



Chartered  
Institute of  
Housing  
Cymru

# A plan for housing in Wales

Ensuring everyone can access a suitable, safe,  
and affordable home.





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# Foreword

The Senedd election in 2026 comes against the backdrop of a deepening housing emergency in Wales. The visible consequence of this is the rising levels of homelessness with one in every hundred households becoming homeless in 2023/24. There are 6,495 households living in temporary accommodation including 1,698 households with children. The number of rough sleepers remains stubbornly high, with 131 individuals sleeping on the streets. The increasing levels of homelessness can be attributed to a chronic lack of affordable accommodation in Wales. There is a shortage of social housing coupled with private rental inflation being above earnings growth and the rate of inflation.

Added to the shortage of affordable homes in Wales is the need to decarbonise our ageing housing stock, which is some of the oldest in the UK and Europe. This ambition will not only help us meet our net zero ambitions, it will also lift households out of fuel poverty. To be most effective, it must be undertaken in both the private and social sector as part of a whole housing system approach to decarbonisation.

Wales needs a sustainable housing system which supports a circular economy agenda, ensuring everyone can access a safe, suitable and affordable home, an equitable housing system where stigma is eradicated, and a housing workforce which is valued.

As one participant to our 2024 sector snapshot survey said:

*“Housing is not an after-thought. This should be one of the top priorities in Wales and in the UK. With the right housing available, the need for social and health services may be lessened. It’s time housing is put front and centre.”*

Housing should be a foundation mission of government. CIH Cymru believes that the starting point is the incorporation of the right to adequate housing into Welsh legislation. A rights-based approach will drive a system-wide change to housing in Wales that will transcend political cycles, providing for this and future generations. Incorporation of the right into Welsh law will act as the catalyst that will deliver a Wales where everyone can access a safe, suitable and affordable home.



**Jonathan Morris**  
Chair of the board CIH Cymru



# 1. Enshrine the right to adequate housing into Welsh law

In order to ensure that housing becomes the foundational mission of government we need it to be, to address the structural and systemic problems with our housing system in Wales, CIH Cymru believes the [right to adequate housing](#) must be incorporated into Welsh law.

The people of Wales support this legal right to housing, with more than [three-quarters of people surveyed](#) showing their support for the right. There is also broad support from the housing sector in Wales, with more than two-thirds of housing association chief executives signing the [pledge to #BacktheBill](#) for a legal right to housing. There is also cross-party support for the right with representative from several political parties speaking positively about the right in a Senedd debate held on 8 January 2025.

The #BacktheBill campaign’s recently published [alternative white paper](#) outlines how the right the adequate housing could be introduced in Wales and what this would look like. In summary the right would:

- **Help boost housing supply:** The right will put a legal duty on government to build more homes and do everything within their powers to boost supply of the right type of homes in the right places.
- **Provide a cost benefit saving:** The right will [realise £11.5 billion in benefits](#) across the public purse and society against estimate costs of £5 billion over a 30 year period.

- **Help end homelessness:** Experiences of homelessness should be rare, brief and unrepeatable. The right provides opportunities to do this whilst supporting existing commitments around Housing First and rapid rehousing.
- **Help promote an equitable Wales:** Progressive realisation of the right will ensure everyone, no matter their protected characteristic, can access a safe, suitable and affordable home in the right place as we work towards a more equitable Wales for this and future generations.

We need a fundamental reset of our housing system in Wales. [Since 2006, on average, only 2.3 per cent](#) of total government spend in Wales has been spent on housing per annum. CIH Cymru does not believe that this level of investment is reflective of the scale of housing emergency we face.

We believe the starting point of reaching the level of priority and investment needed is legislation to incorporate the right into Welsh law. We believe it will act as the catalyst to change the paradigm, and drive investment and prioritisation beyond political cycles and the political divide. Much like legislation establishing the NHS drove the prioritisation and investment into delivering free healthcare at the point of delivery, continuing to do so to this very day. Now is the time to be ambitious and deliver the legislation needed to ensure everyone in Wales can access a safe, suitable and affordable home.



## 2. More social and affordable homes

Wales is in the midst of a housing emergency evidenced by rising homelessness, increased use of temporary accommodation, a shortage of social housing coupled with growing levels of unaffordability of private renting and home ownership. In [2023/24 there were 13,539 households made homeless](#), equivalent to one in every 100 households in Wales. This is the highest level since the Housing (Wales) Act 2014 came into force. [In September 2024 there were 6,495 households in temporary accommodation](#) including 1,698 households with dependent children. The most recent waiting list data shows that [in Summer 2024](#) there were 94,000 households representing an estimated 170,00 individuals waiting for a social home in Wales. This includes at least 34,000 children. At current delivery rates it would take more than 35 years to provide every household with the home they need. These rising levels of homelessness and high numbers of individuals waiting for a social home are the visible symptoms of the housing emergency in Wales.

The cost to rent a home privately has increased significantly since the end of the Covid-19 pandemic. [Rents in Wales have increased by 8.2 per cent between July 2024 and July 2025. This is higher than CPI in July 2026 which was 3.6 per cent.](#) Whilst the annual cost of rent does seem to be slowing high prices are likely to now be baked into the rental cost of a private rented home in Wales.

What is needed is essentially a reset of the housing market in Wales. One proposed approach outlined by the Senedd's local government and housing committee is to ensure that social housing in Wales makes up at least 20 per cent of the housing stock as a way to rebalance housing tenures across Wales. This will ensure that there are more housing options for households and help balance out prices within the private market.

As previously outlined, the #BacktheBill campaign's cost benefit analysis carried out by [Alma economics](#) said that an additional 20,000 homes on top of the existing 20,000 homes target would be needed to meet housing adequacy for everyone in Wales. The cost benefit analysis also set out that the average cost of a building a new house in Wales in 2022 was £200,000. Adjusting for inflation this cost would be £222,884 at today's prices. Assuming that the current 20,000 homes target will be met, we have used this average cost to estimate the total social housing grant intervention (assuming a grant intervention rate of 58 per cent) needed to provide the additional 20,000 homes as £2.56 billion. This equates to at least £646 million per annum if we committed to this level of development over the next Senedd term or £256 million per annum over the next decade.

The total level of social housing grant provided in the current Senedd term is £1.7 billion, an average of £347 million per annum, 40 per cent lower than the £646 million per annum we have calculated will be needed to meet housing adequacy in the next Senedd term.

In addition, the Senedd's Local Government and Housing Committee has stated we will need to develop 60,000 homes to rebalance housing tenure and affordability of our homes in Wales. The level of investment for developing the homes we need could be much higher than the figure we outline.

Furthermore, our own work with Welsh Government in relation to scoping a Wales Development Academi has identified a significant skills gap in local authority development teams which is substantially affecting the pace and scale of the development of social homes. There would also need to be significant levels of investment in to plugging the skills gap.

Since the Alma economics calculation of an additional 20,000 homes being needed, on top of the 20,000 Welsh government target to meet housing adequacy this Senedd term, the wider housing context has changed. Levels of homelessness are at the highest level since [2015](#), market housing is becoming increasingly unaffordable and [temporary accommodation use has seen a 189 per cent increase since 2020](#). Our financial contribution calculations are the minimum level of investment that is likely to be needed. A new calculation of housing need will be necessary to ensure that we are building the right number of social and affordable homes to truly end our housing emergency. This will ensure everyone can access a safe, suitable and affordable home.

We can ensure we deliver more homes by:

- Recalculating housing need to establish a baseline of unmet need in Wales to guarantee we are building the right number of homes to end our housing emergency.

### ➤ Financial reforms

- o Increased grant levels to at least £646 million per annum in the next Senedd term to help develop social homes and meet housing adequacy
- o Flexibility and longer-term certainty in grant programmes to enable long-term planning of development
- o A long-term rent settlement.

### ➤ Land and planning reforms

- o Address the cost of land to develop
- o Increase the capacity of local planning authorities
- o Establish an arm's-length development agency that brings together land assembly, planning and modern methods of construction strategy.

### ➤ Address other factors undermining supply

- o Tackle second homes
- o Address rising private rents.



<sup>1</sup>NB: The figures above are based solely on new build. However, the grant monies could go further if they are also utilised to bring empty properties back into use. Furthermore, the current average grant intervention according to Audit Wales is 78 per cent. This level of grant intervention would mean more investment from Welsh government may be needed than our calculations suggest than our calculations suggest.



### 3. Improving our existing homes and tackling fuel poverty

In Wales 32 per cent of all homes were built before 1919, with just 6 per cent built in the last 35 years. [Welsh homes have an average energy performance certificate of "D"](#) and will require the highest level of investment to reach an EPC certificate of "C". [The Welsh housing quality standard 2023](#) (WHQS 2023) sets out an expectation that social landlords make a transitional energy plan to show how they will bring their homes up to an EPC certificate of "A".

Welsh government has provided [£95 million in the 2025/26](#) budget to decarbonise existing homes. In the previous two years of the spending review period, £92 million was allocated per annum. Yet research undertaken by the [new economics foundation](#) outlined that the total investment needed to decarbonise our social housing stock in Wales would be £5.52 billion over 10 years with an estimated funding gap of £2.7 billion at the time the report was published.

This research was published in 2021 and using the [Bank of England's inflation calculator](#) the total level of investment, from government and private finance, at today's prices the amount needed to plug the funding gap would likely be closer to £3.28 billion over ten years or around £328 million per annum.

The New Economic Foundation report outlined that Welsh Government would need to invest £1.7 billion over that 10-year period, around £170 million per annum. Using the same Bank of England inflation calculator, the investment from Welsh government would now need to be in the region of £2.1 billion over a ten-year period. Around £210 million per annum.

The percentage difference in the level of investment needed and the investment provide by Welsh government is 75 per cent. So there would need to be a significant increase in the levels of investment from Welsh government in order to meet its share of the total level of investment needed.

We also need to consider how we will decarbonise the private sector, which comprises [84 per cent of the housing stock in Wales](#). The Senedd's Climate Change, Environment and Infrastructure Committee outlined in their report on [decarbonising the private sector](#) that there needs to be financial options for owner-occupiers and private landlords who wish to improve the energy efficiency of their properties. There is limited progress currently being made in developing financial solutions for the private sector.

Decarbonising our homes will improve the energy rating and will ensure that households are able to access affordable warmth a key part of [WHQS 2023](#). By retrofitting a two-bed property to meet EPC A from the [Welsh average rating of EPC D](#) will [save on average £909 per annum](#) and will help lift the household out of fuel poverty.

In order to ensure we can decarbonise our existing housing stock across tenures we need:

- Long-term funding certainty for our social landlords to decarbonise their homes
- Financial incentives for the private rented sector and owner occupiers to decarbonise their properties which will help drive market demand reducing prices across the housing sector
- Investment into upskilling our trades and supply chains to meet the skills gap for decarbonising our homes
- Development of local supply chains to help mitigate the rising cost of construction materials.

### 4. Address stigma associated with social housing and promote the positive impact of diverse communities

There are still negative attitudes in Wales to social housing which can negatively impact our ability to effectively develop sufficient homes due to opposition in some areas to new social homes development. This in turn can impact our ability to meet current demand for social homes in Wales. We believe that more coordinated action is needed to address this stigma. This could include:

- A myth-busting education programme is needed which focuses on "who" in the community could be in housing need and the importance of social housing provision to form part of a national campaign to end the stigma around social housing
- Ensuring consistent language is used around social housing when interacting with communities where new social homes are to be developed
- Develop a commonly used terminology guide as part of standardising the language used around social homes

- Improve understanding of what social housing is and the positive impact it can have as part of building communities.

The right to adequate housing is a key part of changing the narrative around social housing in Wales and helping to promote the positive impact of diverse communities. The right to adequate housing is not just about a right, it is about a wholesale approach to housing, including using it as a building block for improving society. The right will address discrimination and ensure equality – including positive measures to ensure access to housing and eliminate housing discrimination. If we are working towards everyone in Wales having a safe, suitable and affordable home then this can only build equity across housing tenures. The right is the key mechanism to delivering an equitable Wales for this and future generations.





## 5. A professional and resilient workforce

A key action in the [homelessness action plan](#) is to build a resilient and valued workforce recognised for their expertise. Whilst we fully support this, we feel that our ambition should be greater. We believe that housing, in line with other key professions, should be seen as a key pillar to support the delivery of public services in Wales and that those who work in housing are seen as professionals by the wider public service.

As such, now is the time for the next Welsh government to develop, in partnership with CIH Cymru and wider sector in Wales, a workforce strategy for housing professionals aimed at meeting the needs of the communities we serve whilst supporting the delivery of the Welsh Government's net zero ambitions, producing a workforce that demonstrates:

- **Integrity:** A workforce that does the right thing for the right reasons, based on robust evidence and without partiality.
- **Inclusivity:** A collaborative workforce that works with partners, customers, and communities to achieve better outcomes.
- **Ethics:** A workforce that understands the impact that poor decisions can have on people's lives and the reputation of their organisation. Challenging unethical practice fairly.
- **Knowledge and skills:** Making sure knowledge is a shared commodity and identifying the skills needed for a modern housing sector to work effectively.
- **Leadership:** A workforce that is forward thinking and adaptable to change. Promoting partnership working with key stakeholders. Can leadership be put in bold.

- A workforce strategy will also help promote and produce: **A career choice:** Identifies pathways into the profession, creating actions to maintain and grow these further.
- **Robust data:** Data collection to underpin the strategy, identify any skills gaps and build a clearer picture of the housing profession in Wales.

Our series of sector snapshots have been clear - people work in housing to make a difference to individuals and communities. Yet they are under increasing pressure to meet demand against a backdrop of decreasing resource, both monetary and in terms of the size of the workforce. With 40 per cent of respondents to our 2025 sector snapshot stating a lack of resource was a significant pressure in their current role.

This has been a common theme since we started publishing these reports during the Covid-19 pandemic. There are also concerns that working in a trauma-informed way is resulting in vicarious trauma, further impacting the mental health, wellbeing and resilience of the workforce.

We need a workforce strategy that:

- Provides career routes
- Reflects the wider diversity of Wales
- Nurtures expertise
- Increases capacity
- Helps develop resilience







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