000 were homes to rent in the social sector.⁴² Thus, an additional 20,000 homes in the social rented sector in 2021-2026 represents a

⁴⁰ Welsh Government (2021) *Programme for Government*, Cardiff, Welsh Government

⁴¹ Welsh Government (2023) *Annual Report – annex 2022-23*, Cardiff, Welsh Government

⁴² Perry, J (2023) *Housing expenditure plans, UK Housing Review*, Coventry, CIH and University of Glasgow.

significant step-up. The figure and table below illustrate the scale of provision over recent years and in particular the contribution of housing associations in Wales.

Table 3: Housing Association Provision 2018/19 to 2023/24, by Tenure

	Social Rent	Intermediate Rent	Shared Ownership	Shared Equity	Total
2018-19	1,955	223	39	121	2,338
2019-20	1,870	392	75	133	2,470
2020-21	2,443	380	87	108	3,018
2021-22	1,712	204	137	77	2,130
2022-23	1,940	201	111	114	2,366
2023-24	1,942	249	167	75	2,433

Source: Stats Wales – ‘Additional affordable housing provision by registered social landlords only, by location, tenure and funding’

In terms of estimating housing need, in August 2020 the Welsh Government published revised 2018-based household projections for Wales as a whole, and for four broad regions (north, mid, south-east and southwest Wales).⁴³ These covered the 20-year period from 2019-20 to 2038-39, broken down into 5-year periods. During the first period it was estimated that Wales needed between 6,200 and 8,300 additional homes per annum (variations based upon different scenarios for fertility, life expectancy, and migration), with a central estimate of 7,400 homes per annum. Of these, it was estimated that just under half represented a need for intermediate or social housing – approximately 3,550 per annum.⁴⁴ Rounded up this suggests a requirement in this first five-year period of around 18,000 additional homes for intermediate or social rent: a little below the 20,000 current target.

Of course, as well as official projections of housing need, there are other measures of unmet and emerging need for social rented housing. At the end of October 2024, some 11,319 individuals were living in temporary accommodation across Wales (with bed and breakfast hotels the most common form of temporary accommodation). Official statistics reported that one month earlier there were 6,495 households in Wales living in temporary accommodation, of which almost 14% were families with children.⁴⁵

Since April 2023 the number of homeless people placed in temporary accommodation ranged between 1,230 and 1,785 each month.⁴⁶ In 2023-24, some 13,519 households in Wales were assessed as homeless and owed a duty of care under the ‘Housing (Wales) Act 2014’ to help secure accommodation; an increase of 8% on the previous year.⁴⁷ The numbers in temporary accommodation in March 2024 was up 18% on the previous year.⁴⁸

In addition to statistics on homelessness in Wales, there is also evidence of significant numbers of people on waiting lists for access to social housing. Using data from a Freedom of Information (FOI) request the BBC reported 139,000 people on social housing waiting lists in Wales in October 2023.⁴⁹

⁴³ Welsh Government (2020) *Estimates of Additional Housing Need in Wales (2019 Based)*, Cardiff, Welsh Government

⁴⁴ Ibid, p4

⁴⁵ Welsh Government (2024) *Homelessness: April 2023 to March 2024*, Cardiff, Welsh Government

⁴⁶ Welsh Government (2025) *Homeless and accommodation provision and rough sleeping: October 2024*, Cardiff, Welsh Government

⁴⁷ Welsh Government (2024) *Homelessness: April 2023 to March 2024*, Cardiff, Welsh Government

⁴⁸ Ibid.

⁴⁹ BBC (2023) *Homeless boy fears Santa will not find him at Christmas*, 11th December 2023

Recent research from Shelter Cymru has estimated that in the summer of 2024 there were more than 94,000 households (representing approximately 170,000 people) waiting for a social home in Wales; around 7% of all households. Over half of these are waiting for a one bedroom property. They also report that single parent households are disproportionately over-represented on social housing waiting lists.⁵⁰

Shelter Cymru also concludes that there is a lack of transparency in Wales about the scale of need for social housing. Inconsistencies and variations in the data about numbers and characteristics of those on social housing waiting lists suggest there is a need for greater direction to local authorities on what waiting list data is collected and how it is managed, analysed and reported. In research for Welsh Government, Alma Economics have made a similar point.⁵¹ However, what is clear is that official estimates and projections may underrepresent the true picture in terms of need.

In addition to the overall national (and four sub-national) estimates, local authorities in Wales are also required to undertake a Local Housing Market Assessment (LHMA) every five years (including estimating the need for affordable housing, disaggregated by size of property). In their 2019 report the Independent Review of Affordable Housing Supply recommended that these should be based on a consistent timetable, data and methodology.⁵² Revised guidance was issued in 2022 by Welsh Government⁵³ and each Welsh local authority was required to complete a revised LHMA by March 2024. The intention is that these will not only inform the Local Development Plan (LDP) but also local authorities' prospectuses seeking subsidy for investment in social rented housing through Social Housing Grant (SHG). However, as yet there has been no published analysis of these 2024 LHMA's or how they might inform future investment in social housing.

One of the identified barriers to increasing supply has been the issue of the availability of land. Identifying land suitable for housing development is not always easy, although details of land ownership across England and Wales are covered by HM Land Registry. In Wales there have been a number of initiatives to facilitate the enhanced use of publicly owned land for affordable housing. In 2019, the Welsh Government established a Land Division (as indicated above – part of the Housing and Regeneration Directorate). The focus of its work is to encourage the use of public assets to support the delivery of additional social housing. Evidence presented to the recent Senedd inquiry into social housing supply noted a significant increase in the delivery of additional affordable housing on land made available by Welsh local authorities, up to 1,362 units in 2022-23. It had barely reached 800 units in any one year over the period since 2010-11. Almost 1,200 further units were planned for 2023-24.⁵⁴ In early 2024 Audit Wales examined the work of Welsh local authorities in repurposing and regenerating brownfield sites and vacant buildings.⁵⁵

The Senedd Cymru Local Government and Housing Committee has made several recommendations in its recent report on social housing supply relating to land.⁵⁶ These include:

⁵⁰ Shelter Cymru (2025) *Waiting for a Home: An update on social housing waitlists in Wales*, Swansea, Shelter Cymru

⁵¹ Alma Economics (2024) *Exploring the allocation of social housing in Wales*, Cardiff, Welsh Government, Social Research 85/2024

⁵² Welsh Government (2019) *Independent Review of Affordable Housing Supply*, Cardiff, Welsh Government

⁵³ Welsh Government (2022) *Undertaking Local Housing Market Assessments (LHMA's)*, Cardiff, Welsh Government

⁵⁴ Senedd Cymru Local Government and Housing Committee (2024) *Social Housing Supply*, Cardiff, Senedd Commission, figure 2

⁵⁵ Audit Wales (2024) *sustainable Development? – making best use of brownfield land and empty buildings*, Cardiff, Audit Wales

⁵⁶ Senedd Cymru Local Government and Housing Committee (2024)

- That Welsh Government work across the public sector to ensure greater transparency in public land ownership, bringing together information and expertise in a central location;
- That Welsh Government should work with local authorities to unlock the potential of small sites, encouraging LPAs to package these either locally or regionally, and to review the standard viability model (SVM) for social housing grant (SHG) – to support the financial viability for development;
- That Welsh Government explore how section 106 policy compliance is reflected in land values and that there is central expertise to support local authorities in their s106 negotiations;
- That Welsh Government explore how additional increased land value can be captured for public benefit, as well as to press the Westminster Government for a further devolution of powers to introduce a Vacant Land Tax.

The Welsh Government has accepted (at least in principle) 14 of the 17 recommendations of the Local Government and Housing Committee report on social housing supply, and all of those listed above in relation to land availability.⁵⁷ However, it rejected the recommendation to establish a national development corporation to lead on the development of large strategic sites. Instead it has argued that the Land Division of Housing and Regeneration Directorate would form part of a newly established Place Division to deliver proactive place-based policies.

In May 2025, the Minister’s Affordable Housing Taskforce—established in autumn 2024—published its recommendations for reform.⁵⁸ The first strand addressed short-term challenges to unlocking public sector sites to deliver an additional 20,000 social homes. The second strand examined the medium- and long-term changes required to streamline delivery. While the Taskforce highlighted the need for stronger leadership within Welsh councils and closer collaboration between local authorities, housing associations and private developers, much of its focus was on reforming the planning system. It recommended that the Welsh Government’s database of publicly owned land be properly funded, regularly updated and actively maintained.

The report also called for a stronger pipeline of land for housing development, coordinated between the Welsh Government, local authorities, health boards, Transport for Wales (TfW) and other public bodies to ensure a sustainable future supply of social housing. It also proposed that public land could be offered at a discounted rate where projects include significant numbers of social homes.

In recent years, Welsh Government, Senedd Cymru, independent reviews and a Ministerial Taskforce—alongside many others—have undertaken substantial work to identify the need for more social housing and the barriers to achieving it. The mismatch between housing need and the supply of social and affordable homes in Wales, as elsewhere in the UK, has developed over decades. Along with persistent challenges of homelessness, housing insecurity, rising costs for both providers and tenants, and issues of housing quality and service delivery, the social housing crisis remains one of Wales’s most pressing issues. Despite genuine efforts, governments must go further, working closely with the wider housing sector to deliver meaningful change.

Turning to the crucial topic of funding arrangements and investment in social housing, under devolution the Welsh Government is largely funded through a block grant from the UK Government, determined in any one year by changes in what is known as “the Barnett Formula”. It has limited tax raising and capital borrowing powers so to a considerable degree overall Welsh Government spending is

⁵⁷ Welsh Government (2025) Local Government and Housing Committee’s Inquiry into Social Housing: Welsh Government Response to Recommendations

⁵⁸ Welsh Government (2025) Affordable Housing Taskforce: report and recommendations, Cardiff, Welsh Government

determined by UK Government budgetary processes, although for 2025-26 around 20% of Welsh Government spending will come from devolved taxation revenues.

For 2025-26 the block grant is £21bn (€25.3bn); which consists of £18bn (€21.7bn) resource funding and just over £3bn (€3.6bn) for capital spending. The draft budget spending plan for 2025-26 is for £21.4bn (€25.8bn) of resource expenditure (a quarter of which is allocated to local government and housing – the second biggest expenditure group after health and social care) and £3.37bn (€4.06bn) capital expenditure; with £1.19bn (€1.43bn) allocated to local government and housing).⁵⁹ The draft budget spending allocations are shaped by the priorities set out in the Programme for Government (2021-2026), as well as the strategic context of the Future Generations legislation.

Cross national comparisons within the UK of government investment in housing shows that in terms of the delivery of additional affordable housing per head of population, Wales has lagged behind the other UK nations over the last two decades.⁶⁰ As would be expected, total housing expenditure has grown significantly since the mid-1980s, although in the early years after devolution it actually fell. However, as a share of total government expenditure (2.7% in 2022-23) it was less than in the mid-1990s (3.0% in 1995-96). Housing's share of total public expenditure in Wales is higher than in England (1.8%) but lower than in either Scotland (3.5%) or Northern Ireland (4.3%).⁶¹

The principal form of funding for supporting the provision of additional social housing is through a form of capital subsidy, Social Housing Grant (SHG), which in broad terms has been in place since 1989 and the introduction of mixed-public-private funding, post the Housing Act 1988. Over that period, it has supported the development of significant additional social housing provision, primarily through housing associations, although it is now also available to support local authorities. Capital grant is paid on a scheme-by-scheme basis, as a percentage of eligible costs. Traditionally, the fixed rate subsidy provided through SHG has been higher in Wales than in England, with homes supported through SHG required to meet set standards. Welsh Government has also provided acceptable cost guidance for different schemes in different locations (reflecting variations in costs).

The 2019 Independent Review of Affordable Housing Supply in Wales⁶² argued for a reform of grant funding (at that time SHG for social housing was fixed at 58%), with a view to stretching the available public funding to achieve greater outputs of affordable housing and achieving better value for money in the use of public capital subsidy. Since 2021, SHG in Wales has been calculated using what is known as the Standard Viability Model (SVM), which is the amount of subsidy needed to ensure the viability of a scheme, bridging the gap between project costs and the level of private borrowing which can be supported, based on projected rental income, and allowing for the costs of ongoing management and maintenance.

Under the SVM model there is a grant rate cap of 70%. The Welsh government has not yet produced an *ex post* impact analysis of the introduction of the SVM model; though it is clear that economic pressures since 2021 have seen an escalation in construction costs, whilst expectations of meeting higher standards (both for newbuild housing and in renovation) together with aspirations to achieve greater energy efficiencies and net zero have further increased costs for social landlords. In simple terms, SHG has not been stretched but has contracted, as the real purchasing power of social

⁵⁹ Welsh Government (2024) *Draft Budget 2025-26: A Budget for a Brighter Future*, Cardiff, Welsh Government

⁶⁰ Perry, J (2024) Housing expenditure plans in *UK Housing Review 2024*, chapter 4

⁶¹ Stephens, M, Perry, J, Williams, P and Young, G (2024) *UK Housing Review 2024*, Coventry, Chartered Institute of Housing and University of Glasgow

⁶² Welsh Government (2019) *Independent Review of Affordable Housing Supply*, Cardiff, Welsh Government

landlords has been diminished. This has provoked bodies involved in the delivery of affordable housing in Wales, like Community Housing Cymru (CHC), to advocate for increased public funding.⁶³

The previous Cabinet Secretary responsible for housing in Wales noted that whereas a £1 million budget for SHG might have been expected to deliver as many as seven homes in the past, it now delivered as few as four.⁶⁴ Audit Wales has argued that between 2020-21 and 2023-24 the amount of SHG required for each additional general needs social home had increased on average from £93,000 (€106,000) to £163,000 (€190,000) and that consequently significant additional public investment—estimated at between £580m (€676m) and £740m (€862m)—would be required in the current Senedd term to deliver on the additional 20,000 extra social homes target by 2026.⁶⁵

Since the introduction of mixed funding, private borrowing—from banks, building societies, institutional investors and bonds—has been central to financing new social housing and improving existing stock. The 2022 Global Accounts for Welsh housing associations show a strong overall financial position and continued success in attracting private investment. The sector reported total debt of £3.5 billion (€4.1 billion), assets of £9.4 billion (€11 billion) and an operating surplus of £212 million (€249 million), down from £238 million (€277 million) in 2021.⁶⁶

These headline figures, however, mask variation between individual associations, whose financial health and risk appetite remain matters for their Boards and the regulator. In recent years, Wales has developed several innovative financing models through partnerships between the sector and Welsh Government to attract private investment. One prominent example is the collaboration between Tirion Homes, Lovells, local housing associations, funders such as Principality Building Society and M&G Investments, and Welsh Government in delivering The Mill in Cardiff.⁶⁷

This landmark mixed-tenure scheme has transformed a derelict site in west Cardiff into a sustainable community, providing 800 homes across open market, private rented and social tenures. With the planned South Wales Metro station nearby, the project is set to enhance connectivity and support broader economic, social and environmental regeneration. Evaluating its outcomes will be crucial to inform future developments of this kind.

Alongside building new homes, there remains a continual need to invest in improving and modernising existing social housing across both housing associations and local authorities. The introduction of the Welsh Housing Quality Standard (WHQS) and its successor, WHQS 2023, has increased financial pressures on social landlords.

As noted earlier, several Welsh local authorities transferred their council housing to newly created housing associations during the early 2000s, enabling major investment to meet WHQS standards. The 11 authorities that retained their stock continue to receive public funding through the Major Repairs Allowance (MRA) to help achieve the revised WHQS 2023 target by 2034. Investment through local authority Housing Revenue Accounts rose from £317 million (€370m) in 2021–22 to £435 million (€505m) in 2022–23 and £468 million (€545m) in 2023–24, funding both improvements to existing stock and new council housing.⁶⁸ Where stock has been transferred to housing associations (the 11 LSVTs), these organisations receive Welsh Government dowry funding to support ongoing investment in the transferred homes.

⁶³ See, for example: <https://chcymru.org.uk/news-and-blog/chc-statement-welsh-government-final-budget-2024-25>

⁶⁴ Julie James MS, cited in *Inside Housing*, 6th June 2024

⁶⁵ Audit Wales (2024) *Affordable Housing*, Cardiff, Audit Wales

⁶⁶ Community Housing Cymru (2022) *Global Accounts*, Cardiff, CHC

⁶⁷ See: www.tirionhomes.co.uk/the-mill/

⁶⁸ Perry (2024), op cit, p96

However, for all social landlords in Wales there are difficult choices and trade-offs to be made between investing in additional social housing and the modernisation of the existing social housing stock. There are tensions between the aspirations for high standards in social housing (both new and existing stock) and the costs associated with meeting these standards. There are also a difficult balance to be achieved between the level of public investment, the availability and price of private borrowing and ensuring that rents in the sector (with rental streams needed to support the costs of borrowing, as well as day-to-day management and maintenance costs) remain affordable. Some of these issues are considered in more detail later.

The table below shows Welsh Government support for additional social housing investment over a three-year period. This represents 82% of the capital investment for new housing provision in Wales, reflecting the growing emphasis on support for social housing provision, rather than the private market. As the table shows, much of this has been set aside for the Social Housing Grant (SHG) programme, primarily to support the provision of additional homes (for social or intermediate rent or shared ownership), primarily through Welsh housing associations. This programme in Wales (unlike in Scotland and Northern Ireland) has been sustained, although the effects of inflation in recent years has meant that the available funding has not gone as far as expected, in terms of the output of additional social homes.

Table 4: Government Support for New Social Housing Investment in Wales 2022/23 to 2024/25 (in €m)

Programmes for new social housing	2022-23	2023-24	2024-25
<i>Social Housing Grant</i>	360	431	435
<i>Housing & Care Fund</i>	71	71	73
<i>Land Release Fund</i>	23	23	30
<i>Housing Finance Grant</i>	15	15	16
Sub-total (social housing)	469	541	554
Total housing capital investment (Wales)	512	680	704

Source: Perry (2024)

Notes: GBP/EUR exchange rates applied: 2022-23 (0.8613); 2023-24 (0.8582); 2024-25 (0.8383).

The increased funding in Wales reflects the Welsh Government's priority for investing in social housing (rather than other forms of affordable housing). So what has this public investment (combined with private borrowing by housing associations) delivered in terms of additional social housing over the current Senedd term?

In the first two years 5,775 additional social homes were delivered; just under 30% of the target. By the end of year three this figure had risen to 8,933 homes (just under 45% of the target). Of these, 8,074 homes (90%) were for rent (predominantly social rent, but also some to be let at intermediate rents), with the remainder provided through shared ownership.⁶⁹ Given past trends one would expect the rate of delivery to increase over the next two years, but clearly the 20,000 target looks quite a way off.

In September last year the Auditor General for Wales published a report arguing that the target was unlikely to be met.⁷⁰ It concluded that progress towards the 20,000 social homes target had been slower and more expensive than originally expected (in part due to factors beyond the control of Welsh

⁶⁹ Welsh Government (2024) *Affordable housing provision: April 2023-March 2024*, Cardiff, Welsh Government

⁷⁰ Audit Wales (2024) *Affordable Housing*, Cardiff, Audit Wales

Government). It argued that all the schemes in the pipeline would need to be delivered by March 2026 (some of which were considered risky), as well as a few more besides.

In 2023-24 Welsh Government introduced a new Transitional Accommodation Capital Funding Programme (TACP), available to all Welsh local authorities and housing associations, with an initial budget of up to £120m (€140m) in the first year.⁷¹ The programme is focusing on the acquisition of existing private sector dwellings (including new properties) and bringing them into the social sector, as well as bringing empty homes back into use. Potentially, the programme also looks to social landlords to use the available funding to acquire other properties (e.g., offices, hotels, retail premises etc.) with a view to providing additional long-term social housing at pace. Continued capital funding has been provided for 2024-25 and monies are also set aside in the draft Welsh Government budget for 2025-26. Further guidance has also been issued by Welsh Government on the standards to be achieved under TACP,⁷² as well as for buying existing dwellings and off-the-shelf (OTS) properties to add to the stock of social housing.⁷³ TACP has been widely welcomed, both in terms of additional investment in social housing across Wales and in assisting with progress towards the 20,000 additional homes target. However, there remains an overarching concern that the levels of capital investment and the pace of delivery of additional social housing are insufficient to address the scale of what is seen as a growing housing emergency in Wales, and that there is a need for a clearer long-term approach to the social housing sector.

The recent Senedd Local Government and Housing Committee Report on social housing supply has argued for a longer-term strategy, for a national development corporation to be established to lead on bringing forward larger sites for development and that there should be increased capital investment in social housing by Welsh Government.⁷⁴ It also suggests that the social housing sector in Wales should grow significantly as a proportion of Wales's housing stock in the medium and longer-term. The Welsh Government published its response to the report's recommendations at the end of January 2025, accepting 14 out of 17 (at least in principle), although it has rejected the idea of a newly created national development corporation pointing to the remit of its own Land Division within the Housing and Regeneration Directorate.⁷⁵ As noted above, late last year the Cabinet Secretary for Housing also announced a new Welsh Government Task Force to support the delivery of additional affordable homes, which reported in May 2025.^{76 77}

The Operation and Delivery of Social Housing in Wales

At the end of March 2024 there were 241,169 housing units owned/part owned and managed by either local councils (there are 11 Welsh local authorities which have retained their council housing stock) or by Welsh housing associations. There are only 30/31 active/significant housing associations in Wales, and there have been a number of mergers in the recent past. At the time of writing, at least one

⁷¹ Welsh Government (2024) *Transitional Accommodation Capital Funding Programme*, Cardiff, Welsh Government, March 6th

⁷² Welsh Government (2025) *Standards for Homes under the Transitional Accommodation Capital Programme (TACP): guidance*, Cardiff, Welsh Government, 4th February

⁷³ Welsh Government (2025) *Buying Existing Dwellings (EDs) and Off the Shelf (OFS) properties: guidance*, Cardiff, Welsh Government, 4th February

⁷⁴ Senedd Cymru (Welsh Parliament) Local Government and Housing Committee (2024), *Social Housing Supply*, Cardiff, Senedd Local Government and Housing Committee

⁷⁵ Welsh Government (2025) *Local Government and Housing Committees Inquiry into Social Housing: Welsh Government Response to Recommendations*, Cardiff, Welsh Government

⁷⁶ Welsh Government (2024) *Written Cabinet Statement: Support for Affordable Homes Delivery*, Cardiff, Welsh Government, 6th November

⁷⁷ Welsh Government (2025) *Affordable Housing Taskforce: report and Recommendations*, Cardiff, Welsh Government

additional merger is likely. Almost two thirds (63%) of the Welsh social housing stock is now managed by these housing associations (the largest being Pobl, which owns and manages more than 23,000 homes, spread across south Wales). The remainder (37%) is in local authority management, including councils in Cardiff, Swansea and Wrexham. Most of the Welsh social housing stock is either for general needs or sheltered housing for the elderly. There are a small number of social homes (circa 300) owned and managed by English housing associations.

The Welsh Government publishes an annual analysis of the social housing stock in Wales that is owned (or partly owned) and managed by social landlords. It also provides information on average weekly rents in the sector. The latest data, published in September 2024, gives the stock position as at 31st March 2024 and rent data for 2024-25.⁷⁸ Some of the key housing stock data is summarised below:

- On March 31st 2024 there were 241,669 social housing units in Wales. Of these, 63% were owned by housing associations and 37% by local authorities.
- 95% of the social rented homes are self-contained, either for general needs or sheltered housing for the elderly (around 10%) with their rents and service charges covered by the Welsh Government's Rent and Service Charge Standard (which is considered further later in the paper).
- The "other" social housing stock includes non-self-contained units (bedsits, bedspaces, supported housing units) and self-contained extra care properties.
- Urban authority areas in Wales tend to have higher rates of social housing per 100 households than rural ones. Nine local authorities have higher rates of social housing than Wales as a whole (17.5%). Across the 22 Welsh local authorities the rate of social housing ranges from 11.3% (Ceredigion in west Wales) up to 25.5% in Torfaen (south-east Wales)
- Geographically, the social housing stock is greatest in Cardiff (over 25,000 social homes), in Swansea (more than 20,000 social homes) and in Rhondda-Cynon-Taf (over 15,000 social homes). In both Cardiff and Swansea, the local authority has retained ownership and management of the council housing stock. The social housing stock is smallest in Ceredigion and on the Isle of Anglesey, off the north-west coast of Wales.

As discussed earlier, the Welsh social housing stock has declined significantly since around 1980, alongside a major shift in ownership from local authorities to housing associations. However, the sector is now growing modestly year on year—by about 1% in 2023–24. StatsWales data (available from 2012–13) provide annual breakdowns of the social housing stock by provider, property size and local authority.⁷⁹ As of March 2024, seven of Wales's 22 local authorities had more than 20 social homes per 100 households, with Blaenau Gwent and Torfaen exceeding 25. The national average stood at 17.5 per 100 households.⁸⁰ The 2021 Census for England and Wales offers further detail at local and neighbourhood levels, mapping concentrations of social housing.⁸¹

Although arguments exist for expanding the social housing share,⁸² there are no policy limits on its proportion in specific areas. In practice, past policies such as Right to Buy (RTB) and large-scale

⁷⁸ Welsh Government (2024) *Social landlord housing stock and rents: as at 31st March 2024*, Cardiff, Welsh Government

⁷⁹ StatsWales (2024) *Total social housing stock by year, provider type and accommodation type*, [Total social housing stock by year, provider type and accommodation type](#)

⁸⁰ Welsh Government (2024) *Social landlord housing stock and rents: as at 31st March 2024*, Cardiff, Welsh Government

⁸¹ Office of National Statistics (2023) *Housing: England and Wales Census 2021*, London, ONS

⁸² Senedd Cymru Local Government and Housing Committee (2024) *Social Housing Supply*, Cardiff, Senedd Commission

voluntary transfers (LSVT) have diversified tenure across former mono-tenure estates. Most new social housing is currently delivered by housing associations, though some stock-retaining councils have resumed building. Decisions on whether to expand through new build, acquisition or conversion rest with individual providers and depend on the local context and available funding.

Let's turn now to the condition of the Welsh social housing stock. Wales has had a long-term concern with issues related to the quality of its housing stock, across all tenures. At the time of political devolution, the physical condition of the housing stock was one of the key housing problems. The 1998 Welsh House Condition Survey (WHQS) had shown 8.2% of the social housing stock was unfit, with higher proportions in the inter-war and early post war period stock. A report from the National Assembly for Wales argued that £750million (€1.14bn)⁸³ was needed to tackle disrepair in the local authority sector alone and argued that councils should consider either partial or whole stock transfers to either housing associations or local housing companies through increasing private (as opposed to public) investment. The UK Government—in the 1988 Housing Act—had introduced the possibility of stock transfer of council housing to alternative social landlords, as part of encouraging the shift of social housing provision from local councils to the housing association sector. However, apart from the transfer of one council estate (Glyntaff Farm) under the Tenants' Choice provisions of the 1988 legislation, there had been little enthusiasm for stock transfer in the 1990s.

The Welsh Housing Quality Standard (WHQS) was introduced in 2002 as part of a wider commitment to improving the quality of social housing in Wales. Comparable standards had been introduced earlier in England (the Decent Homes Standard, 2000) and later in Scotland (the Scottish Housing Quality Standard, 2004) and Northern Ireland (2004). While similar in intent, the WHQS was generally regarded as more demanding than those elsewhere in the UK. It was originally intended to be achieved within ten years, but the Wales Audit Office (WAO) later reported that, although substantial progress had been made, this target would not be met.⁸⁴

The WAO recognised the broad social, economic and environmental benefits of the standard, though outcomes varied between landlords. Progress was slowed by delays in housing stock transfer, despite the additional capital this generated. More critically, the WAO identified a lack of clarity about what achieving the standard meant in practice, the absence of a clear baseline for assessing progress, weaknesses in monitoring, and uncertainty about the standard's future direction. Social landlords adopted differing approaches and timescales, while local authorities' decisions on stock retention or transfer, combined with financial uncertainty, further delayed progress. In retrospect, the original ten-year target for full compliance was likely overambitious.

Welsh Government agreed extensions to the original 2012 deadline with a number of individual Welsh local authorities and housing associations and subsequently set a revised deadline of 2020 for all social landlords in Wales to achieve WHQS. Other research noted the importance of individual social landlords developing their own compliance policies, of seeking to measure the wider benefits of the financial investment, of improving the quality of data collection, monitoring and analysis and of social landlords engaging with their tenants over their plans and work programmes.⁸⁵

⁸³ No GBP/EUR exchange rate data exist prior to the start of 1999. At the same time, the euro quickly devalued against the GBP upon its market launch, suggesting it was initially overvalued. As such, the average annual GBP/EUR rate (0.6587) is used for this currency conversion.

⁸⁴ Wales Audit Office (2012) *Progress in Delivering the Welsh Housing Quality Standard*, Cardiff, WAO

⁸⁵ Welsh Government (2014) *Welsh Housing Quality Standard: verification of progress in achieving the Standard*, Cardiff, Welsh Government, GSR 49/2014

The summative evaluation concluded that WHQS had been effective in raising the standard of social housing in Wales.⁸⁶ It also noted the value of improved monitoring, data collection and reporting post 2011, as well as better Welsh Government guidance, in improving progress, whilst arguing for greater investment to achieve more reliable evidence of future progress. The 2021 research also identified a range of changes to be considered; most significantly the contribution that a revised WHQS might make to the decarbonisation of the social housing stock.

In Wales since the introduction of the policy, it has also been argued that the delivery of WHQS should be about more than just improving the quality of the social housing stock. Considerable emphasis has been placed upon ensuring that investment in housing improvement should also achieve wider regeneration and local economic benefits (e.g. jobs, training opportunities, local procurement, reducing fuel poverty etc.), enhanced environmental quality, and greater resident participation. It has also been argued that investment in housing through the delivery of WHQS has individual health and well-being benefits and offers savings on hospital admissions and the costs of health services, which recent research has illustrated.⁸⁷

In the first decade of the 21st century it has been argued that Wales built a UK wide reputation for a radical and effective approach to delivering local jobs and training – and that housing led this process through initiatives such as i2i (inform to involve – led through the Chartered Institute of Housing Cymru) and the Can Do toolkits,⁸⁸ both linked to issues of improving the quality of the social housing stock. However, despite significant local evidence of the successes, there is a lack of a robust evidence base to quantify the long-term benefits. In some ways, the momentum has been lost, although research continues to highlight the role that social landlords can play in the local economy, helping to create more resilient and cohesive communities.⁸⁹

WHQS 2023 was published in October 2023 and came into effect in April 2024 following extensive consultation. The revised standard reflects modern housing expectations, emphasising safety, sustainability and tenant well-being. It strengthens requirements on building safety—responding to the Grenfell tragedy—enhances the Housing Health and Safety Rating System (HHSRS) and mandates Secure by Design accreditation.

WHQS 2023 aims to enhance residents' health, well-being and educational outcomes while supporting Wales's decarbonisation targets. Aligned with the Welsh Government's net zero goal by 2050 (and interim targets for 2030 and 2040), it promotes carbon reduction through improved data collection and monitoring. The Optimised Retrofit Programme has tested many of its approaches, and independent reviews have reinforced the need for faster decarbonisation.⁹⁰ Social landlords are now expected to demonstrate progress in this area to continue receiving dowry funding and the Major Repairs Allowance (MRA).⁹¹

⁸⁶ Welsh Government (2021) *Welsh Housing Quality Standard: summative evaluation*, Cardiff, Welsh Government, GSR 43/2021

⁸⁷ Rodgers, S and others (2018) *Health Impact and Economic Value of Meeting Housing Quality Standards: A retrospective longitudinal data linkage study*, London, National Institute for Health Research, 6/8:6080

⁸⁸ See candotoolkits.com/resources

⁸⁹ Earle, J and others (2017) *What Wales Can Do: Asset Based Policies and the Foundational Economy*, Cardiff, Centre for Regeneration Excellence in Wales (CREW) and Foundational Economy Alliance

⁹⁰ Welsh Government (2019) *Better homes, Better Wales, Better World: decarbonising existing homes in Wales*, Cardiff, Welsh Government

⁹¹ Welsh Government (2019) *Independent Review of Affordable Housing Supply: Final Report*, Cardiff, Welsh Government

Minimum standards have also been set for all new and rehabilitated publicly-funded housing schemes in Wales,⁹² though it is acknowledged that this may be more difficult to achieve where properties are converted or rehabilitated. In broad terms the requirements are that:

- Homes should be of high quality, innovative and sustainable.
- Homes should be flexible, responsive to the changing needs of the occupants, meet the changing needs of a variety of households who will occupy the building over its lifetime and be of sufficient size.
- Homes should be safe and secure.

Broadly speaking these standards are significantly higher for social housing than the minimum standards established under the building regulations. The Development Quality Requirements (DQR) for social housing, follow on from the recommendations of the 2019 Affordable Housing Supply Review.⁹³ They encourage high quality design sustainability and wellbeing, as well as promoting the use of Modern Methods of Construction (MMC). They strengthen the decarbonisation agenda in Wales but inevitably add to development costs and potentially threaten the financial viability of individual schemes.

At the start of 2025, Wales has launched a ground-breaking pattern book, designed to support the development of more energy efficient, sustainable and cost-effective homes in Wales. This has been produced by Tai ar y Cyd, a consortium of 23 Welsh social landlords, supported by Welsh Government, with layouts for 15 different house types, which meet both DQR and WHQS 2023 standards. It argues that the approach will encourage the use of local materials in the construction process, reduce waste, support local businesses and create green jobs in local communities.⁹⁴

The regulation of social housing operates within the broader framework of housing policy and practice. It seeks to balance several aims: ensuring safety and quality, maintaining sound governance and financial viability among social landlords, and promoting responsive, high-quality services for tenants. Although regulatory systems differ across England, Scotland, Wales and Northern Ireland, each has evolved in its own way.

Recent reforms have been strongly influenced by the Grenfell Tower tragedy in 2017, in which 72 people died, and the death of two-year-old Awaab Ishak from damp and mould in Rochdale. The final Grenfell Inquiry report, published in 2024,⁹⁵ and the UK Government's Social Housing Regulation Act 2022 have prompted greater emphasis on safety, accountability and tenant involvement. While England's regulatory approach reflects years of deregulation, developments there have also informed reforms elsewhere in the UK, including moves in Wales to strengthen landlords' accountability for providing safe, well-managed homes and treating tenants with respect.

In Wales, there is no single body responsible for regulating all Welsh social landlords. The housing association sector is regulated by Welsh Government and the local authority sector by the Wales Audit Office. There have been discussions over at least the last 15 years of a single system of domain regulation in Wales (covering both housing associations and local authorities) but this has not

⁹² Welsh Government (2021) *Welsh Development Quality Requirements 2021: Creating Beautiful Homes and Places*, Cardiff, Welsh Government

⁹³ Welsh Government (2019) *Independent Review of Affordable Housing Supply: Final Report*, Cardiff, Welsh Government, pp19-26

⁹⁴ Welsh Government (2025) *Written Cabinet Statement: Next Generation pattern book for sustainable, affordable homes*, Cardiff, Welsh Government

⁹⁵ House of Commons (2024) *Grenfell Tower Inquiry: Phase 2 Report: Report of the Public Inquiry into the Fire at Grenfell Tower on 14th June 2017*, London, House of Commons

happened, in part due to a lack of resources. In addition, the Public Services Ombudsman in Wales deals with complaints from tenants of social landlords.

Much of the (fairly limited) academic research on social housing regulation in the UK has focused on the housing association sector.⁹⁶ In part this reflected the growing commercial pressures under which housing associations have operated⁹⁷ and concerns over value for money and mitigating risks. However, the re-emergence of local authorities as providers of new social housing, their continuing role as social landlords, the requirement to achieve similar standards of building and renovation, greater partnership working between local authorities and housing associations and similar concerns with delivering good quality services to tenants (and engaging them in shaping services) all point to a common set of concerns across the social rented sector.

Prior to political devolution housing association regulation in Wales was the responsibility of Tai Cymru/Housing for Wales and thus was transferred into Welsh Government in 1999. Initially both investment and regulation were carried out by Welsh Government, although from 2005 this was supported by an inspection process delivered by Wales Audit Office (already responsible for local authority oversight). In 2003/04 Welsh Government consulted on a new approach to regulation. This was followed in 2007/08 by the work of an independent review (Essex Review), which considered housing association regulation as part of its remit. When it reported in 2008 it recommended urgent reform was needed to housing regulation in Wales, not least so that Wales did not fall (further) behind England and Scotland, and lose credibility with the sector, tenants and others (particularly lending institutions)⁹⁸.

The current regulatory system for housing associations in Wales developed out of the 2008 Essex Review. In the period since it has gone through several revisions, but essentially the current Framework has evolved since it was first published in 2011.⁹⁹ It is based on principles that regulation is open, transparent, consistent and proportionate, that individual associations are responsible for their own actions and that tenants should be at the heart of regulation.

The general regulatory framework in Wales was subject to review in 2012/2013¹⁰⁰ and a revised framework published in 2017.¹⁰¹ The 2017 framework was considered by the National Assembly's Public Accounts Committee¹⁰² and was subject to further minor review and subsequent revisions, in part in response to the Office of National Statistics' (ONS) decision to reclassify housing associations in England in 2015 (and in Wales the following year) as part of the public sector, meaning their borrowing would count as public spending. The Welsh Government passed the necessary legislation to reverse this decision. The regulatory framework for Welsh housing associations was again updated in 2020/21.

⁹⁶ See, for example, Mullins, D (2006) Exploring change in the housing association sector, *Housing Studies*, 21:2, pp227-251 and McDermont, M (2007) Mixed messages: housing associations and corporate governance, *Social and Legal Studies*, 16:1, pp71-94

⁹⁷ Manzi, T and Morrison, N (2017) Risk, commercialism and social purpose: repositioning the English housing association sector, *Urban Studies*,

⁹⁸ Welsh Assembly Government (2008) *Affordable Housing Task and Finish Group: Report to the Deputy Minister for Housing*, Cardiff, Welsh Assembly Government

⁹⁹ Welsh Assembly Government/Community Housing Cymru (2011) *Regulatory Framework for Housing Associations in Wales*, Cardiff, Welsh Assembly Government

¹⁰⁰ Welsh Government (2013) *Interim Evaluation of the Regulatory Framework for Housing Associations in Wales*, Cardiff, Welsh Government, GSR 33/2013

¹⁰¹ Welsh Government (2017) *Regulatory Framework for Housing Associations in Wales – revised*, Cardiff, Welsh Government

¹⁰² National Assembly for Wales (2017) *Inquiry into Regulatory Oversight of Housing Associations*, Cardiff, NAW Public Accounts Committee

In recent years, housing association regulation in Wales has had a strong focus on issues of governance and finance, and a small number of Welsh associations have been given non-standard regulatory judgements primarily in relation to weaknesses in governance. The Regulatory Board for Wales published its own governance review for the housing association sector.¹⁰³ The Board commissioned research that assessed developments since the previous Welsh Government review.¹⁰⁴ It set out a vision for good governance in the housing association sector, with proposals to promote good practices alongside the CHC's 'Code of Guidance'. It also argued there was a need for a better understanding of how customer insight and tenant involvement could both shape and inform governance. In 2018- 2019 the Board commissioned independent research on tenant engagement in social housing in Wales¹⁰⁵ and published its own guidance in July 2019.¹⁰⁶

The current Regulatory Framework for Housing Associations in Wales¹⁰⁷ argues that tenants are at the heart of regulation and places clear expectations on housing associations to show how tenants are involved in shaping services and the decisions. However, there are concerns that tenant engagement in the Welsh social housing sector has stalled or even gone backwards in recent years. Following a review of support for tenant participation¹⁰⁸ funding was withdrawn from Welsh Tenants (the organisation subsequently folded) and from the Tenant Empowerment Grant (TEG) programme, whilst the Tenant Advisory Panel (which supported RBW) was also scrapped.

Earlier research in Wales¹⁰⁹ also identified significant differences of opinion between social landlords and tenants as to what "successful participation" looked like, with outcomes much more important for tenants than processes. There are dangers that tenant engagement in Wales may be too landlord-led, that a lack of grass-roots activity may be seen as apathy (or unrepresentative of wider tenants' views) and that there are insufficient resources to support tenant engagement, either locally or at a national level. There are positive examples of tenant engagement and empowerment in Wales,¹¹⁰ but much more needs to be done to address tenant concerns and to show that landlords (and government) are listening and responding.

Despite significant progress in governance and regulation over the past decade, challenges remain in Wales's social housing sector. Regulation is split: housing associations fall under Welsh Government oversight, while local authority housing is monitored by the Wales Audit Office as part of broader local government responsibilities. This separation creates inconsistencies, potential inequalities between tenants, and a lack of alignment with other UK nations.

England's moves to strengthen consumer regulation may place Wales at a relative disadvantage. There is a strong case for properly funded, dedicated social housing regulation in Wales, alongside improved capacity for governance and regulation. Greater support for tenant engagement and more

¹⁰³ Regulatory Board for Housing in Wales (2018) *The Right Stuff: Improving Housing Association Governance in Wales*, Cardiff, Welsh Government, RBW

¹⁰⁴ Welsh Government (2013) *Sector Study on Governance of Housing Associations in Wales*, Cardiff, Welsh Government, GSR 50/2013

¹⁰⁵ Regulatory Board for Wales (2019) *Tenants at the Heart: literature review*, Cardiff, Welsh Government and *Listen, Act, Learn: aspirations for tenant and resident involvement*, Cardiff, Welsh Government

¹⁰⁶ Regulatory Board for Wales (2019) *The Right Stuff - Hearing the Tenants' Voice*, Cardiff, Welsh Government

¹⁰⁷ Welsh Government (2021) *The regulatory framework for housing associations registered in Wales*, Cardiff, Welsh Government

¹⁰⁸ Campbell Tickell (2014) *Support for Tenant Participation: Priorities and Shape of Future Provision*, Cardiff, Welsh Government, GSR 20/2014

¹⁰⁹ Welsh Assembly Government (2004) *Evaluating Tenant Participation in Housing Management and Design*, Cardiff, WAG HRR 06/04

¹¹⁰ McEwan, B (2024) *Tenant Participation: an evidence review*, Cardiff, Welsh Government, GSR 74/2024

collaborative working across the sector is also needed to ensure tenants' voices are heard and that regulatory standards are applied consistently.

Targeting and Allocating Social Housing in Wales

Access to social housing in Wales, and the ways in which individual vacant properties are allocated to individual households, have varied considerably over time. Broadly speaking, social housing—as a particular form of affordable and secure housing—is allocated to address priority housing needs and increasingly to mitigate the pressing problems of homelessness.

At present, the availability of social housing—in terms of both vacancies in the existing housing stock and the provision of additional homes, relative demand for social housing, and the ways in which different Welsh social landlords prioritise the allocation to individual households all vary considerably across the nation, between local authority areas and within localities. As a result, the experiences and outcomes of different households also vary considerably.

The legal framework that underpins social housing allocations in Wales is the Housing Act 1996. However, the Housing (Wales) Act 2014 strengthened the provisions to address the needs of homeless households, seeking to enhance the prevention of homelessness and increase choice and support—particularly for more vulnerable households. Local authorities (including those which no longer own and manage their own council housing) are required to publish a housing allocations scheme setting out how social housing is to be allocated. These schemes are required to give “reasonable preference” to five categories of applicant:

1. People who are homeless within the meaning of the Housing (Wales) Act 2014;
2. People who are owed a homelessness duty under the same legislation;
3. People who need to move on medical or social grounds;
4. People living in insanitary or overcrowded housing or in other wise unsatisfactory accommodation;
5. People who need to move to a particular locality where failure to do so would cause hardship to themselves or others.

Providing Welsh councils can show that their scheme gives reasonable preference to these five categories, they are free to include other priorities.

The scale and distribution of social housing between local councils and housing associations varies across Wales's 22 local authorities, as do allocation policies and how housing need is prioritised. Most authorities operate common housing registers shared with housing associations, but allocation methods differ, meaning applicants' experiences can vary widely.¹¹¹

Generally, allocations are based on assessments of housing need, often using points-based systems to reflect different need factors and time on the register. Income caps, common elsewhere in Europe, are not applied. Welsh authorities use banding systems, though there is no uniform approach. Some award points to differentiate levels of need, others prioritise local connections, and some apply local lettings policies for specific areas or property types. Many maintain separate lists for sheltered or accessible housing, while choice-based lettings have also been used to allow eligible applicants to bid for available properties. A review of such schemes in Wales was published in the early 2000s.¹¹²

¹¹¹ Proposed changes contained in the new Homelessness and Social Housing Allocations (Wales) Bill, which is expected to be passed into legislation early in 2026, seek to harmonise the allocation process.

¹¹² Welsh Assembly Government (undated) A review of Welsh Social Landlords' Approaches to Increasing Choice in Letting Accommodation, Cardiff, Welsh Assembly Government

Most Welsh local authorities operate a common housing register, shared with local housing associations, but several (e.g. Swansea, Wrexham) do not, which gives applicants a single point of access. However, a common housing register (shared between the local authority and local housing associations) does not mean a common allocation policy.

In comparison with local authorities Welsh housing associations generally have greater freedoms in setting their own allocations policies. They have a duty to co-operate with local authorities to recognise the applicant priorities set under the authorities' own schemes when allocating homes. In practice, most associations will have nomination agreements with local councils to accept referrals for a proportion of their vacancies, both in terms of new social housing and relets of existing homes. Many associations operate a high level of nominations (even up to 100%). Recent research commissioned by Welsh Government, Community Housing Cymru (CHC) and the Welsh Local Government Association (WLGA) has shown that most associations in Wales are operating a high level of nominations with local authorities, but there are also cases where nominations may be rejected. For example, if there are concerns over an applicant's previous behaviour or there is a perceived lack of support.¹¹³

It should be clear, therefore, that the actual picture of how social allocations work across Wales is highly complex, with considerable variation at a local level. Within the legislative requirements and the Welsh Government's Code of Practice individual social landlords have considerable freedom. However, in light of further legislative change, strengthening the links between tackling homelessness and social housing allocations—and where there is an expectation that an increasing share of social housing allocations will go to homeless households—significant changes to allocations policies across Wales might be expected from 2026 onwards.

In 2019, the Welsh Government published its homelessness strategy,¹¹⁴ seeking to end homelessness in Wales, making it rare, brief and unrepeatable. An Action Plan was produced in late 2021,¹¹⁵ informed by the work of the Homelessness Action Group, which advises Welsh Government on ways to prevent and end homelessness.¹¹⁶ Following an Expert Panel Review of homelessness legislation in 2022-23,¹¹⁷ a Welsh Government White Paper was published.¹¹⁸ It is the intention of Welsh Government to introduce further legislation to address homelessness in the current Senedd term (2021-2026). The Homelessness and Social Housing Allocations (Wales) Bill was introduced in May 2025 and is now progressing through the Senedd. Amongst its provisions, the Bill seeks to amend the definition of "threatened with homelessness" (extending this to 6 months), abolish the priority need and intentionality tests, introduce a new local connection test and place new duties and responsibilities on local authorities. It also requires each Welsh authority to maintain a Common Housing Register and an Accessible Housing Register for its locality.¹¹⁹

Recent Welsh Government research indicates that demand for social housing across Wales has risen by 16% since 2022/23, leading to longer waits on housing registers and greater use of temporary

¹¹³ Wooley, B (2023) *Allocations: Understanding more in the context of homelessness in Wales*, Welsh Government, Community Housing Cymru and Welsh Local Government Association

¹¹⁴ Welsh Government (2019) *Strategy for Preventing and Ending Homelessness*, Cardiff, Welsh Government

¹¹⁵ Welsh Government (2021) *Ending Homelessness in Wales: a high-level action plan 2021=2026*, Cardiff, Welsh Government

¹¹⁶ Welsh Government, *Homelessness Action Group*

¹¹⁷ Crisis (2023) *Ending Homelessness in Wales: A legislative Review*, London, Crisis

¹¹⁸ Welsh Government (2023) *White Paper on Ending Homelessness in Wales*, Cardiff, Welsh Government, WG 48223

¹¹⁹ Welsh Government (2025) *Cabinet Statement: Written Statement: The Homelessness and Social Housing Allocations (Wales) Bill*, Cardiff, Welsh Government

accommodation.¹²⁰ Severe shortages exist, particularly of one-bedroom homes in rural areas and three- or four-bedroom homes in urban areas, with evidence of overcrowding in parts of the sector.

Effective allocation relies on close collaboration between local authorities, who have a legal duty to meet housing needs, and housing associations, which are often the main providers. Local authorities may nominate applicants for relets or first lets, with nomination rates varying. Although some have suggested that housing associations may be selective in accepting applications, there is little evidence that this is widespread. Overall, the challenges highlight the need to expand supply and improve understanding of local needs. The proposed Homelessness and Social Housing Allocations (Wales) Bill, which prioritises homeless households, may inadvertently disadvantage other applicants if social housing supply does not rise substantially in the coming years.

It is worth highlighting that, once again, there are significant weaknesses in the available data on social housing allocations. Recent research for Welsh Government identified major data gaps in terms of the socio-economic characteristics of households on housing registers and those being housed (or rejected), a lack of historical allocations data, and problems of data sharing between different social landlords.¹²¹ The collection of data on the characteristics of those being rehoused in housing association homes had been collected during the 1980s through what was known as the CoRe system (continuous recording) and was rebadged in the 1990s as WHATS (Welsh Housing Associations Tenancies and Sales database). At the time of devolution, the case was made to extend this to the local authority sector in Wales. Instead, the whole data collection and analysis exercise was scrapped. There is very little information to give a clear picture of the socio-economic profile of those living in the social rented sector in Wales, or how this has evolved.

Social Housing Rents and Rent Setting in Wales

The Welsh Government introduced their current standard for social housing rents in 2020. The average council rent for self-contained council property in 2024-25 was £112.07 (€133.69) per week. This represents an increase of 7% over the previous year. In the housing association sector, the comparable figure was £115.24 (€137.47) per week (traditionally average rents have been slightly higher in the housing association sector).

The differences in rent levels charged by local councils and housing associations reflect a range of factors; e.g., location, quality, different subsidy arrangements, and different policies pursued by individual social landlords. There have been no attempts to relate rents to incomes, although of course households may be entitled to receive housing benefit payments to cover all or part of their rent. Across the UK, different Governments have—since the late 1990s—developed policies designed to encourage rent convergence, with a view to achieving greater fairness and transparency; i.e., to ensure similar properties are let at relatively similar rents.¹²² However, policies have also been designed to encourage social landlords to set rents significantly below those in the private market. At the same time, rent setting policies in the social housing sector have needed to be both sufficiently flexible and sustainable to enable social landlords to continue to fulfil their responsibilities and to continue to invest in new and existing homes.

The Welsh Government introduced a new rent policy for social landlords in Wales (from April 2014 for housing associations and from the following year for local authorities). The aim of the policy, which

¹²⁰ Alma Economics (2024) *Exploring the allocation of social housing in Wales*, Cardiff, Welsh Government, Social Research 85/2024

¹²¹ Ibid.

¹²² Wilson, W (2022) *Rent setting: social housing (England)*, London, House of Commons Library Research Briefing

followed the recommendations of the independent Essex Review of affordable housing in Wales,¹²³ was to encourage rent convergence within the sector, address anomalies, and protect the capacity of Welsh housing associations (as the main providers of additional social housing) to borrow privately to support new investment. The approach of this policy was to provide a general framework for social rent setting, rather than seeking to set rents on individual properties.

Research commissioned by Welsh Government from Heriot University and others, published in 2019, concluded that the policy met its objectives. Although, some landlords had argued for complete autonomy in rent setting, though this was rejected by the researchers.¹²⁴ It also noted that rent setting could not be separated from wider policy issues including encouraging investment in new social housing supply, as well as achieving good quality standards (both for new and existing social housing), in addition to the overall levels of public investment in social housing and the complex relationships between rents and benefits.

In April 2019, a further Independent Review of Affordable Housing Supply also examined rent policy and concluded that affordability for tenants should be paramount, whilst ensuring provider viability, as distinct from creating revenue surpluses to help fund future development.¹²⁵ It also argued that there should be more meaningful engagement with tenants on rents and service charges. It recommended that Welsh Government should implement a five-year rent policy from 2020-21 to ensure stability for both tenants and landlords and that there should be an enhanced focus on cost efficiencies and value for money in tenant services, as well as affordability.

Current social rent policy is set out in the revised Welsh Government's Rent and service charge standard—co-produced by Welsh Government, the WLGA, and CHC.¹²⁶ The revised Standard covers the period 2020-2025 (though now extended to 2026, whilst a policy review is conducted). This sets a maximum overall increase for social rents in any one year at the level of the Consumer Price Index (CPI) plus 1%. This was more limiting than had previously been the case (e.g., in 2016-17 the increase had been CPI plus 1.5%), although it was in line with the position taken in England (where there had been a policy of uplifting social rents by CPI minus 1% for a few years, before moving to CPI plus 1%). In many ways it was difficult to argue the case for increasing rents beyond CPI plus 1%, though it was recognised that lower increases would reduce rent surpluses to support private borrowing to help fund additional social housing development.

The maximum annual rent uplift was set in the context of CPI being in the range of 0-3%. In some years in the period 2020-2025 this has not been the case and Welsh Ministers have set out higher annual maximum rent increases. However, in the last three years the Ministerial decision on the maximum rent has been below CPI plus 1%. Whilst there have been continued concerns to ensure social rents in Wales remain affordable for those on relatively low incomes, across the sector there have been growing concerns that the rent cap has had negative impacts upon social landlords; i.e., landlords have had to absorb increased costs, driving negative consequences on revenue surpluses in the sector and their ability to invest in new provision and improvements of the existing stock. Both Welsh Government and Community Housing Cymru have commissioned recent research (not yet published) to inform the debate over the future of rent policy. The expectation is a revised policy will be finalised later this year, and introduced from April 2026.

¹²³ Welsh Assembly Government (2008) *Affordable Housing Task and Finish Group: Report to the Deputy Minister*, Cardiff, WAG

¹²⁴ Littlewood, M et al (2019) *Rent Policy Review: Final Report*, Cardiff, Welsh Government, SR 33/2019

¹²⁵ Welsh Government (2019) *Independent Review of Affordable Housing Supply: Final Report*, Cardiff, Welsh Government

¹²⁶ Welsh Government (2019) *Rent and Service Charge Standard 2020-2025*, Cardiff, Welsh Government

Social housing and Private Sector Provision

In Wales (unlike England) legislation does not permit the registration of profit-making social housing providers. However, a few Welsh housing associations do have subsidiaries that may provide services to the parent association or develop different housing solutions other than social housing (e.g., home ownership programmes or services for groups, such as the elderly or students). Nevertheless, there are several ways in which the private sector do contribute to the work of the social housing sector in Wales.

The private rented sector (PRS) has grown substantially over the last 25 years and is increasingly relied upon by local authorities to house households who might previously have accessed social housing. The PRS Leasing Scheme was introduced in six pathfinder local authorities to help councils to provide for homeless households. Under the scheme, local authorities could lease properties from private landlords for up to five years, paying rents at Local Housing Allowance (LHA) rates minus a 10% management fee, with incentives for landlords to meet the WHQS.

Evaluation showed the scheme increased stock for households at risk of homelessness and balanced the needs of tenants, landlords, and local authorities. A national rollout was expected to improve outcomes further by raising the policy's profile and lowering operating costs. However, benefits varied between councils, particularly where local rent growth exceeded LHA rates, limiting landlord participation.¹²⁷ A national Leasing Scheme Wales was launched in January 2022, offering 5–20 year leases with rent guarantees and funding for property improvements. In January 2023, the Welsh Government also announced a £50m (€57m) Empty Homes Grant Scheme, offering up to £25,000 (€28,750) per property to support renovation and improvements.¹²⁸

Welsh Government also publish data on the provision and use of temporary accommodation to house homeless people in Wales. The latest evidence shows that at the end of October 2024 there were 11,319 people in temporary accommodation, and that 1,461 people had been placed in temporary accommodation that month. Although, some of these individuals were placed in temporary local authority or housing association stock, hostels or private rented accommodation, the most common form of temporary accommodation is private sector bed and breakfasts, which at the end of October 2024 housed 3,423 homeless individuals—of whom 14% were dependent children.¹²⁹ An adequate supply of available social rented homes is, of course, vital in moving households on from temporary accommodation.

Earlier in the chapter the point was made that Welsh housing associations continue to make the largest contribution to adding to the stock of social housing; primarily using capital grant funding. In addition, some of the Welsh local authorities that have retained their council housing stock are also adding to new supply. However, affordable homes are also delivered through local planning obligations, where an agreed affordable housing contribution will be secured through a section 106 agreement. This is a legally binding contract between a housing developer and the local planning authority, with a view to contributing to helping to meet housing needs. Over the last 4 years (2019-20 to 2022-23) 3,385 additional affordable homes have been delivered using section 106 agreements; some 25-30% of the additional affordable supply each year.¹³⁰

¹²⁷ Alma Economics (2021) *Evaluation of the Private Rented Sector Leasing Scheme pilot*, Cardiff, Welsh Government, GSR 74/2021

¹²⁸ Welsh Government (undated) *Apply for an empty homes grant*, Cardiff, Welsh Government

¹²⁹ Welsh Government (2025) *Homelessness accommodation provision and rough sleeping: October 2024*, Cardiff, Welsh Government

¹³⁰ Welsh Government (2023) *Affordable housing provision: April 2022 to March 2023*, Cardiff, Welsh Government

Conclusions

Since devolution, Wales has introduced several distinctive social housing policies, though pressing challenges remain, particularly unmet need for social housing to address rising homelessness. Like other parts of the UK, Wales has seen a long-term decline in social housing and a rise in private renting. In the current Senedd term, Welsh Government policy has shifted toward increasing social housing supply, aiming for 20,000 additional homes by 2026, though this target appears distant.

After 25 years of devolution, there is scope for fresh approaches. Tai Pawb, Shelter Cymru, and CIH Cymru have campaigned to incorporate the Right to Adequate Housing into Welsh law. Since 2019, they have published reports and research on international examples, outlining potential savings in health, wellbeing, and justice, and a roadmap for implementation.^{131,132,133} Widespread support for this exists across the housing sector and the wider population.

Senedd Cymru's Local Government and Housing Committee reported in July 2023,¹³⁴ recommending Welsh Government consider the evidence in its Green and White Papers. The Committee noted that the main barrier to delivering a right to adequate housing is the shortage of high-quality affordable homes. Welsh Government published a subsequent Green Paper¹³⁵ in 2023 and a White Paper¹³⁶ in October 2024, proposing legislation to develop a housing adequacy strategy and duties for public bodies. A more strategic approach is welcome, as is a recognition of the need to enhance the evidence base, but it stops short of any commitment in the next Senedd term to legislate for a right to adequate housing.¹³⁷ Tai Pawb, CIH Cymru, and Shelter Cymru have produced an alternative White Paper, arguing that legislation should prioritise housing, allocate additional resources, and improve accountability.¹³⁸

The Senedd's Local Government and Housing Committee has emphasised that insufficient affordable housing is the main barrier to addressing Wales' housing situation. Its recent inquiry into Social Housing Supply¹³⁹ called for increased funding and made 17 recommendations; e.g., improving understanding of needs, addressing shortages of one-bedroom homes, establishing a national development agency for large-scale sites, and giving social providers greater certainty over rents and funding to support construction and decarbonisation. Its most ambitious recommendation is for social housing to reach at least 20% of the housing stock by 2030, and a third of all homes in the longer term; which would return Wales to (or above) its late-1970s peak.

Given the current economic and political climate, achieving a legal right to adequate housing or expanding social housing to 20% by 2030 appears challenging. There is a need for a long-term strategic housing vision, ambitious targets for social housing, increased financial support, and political

¹³¹ Hoffman, S (2019) *The right to adequate housing in Wales: Feasibility Report*, Cardiff, Tai Pawb, CIH Cymru and Shelter Cymru

¹³² Alma Economics (2021) *The right to adequate housing in Wales: the evidence base*, London, Alma Economics

¹³³ CIH Cymru, Tai Pawb and Shelter Cymru (2024) *Back the Bill: A route for the right to adequate housing in Wales*, Cardiff, CIH Cymru, Tai Pawb and Shelter Cymru

¹³⁴ Senedd Cymru Local Government and Housing Committee (2023) *The Right to Adequate Housing*, Cardiff, Senedd Commission

¹³⁵ Welsh Government (2023) *A Call for Evidence on securing a path towards Adequate Housing – including Fair Rents and Affordability*, Cardiff, Welsh Government, WG47689

¹³⁶ Welsh Government (2024) *Consultation on the White Paper on securing a path towards Affordable Housing, including Fair Rents and Affordability*, Cardiff, Welsh Government, WG 50375

¹³⁷ Smith, R (2024) *Achieving housing adequacy and affordable private rents in Wales, gradual progress versus radical reform*, Glasgow University, UK Centre for Housing Evidence, blog 22nd November

¹³⁸ CIH Cymru, Tai Pawb and Shelter Cymru (2024) *Back the Bill Campaign Alternative White Paper*, Cardiff, CIH Cymru, Tai Pawb and Shelter Cymru

¹³⁹ Senedd Cymru Local Government and Housing Committee (2024) op cit.

prioritisation. The 10th anniversary of the Well-being and Future Generations Act, 2015, offers an opportunity to implement lasting, progressive changes in social housing policy to address urgent housing needs and tackle the current housing emergency in Wales.