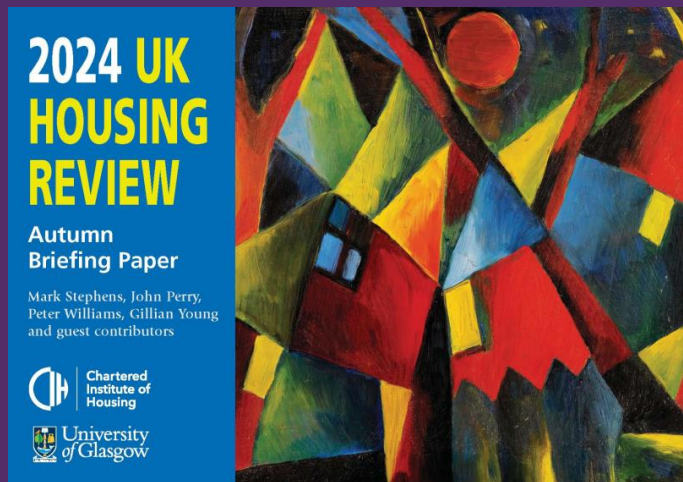




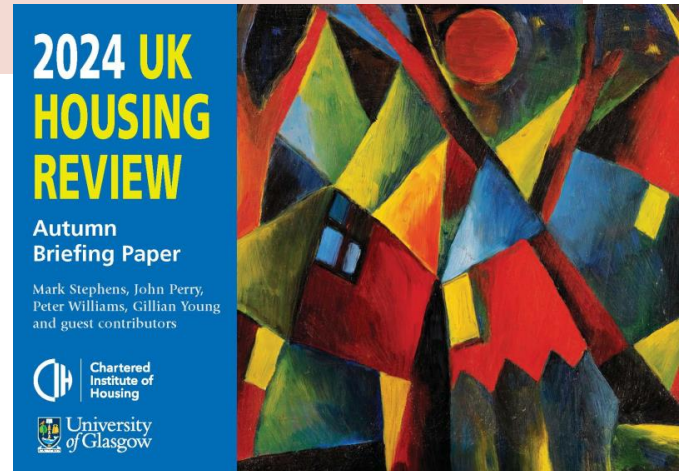
Chartered  
Institute of  
Housing

# UK Housing Review 2024

Autumn Briefing Paper



# Labour's 1.5m homes target and whether they can meet it



# Labour's 1.5m homes target



Housing affordability = principally about supply – build more and prices/rents will fall.

Will this work, and will it work fast enough?

Target = 350k more homes over 5 years, but could be 500k if real base output is only 200k

Huge importance of stable economy, household incomes and inflation/mortgage rates if private market is to revive/expand.



Note: Net delivery is based on new completions plus acquisitions and conversions, minus demolitions, etc., so differs from new completions alone. Source: DLUHC: Housing supply: net additional dwellings, England: 2022 to 2023.

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
New target output (total)	255,000	270,000	285,000	340,000	350,000	1,500,000
Current (2022/23) net delivery (rounded)	230,000	230,000	230,000	230,000	230,000	1,150,000
Extra output required (target)	25,000	40,000	55,000	110,000	120,000	350,000

Source: Author calculation using the same base as the chart above.

# 1.5m homes target – role of social sector



Chartered  
Institute of  
Housing

Social sector output to increase from 60k to at least 90k by 2029/30.

- AHP –NHF proposes £4.6bn p.a. for next AHP, Glen Bramley says real need is for £10-12bn each year at 2022 prices by 2031.
- Rents – 5-year and if possible 10-year policy that gov't sticks to.
- Funding for existing stock – HAs and LAs.
- HRA debt settlement – LA debt is now £17bn above what is sustainable
- RTB – eroding stock and discouraging councils from building.
- Make s106 more attractive – accounts for almost half of affordable supply.

Promising signs?

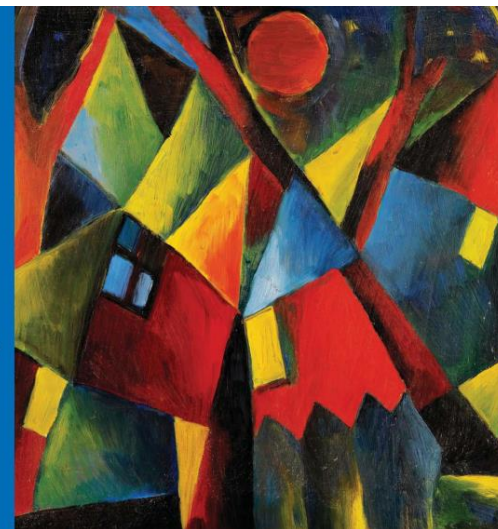
- Fiscal rule changes?
- Redeploy MHCLG capital budget? – boost current AHP?
- New AHP from 2026/27 announced next Spring?
- Scrutiny of how section 106 works.
- New rent policy.
- RTB reforms.

## Bleak House: Public expenditure and the economy

### 2024 UK HOUSING REVIEW

Autumn  
Briefing Paper

Mark Stephens, John Perry,  
Peter Williams, Gillian Young  
and guest contributors

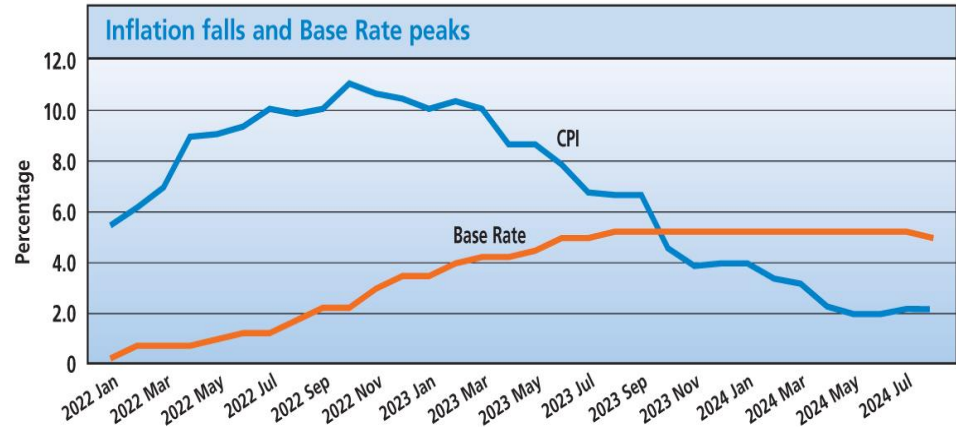


# Public expenditure and the economy



Chartered  
Institute of  
Housing

- Inflationary upsurge appears to be over, can expect rates to fall, but not back to zero.
- Low levels of growth contribute to tax burden and public spending squeeze.
- New gov't hopes structural reforms will increase productivity & restore growth.
- But fiscal prudence central to gov't's image & expect tight budget.
- Spending Review follows in Spring.



Source: ONS and Bank of England.

## Tackling rising use of temporary accommodation

### 2024 UK HOUSING REVIEW

Autumn  
Briefing Paper

Mark Stephens, John Perry,  
Peter Williams, Gillian Young  
and guest contributors



Chartered  
Institute of  
Housing



University  
of Glasgow

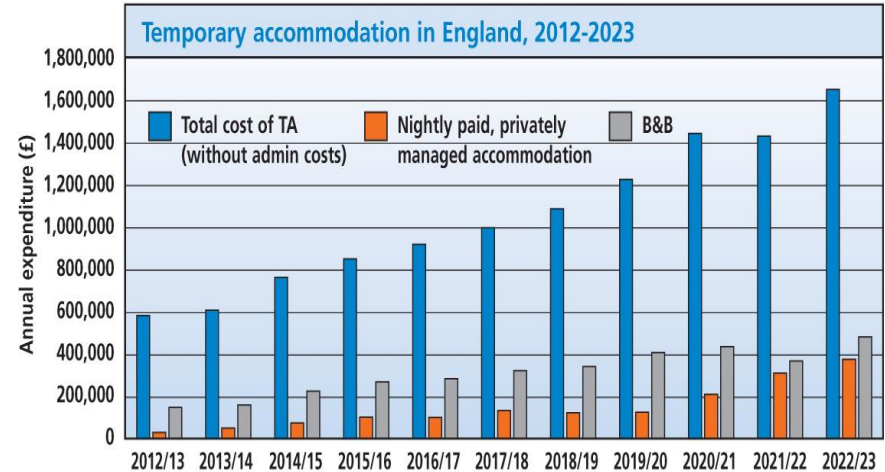


# Tackling rising use of temporary accommodation



Chartered  
Institute of  
Housing

- Total households in TA in England has almost doubled in the last 10 years
- £2.2 billion is now being spent on TA
- There is a disproportionate rise in nightly paid, privately managed accommodation - from 6% of the total TA bill to 23%

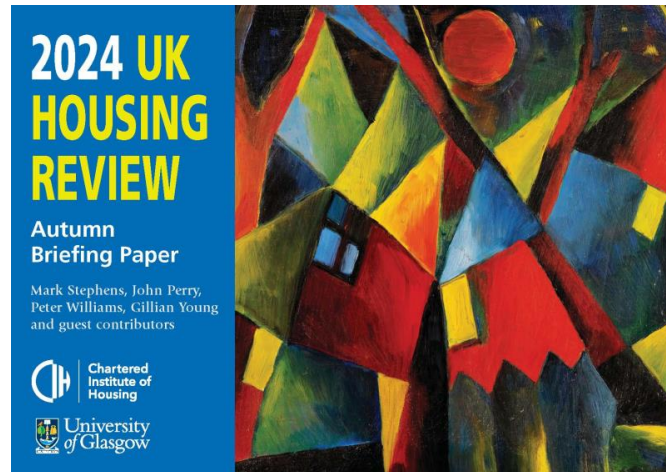


Source: DLUHC, Local authority revenue expenditure and financing England: 2022 to 2023 Budget, Table RO4.

- In the short-term, interventions to lift the TA subsidy cap and implement a standards and oversight framework to address quality is essential
- Ultimately, the TA situation points to the underlying housing crisis. Both the housing crisis and homelessness need to be tackled together by the new Government



## Accommodation for asylum seekers

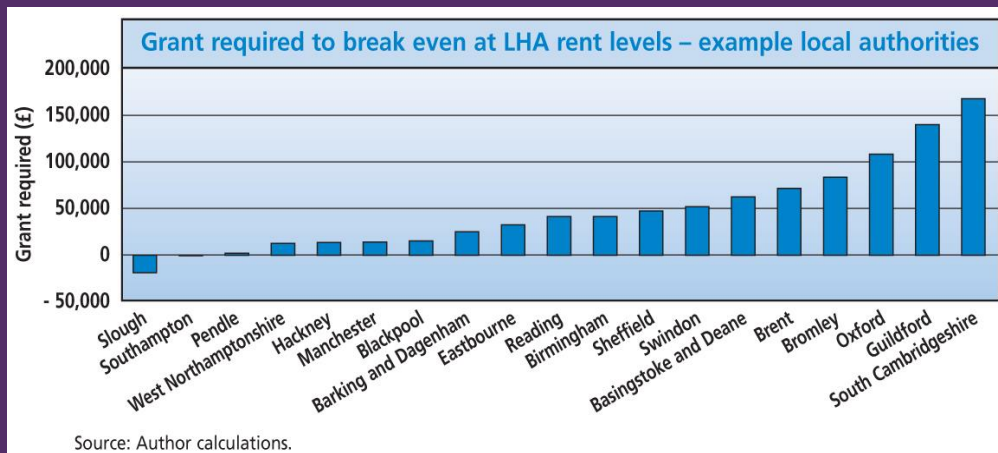




Chartered  
Institute of  
Housing

- Cost of hotel accommodation, £54k per person per year
- Grant to fund purchase of average 3-bed home to rent at LHA rates, £80k
- Savings on hotel costs would pay back grant in full, in seven months
- Would save £2bn in year 2, compared with current hotel spending

# Accommodation for asylum seekers

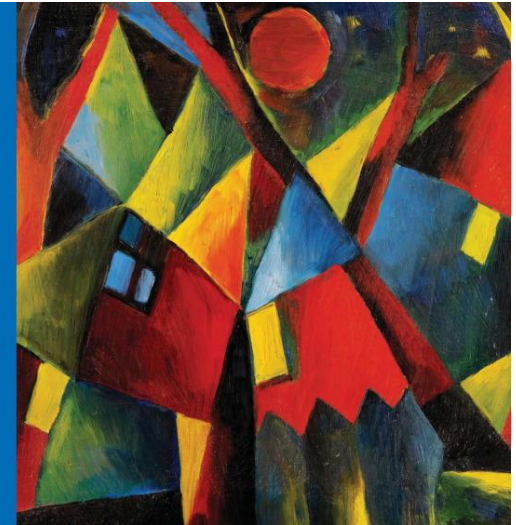


## Housing benefits – a tough challenge so far ignored

### 2024 UK HOUSING REVIEW

Autumn  
Briefing Paper

Mark Stephens, John Perry,  
Peter Williams, Gillian Young  
and guest contributors

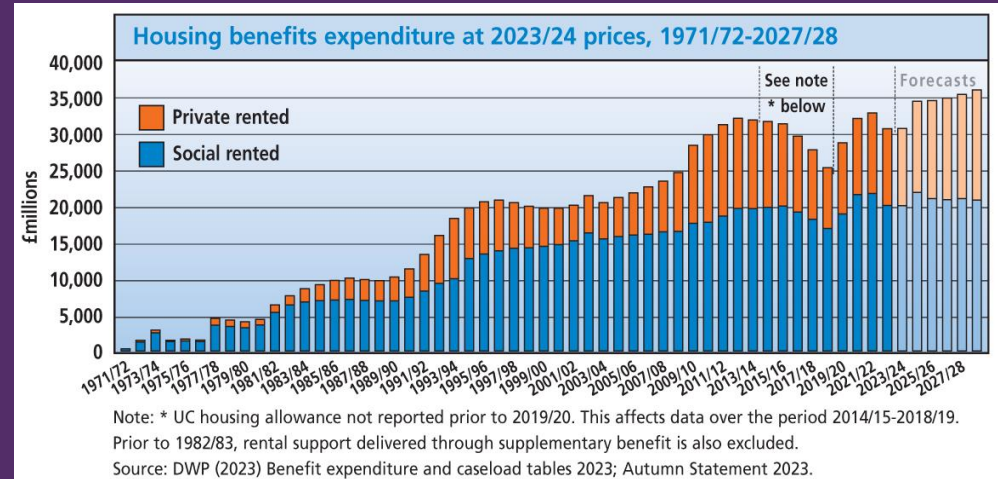




## Chartered Institute of Housing

- HBs now exceed £30 bn; set to rise to £35 bn in 2027/28.
- Attempts to reduce bill:
  - LHA limit & uprating policy
  - Benefits Cap – often kicks in before LHA limit
  - ‘Bedroom Tax’
- Modest savings – but undermined safety net.

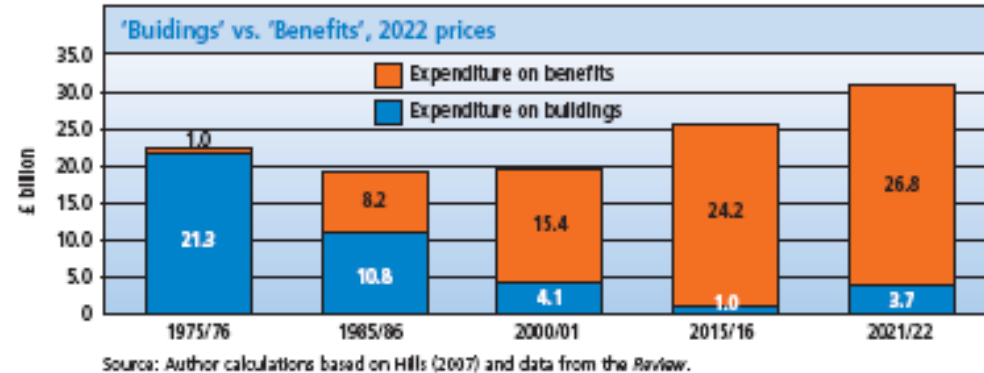
# Housing benefits – a tough challenge so far ignored



# Buildings v. Benefits



- Only solution is to shift back to ‘bricks and mortar’/ buildings subsidy – but will take time before impacts on HB bill.
- Requires increase in public spending.
- Inhibited by UK spending rules.
- Time for reform – esp. treatment of capital: English council housing worth £122 bn.
- Fundamental review preferable to “tweaking”.



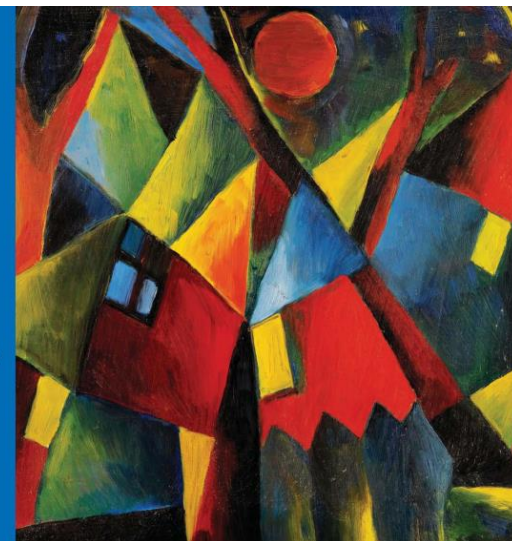
*See Briefing Paper article by Ralph Mould of ChamberlainWalker*

## The private housing market and first-time buyers

### 2024 UK HOUSING REVIEW

Autumn  
Briefing Paper

Mark Stephens, John Perry,  
Peter Williams, Gillian Young  
and guest contributors

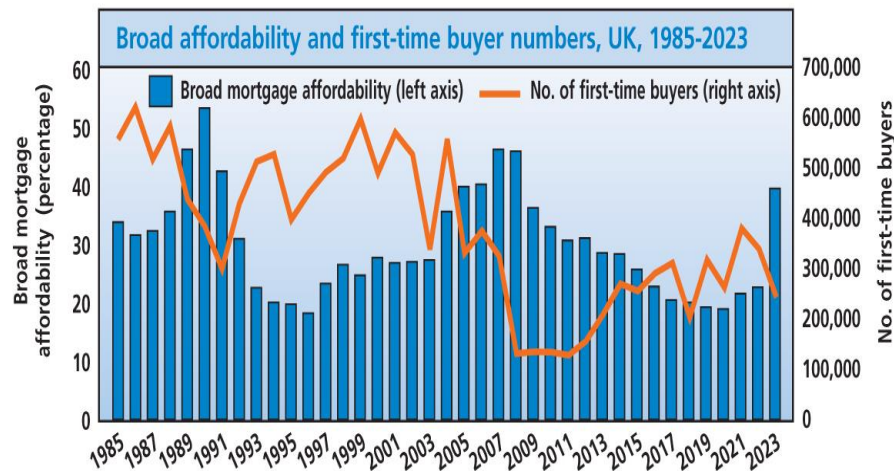


# The private market and first-time buyers



Chartered  
Institute of  
Housing

- Agendas on growth, inequality and opportunity means homeownership cannot be ignored
- A decade plus of declining FTB affordability and exclusion – 3 million? Boosted PRS
- Now recovering – 29% in GB in 2023 – now 33% and new peak on 2009.
- Base rate cuts driving lower pricing and higher LTI ratios but limits! Loan term extensions – 1 in 5 40 years.



Source: Thomas, R. (2024) from ONS and UK Finance data. See footnote 4.



- Awaiting UK govt policies on HO – Freedom to Buy simply rewrapped MGS. No clarity on FH or SO or...? Lobbying continues on targeted HtB and Wales evidence. And Section 106 hiatus adds to problems.
- Stamp duty/transaction tax reform in the Autumn statement?
- In the meantime, market has brought forward more higher LTV products, equity release has been boosted and BOMAD playing ever greater role. But limits to the reservoir of free assets/savings given cost of living and squeeze on the retired.
- Higher rents will continue to drain capacity away from would be FTBs as will ever higher house prices (which reduced new supply only exacerbates).
- Need a coherent and integrated view of market and policies, not one offs!



# Thanks to our sponsors



Chartered  
Institute of  
Housing

CAMPBELL  
TICKELL



Housing  
Executive

LiveWest  
A home for everyone

L&Q



**Ministry of Housing, Communities  
& Local Government**

**The Scottish and Welsh  
Governments**

**Northern Ireland Housing  
Executive**

**Clarion, Guinness, L&Q, Live West,  
Midland Heart, Paradigm, Places  
for People and Sovereign**

**Campbell Tickell and Crisis**

**Housing Studies Charitable Trust**

**The Housing Finance Corporation**

