



Chartered
Institute of
Housing
Cymru

A housing strategy for Wales

2026 - 2030



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Introduction

Our overall strategic vision for housing in Wales is:

That everyone can access a safe, suitable and secure home.

Yet this housing strategy has been developed against the backdrop of a worsening housing emergency with rising homelessness, and an increasing lack of social and affordable homes.

We have a climate emergency, and housing needs to play its role in meeting net zero - within a context of rising costs and skill gaps - together with the role decarbonising our homes can have in tackling rising fuel poverty in Wales.

There is still stigma against social homes across Wales and a lack of recognition of the role social homes play in promoting and developing diverse communities.

Finally, our housing workforce is under increasing pressure with the demands of the sector having a negative impact on individuals' mental health and wellbeing.

Recognising these challenges and seeking to meet our strategic vision for housing in Wales, we have identified the following key aims:

- Enshrine the right to adequate housing in Wales
- Increase the supply of social and affordable homes
- Improve our existing homes
- Address stigma associated with social housing, promoting the positive impact of diverse communities
- A professional, competent and resilient workforce

This housing strategy sets out key activities for the next four years that are mirrored in our programme of government. These activities are ambitious and build on the work already undertaken by the housing sector, whilst looking at appropriate new ways of working so that we can achieve our vision of a Wales where everyone now and in the future can access a safe, suitable and affordable home.

A right to adequate housing in Wales

The starting point for any strategic approach to housing in Wales must be to legislate to incorporate the right to adequate housing into Welsh law. The right to adequate housing enshrines in law a progressive journey to an end point where everyone has the right to live somewhere in security, peace and dignity. The right is part of the broader human right to an adequate standard of living through the [United Nations International Covenant on Economic, Social and Cultural Rights](#). The right sets out [seven factors that make up housing adequacy](#):

- Legal security of tenure
- Affordability
- Habitability
- Availability of services, materials, facilities and infrastructure
- Accessibility
- Location
- Cultural adequacy.

Incorporating the right into Welsh legislation will make housing a foundation mission for government, driving the paradigm shift across political cycles to ensure that government works to progressively realise the right, so that current and future generations can access a safe, suitable and affordable home. It will build on the work of the sixth Senedd which showed party-wide support for the right. The Senedd's local government and housing committee also outlined the need for the right to adequate housing into Welsh law to establish housing as a priority across the whole of Welsh government, ensuring that policies in all areas align with the need to deliver more social and affordable homes across Wales.

The right to adequate housing will also have a cost benefit across the whole of government. Research undertaken by Alma Economics for #BacktheBill shows that progressive realisation of the right over a 30 year period will deliver £2.30 in benefits for every £1 spent on the right. There are also specific socio-economic benefits, including:

- £1 billion savings for NHS Wales
- £1.3 billion savings for the Crime and justice system
- £5.5 billion for local housing authorities
- £900 million in additional economic output.

Work needed in the next term of government

In order to realise the benefits to society and the economy that delivering the whole system, strategic housing approach - that can be delivered through progressively realising the right to adequate housing - the following actions will need to be taken over the next Senedd term:

- In the first twelve months, start work to legislate for a right to adequate housing in Wales
- As part of the legislative work for a Right to Adequate Housing in Wales, set out- in a comprehensive housing strategy- how this will be progressively realised and which actions must be taken throughout the housing sector, and more widely, as part of this progressive realisation.
- Once the right to adequate housing has been added to the statute book, implement a housing impact assessment proposal for new legislation, policy and future budget allocations, both for national and local government, to ensure that cross government policies join up to ensure the progressive realisation of the right.

More Social and affordable homes

Where we are now

The socio-economic context

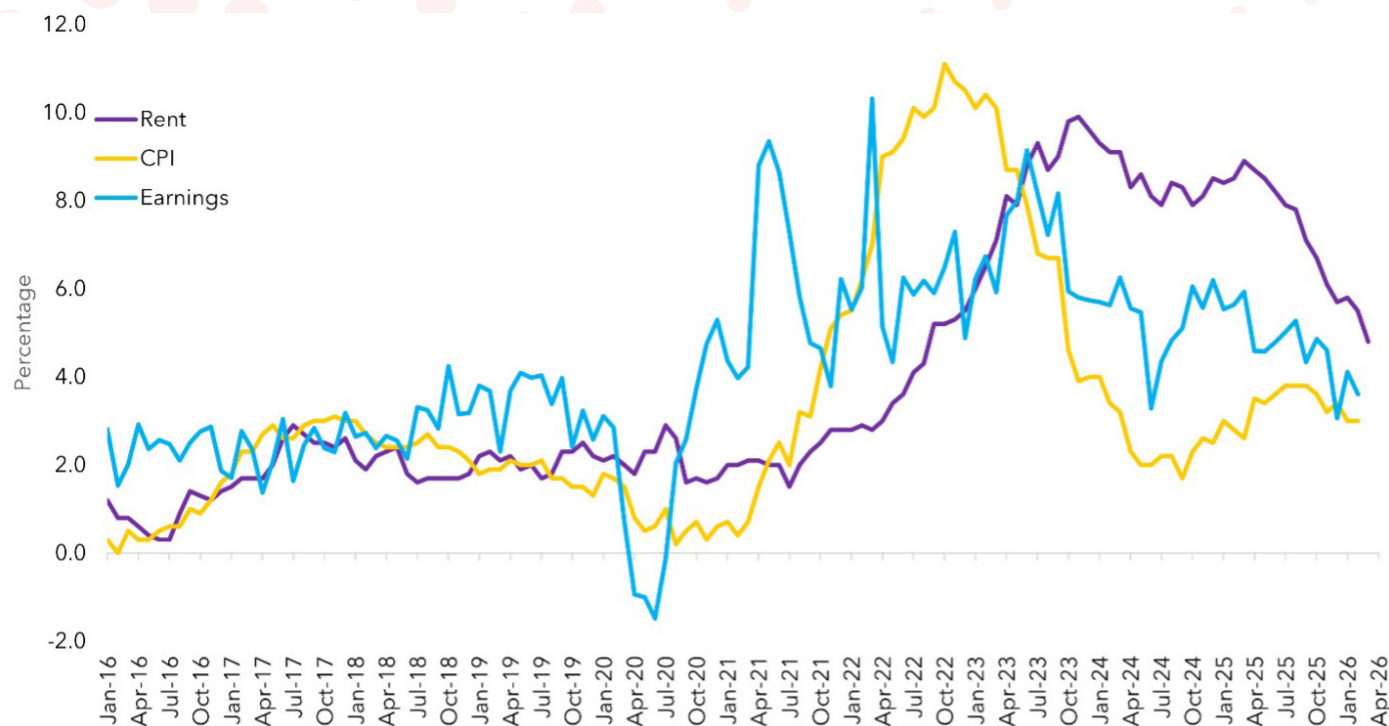
Wales is in the midst of what has been classed as a housing crisis or housing emergency. Both descriptors highlight the fact that housing in Wales is unaffordable for many households, Homelessness continues to be at the highest levels for a decade and there is a shortage of social housing - the safety net designed to help households who cannot access market housing.

[The latest annual homelessness data](#), which is for April 2024 to March 2025, outlines that 7,920 households were threatened with homelessness, with 57 per cent of these households having their homelessness prevented. In addition, 13,287 households became homeless during the 12 months - this is equivalent to almost one in every 100 households in Wales. Just 25 per cent of households that became homeless had their homelessness successfully relieved. On [20 September, 2025](#) there were 6,426 households living in temporary accommodation, including 2,265 households with children.

[Research by Shelter Cymru](#) published in 2025 and based on a summer 2024 freedom of information request, showed that there are 94,000 households waiting for a social home in Wales. This is one in every 14 households. Utilising Census data, the report estimates that this is equivalent to 168,000 to 177,000 people, including between 47,000 and 55,000 children. Yet research undertaken by the [national housing federation](#) showed that there are more people in housing need than are actually on housing waiting lists. Even though this research was undertaken in England, we have heard anecdotal evidence that this is the case in Wales too. People are choosing not to apply for a social home as they perceive it not being an achievable goal due to the ongoing shortage and extended waiting periods as a result, and are choosing to remain in unsuitable or overcrowded homes. For many of these households private rent is also out of reach.

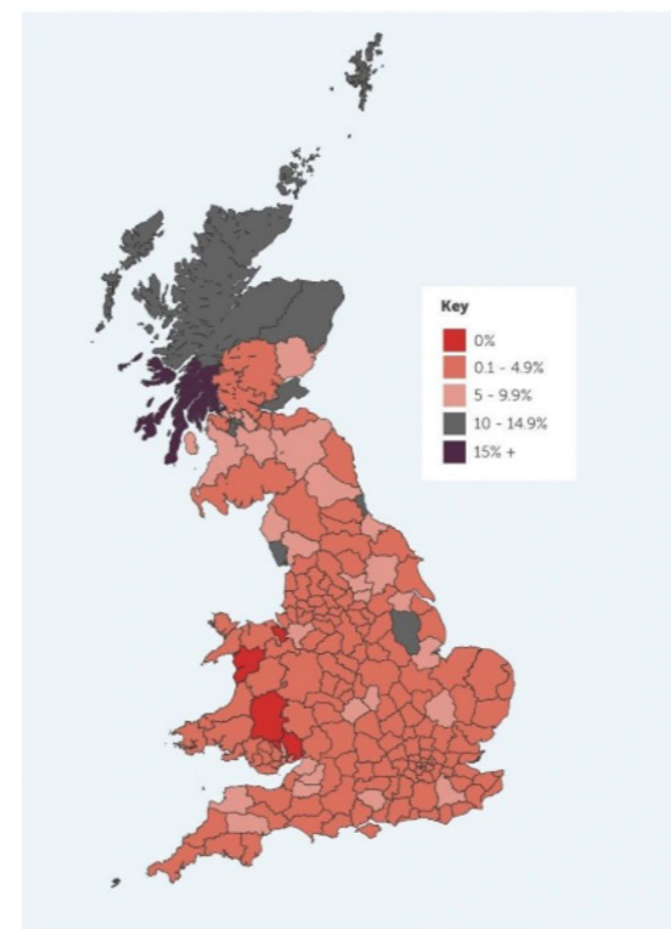
As shown in Figure 1, rental inflation has been higher than earnings growth and CPI since May 2023, though average rental inflation in Wales is now decreasing, with average rents in Wales increasing by 5.5 per cent between February 2025 and February 2026. The UK average for the same period was 3.5 per cent.

Figure 1: Welsh rental inflation compared to CPI and earnings



Access to the private rental market remains especially difficult for low-income households who need Local Housing Allowance (LHA) to help meet their rental liability. The LHA is once more subject to a freeze, impacting the availability of homes affordable for households reliant on welfare to help meet their household expenses. In February 2023 there were just 32 properties in Wales fully covered by LHA, with just 12 of these being family sized properties. Further research undertaken by Crisis in 2025 showed that, on average, just 0.1 to 4.9 per cent of one to three bedroom properties for rent would be affordable based on LHA rates as shown in Figure 2.

Figure 2: Affordable one to three bed listings across Great Britain based on the LHA rate



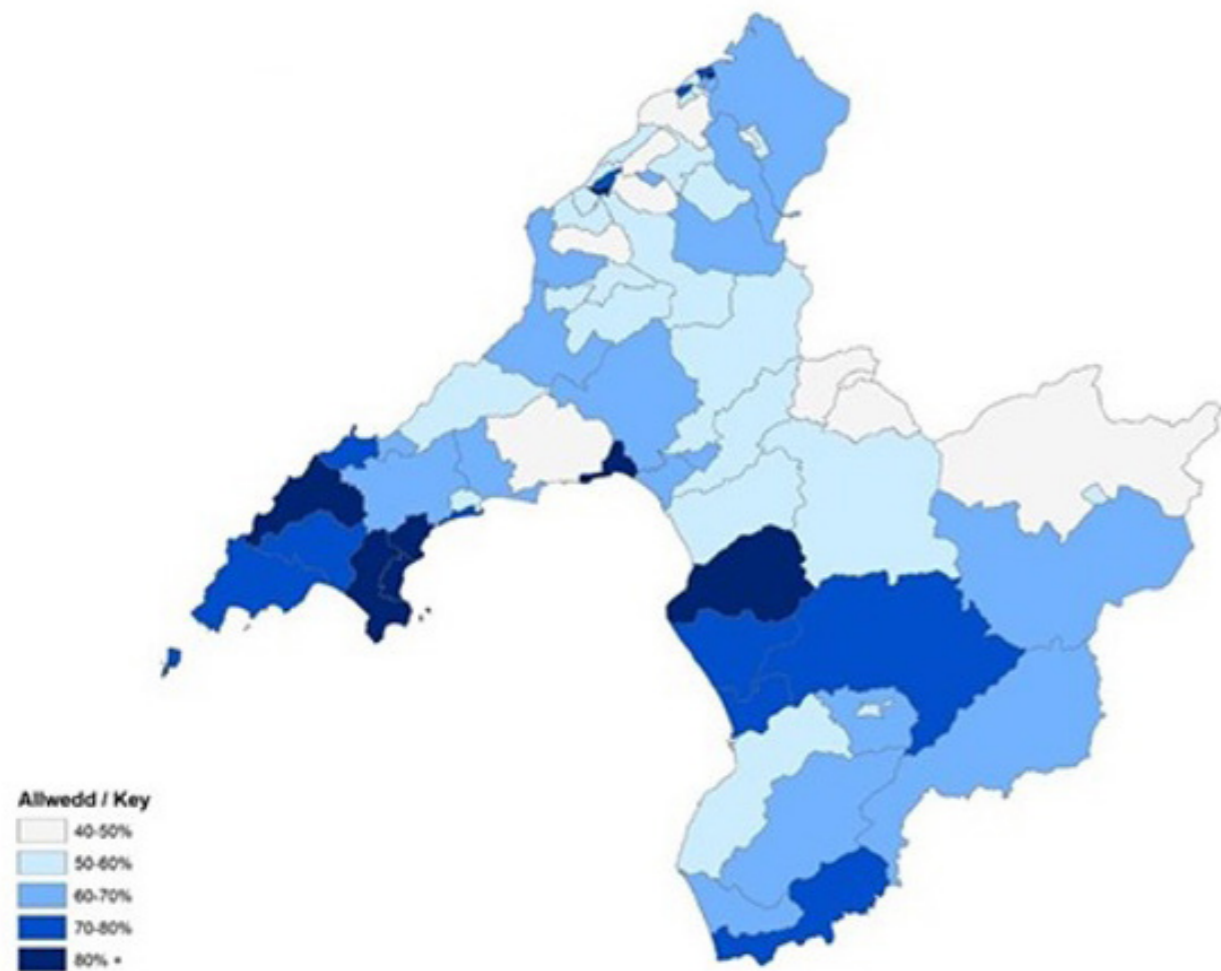
Source: How affordable private rents can help tackle health inequalities and homelessness. [Crisis 2025](#).

The rate of rental inflation may be decreasing, but the high prices it caused are now baked into the rental market in many towns and cities, impacting potential first-time buyers' ability to purchase a property. The series of TPAS Cymru tenant surveys provides insight into this, with [23 per cent of respondents](#) who remain in the private rented sector stating they are doing so until they are able to buy their own home. Yet this is getting harder to do - as outlined by one respondent to the [2023 survey](#).

"We have been saving to buy for several years but it feels like the goalposts always move and it's becoming harder for people in their 20s and early 30s to get on the property ladder. The major rise in interest rates has made us delay our plans to buy. We have had to significantly alter our plans and it's soul destroying because we have spent 13 years renting and desperately want our own home."

The issue of not being able to purchase a first home is seen across Wales and in some areas the issues of second home use is compounding the issue. This is raising concerns, not only about the continuing viability of communities as young people leave rural areas to find affordable homes, but also around the continued use of the Welsh language in some rural local authority areas. If we consider [Gwynedd on average, 59.6 per cent](#) of local people are currently priced out of the market. Yet, as shown in Figure 3, in some areas of Gwynedd, over 80 per cent of local people are priced out of the housing market. With [64.4 per cent of the population in Gwynedd](#) speaking Welsh as their first language, this could have implications for the Welsh language as people move out of the area to secure an affordable home.

Figure 3: Proportion of households priced out of the housing market in Gwynedd.

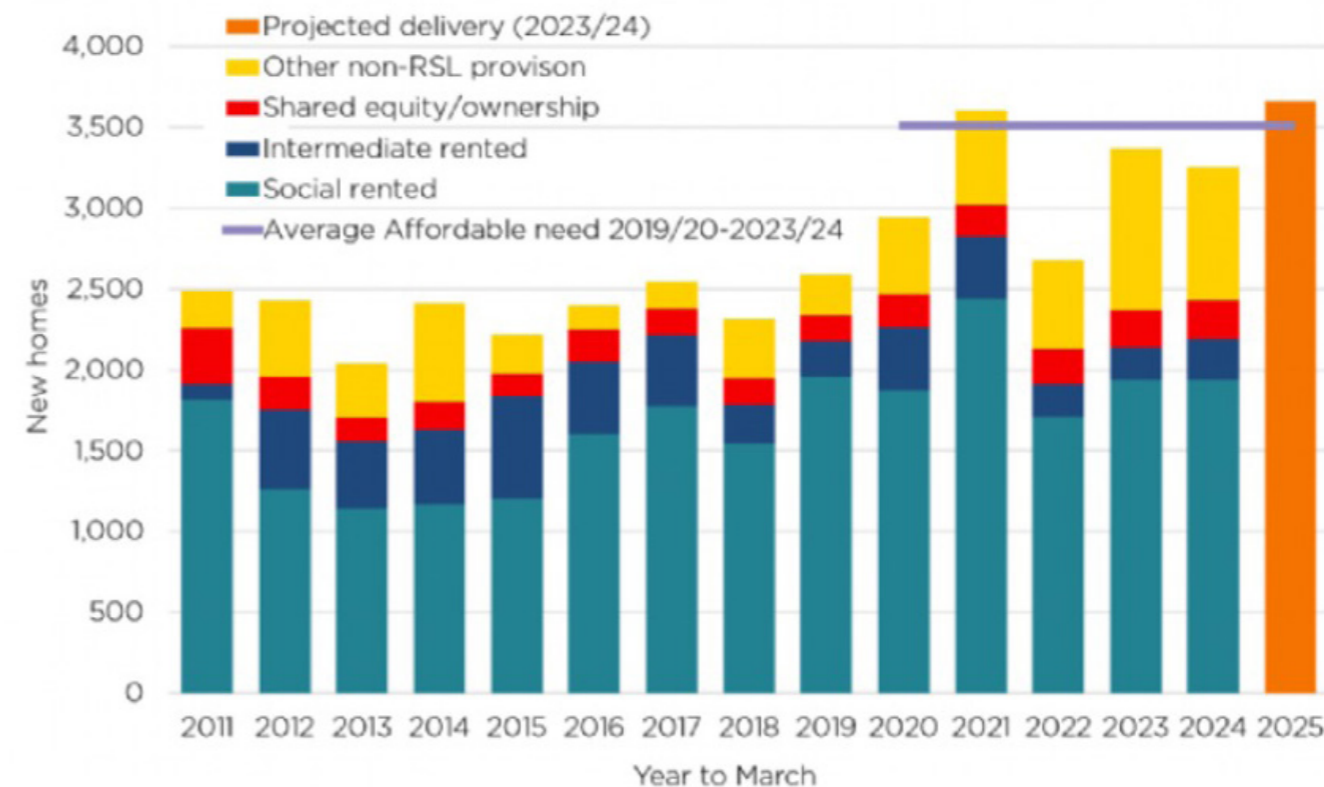


Source: [Managing the use of dwellings as holiday homes December 2020. Gwynedd County Council](#)

Overview of current progress in developing the social and affordable homes we need

[The programme of government for the Sixth Senedd](#) included a commitment to build 20,000 new low carbon social homes for rent by March 2026. [By March 2025, 13,399 homes had been delivered.](#) Yet this figure does not include solely new low carbon social homes. It also includes intermediate rents, shared ownership and empty properties brought back into use. [Social homes delivery has remained at 84 per cent of homes delivered towards the target](#), which means 11,313 of the homes delivered – just over half of the target. As Figure 4 shows, all affordable housing delivery has been below the average affordable housing need, except for the year to March 2021, with delivery having to almost double in 2025/26 if the target is to be met.

Figure 4: Affordable homes delivery



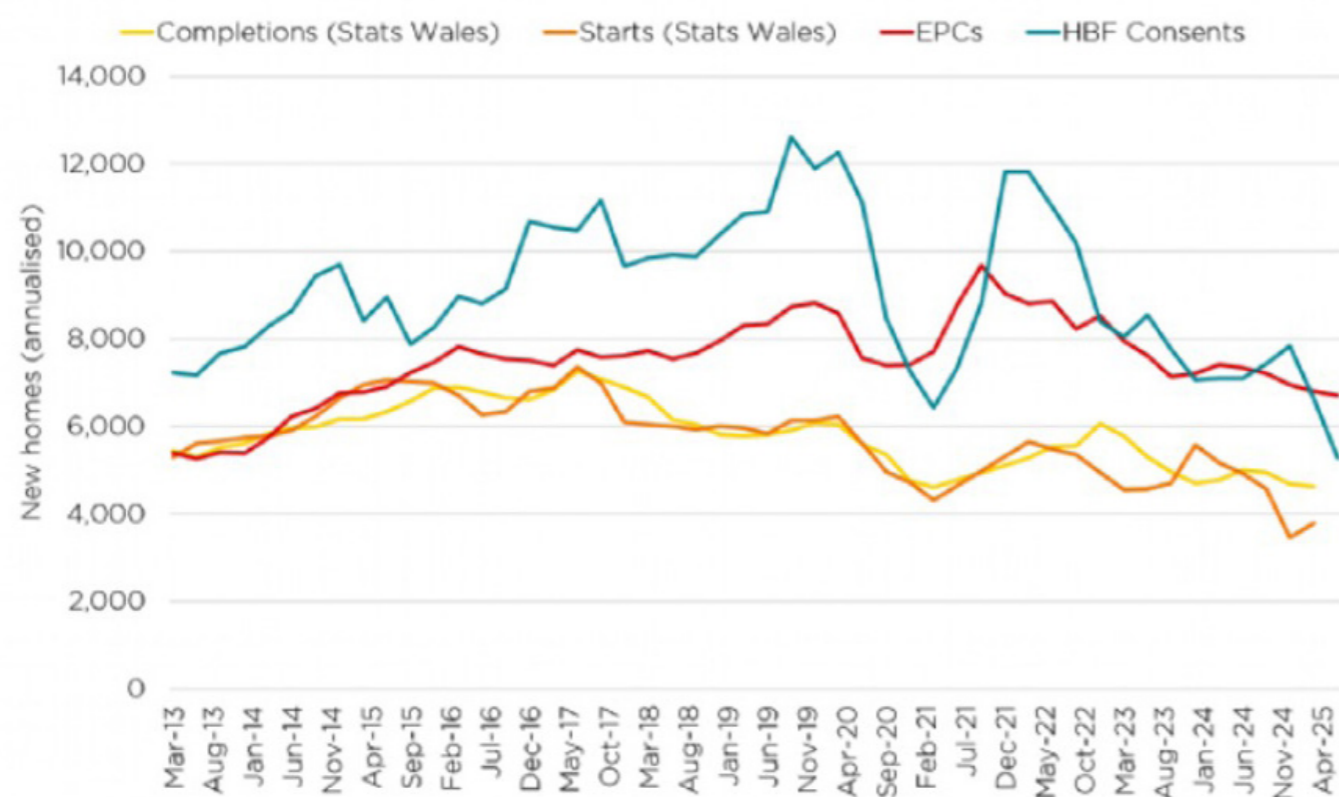
Source: [Welsh Housing Market and Supply Update - November 2025. Savills.](#)

Several reasons have been given for the slower than needed delivery of social homes in Wales, despite social housing providers being committed to delivering the homes we need at the pace and scale to end the housing emergency in Wales.

Planning constraints

Our members, and the housing sector more widely, have consistently raised the issue of delays in the planning system impacting the number of planning consents given and the pace of delivery. As outlined by Savells in their November 2025 update on housing market and supply in Wales completions, starts and consents are at record lows. Starts are remaining below completions and consents are 67 per cent lower than in 2024. As shown in Figure 5, annualised consents are less than half the number at the post-pandemic peak. If this trend continues, the number of new homes being delivered is likely to continue to fall.

Figure 5: Consents vs building starts



Source: [Welsh Housing Market and Supply Update - November 2025. Savills.](#)

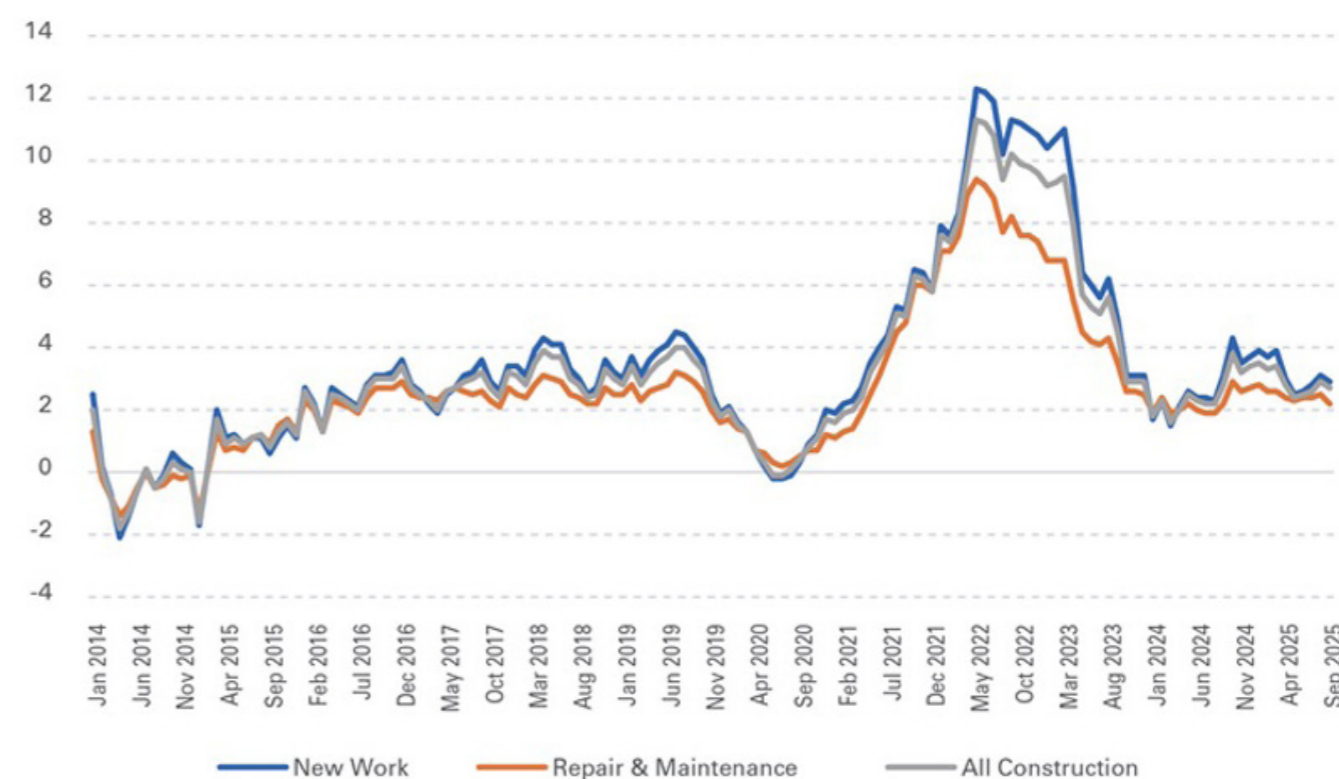
This highlighting of the delays in the planning system is not intended to lay blame at the door of planning officers, but rather to highlight the structural issues that policy decisions have resulted in. According to the [RTPI 2025 state of the profession report](#) gross spending on planning by local authorities in 2025 was 34.3 per cent less than in 2010. In addition, 60 per cent of respondents to the research survey state that their team lacked capacity to meet demand frequently or all the time. Public sector planning teams were more likely to lack capacity to meet demand. Other issues cited were ongoing high workloads, increased complexity of the work, under funding and recruitment difficulties.

Capacity within our local planning authorities is an ongoing concern, coupled with the impact this now seems to be having on the pace and scale of development in Wales.

The cost of development

The UK [construction price inflation peaked at 11.3 per cent in May 2022](#). Yet despite this now reducing - as shown in Figure 6 - it does not mean that costs are reducing, rather they are increasing at a slower rate.

Figure 6: UK construction sector output price inflation

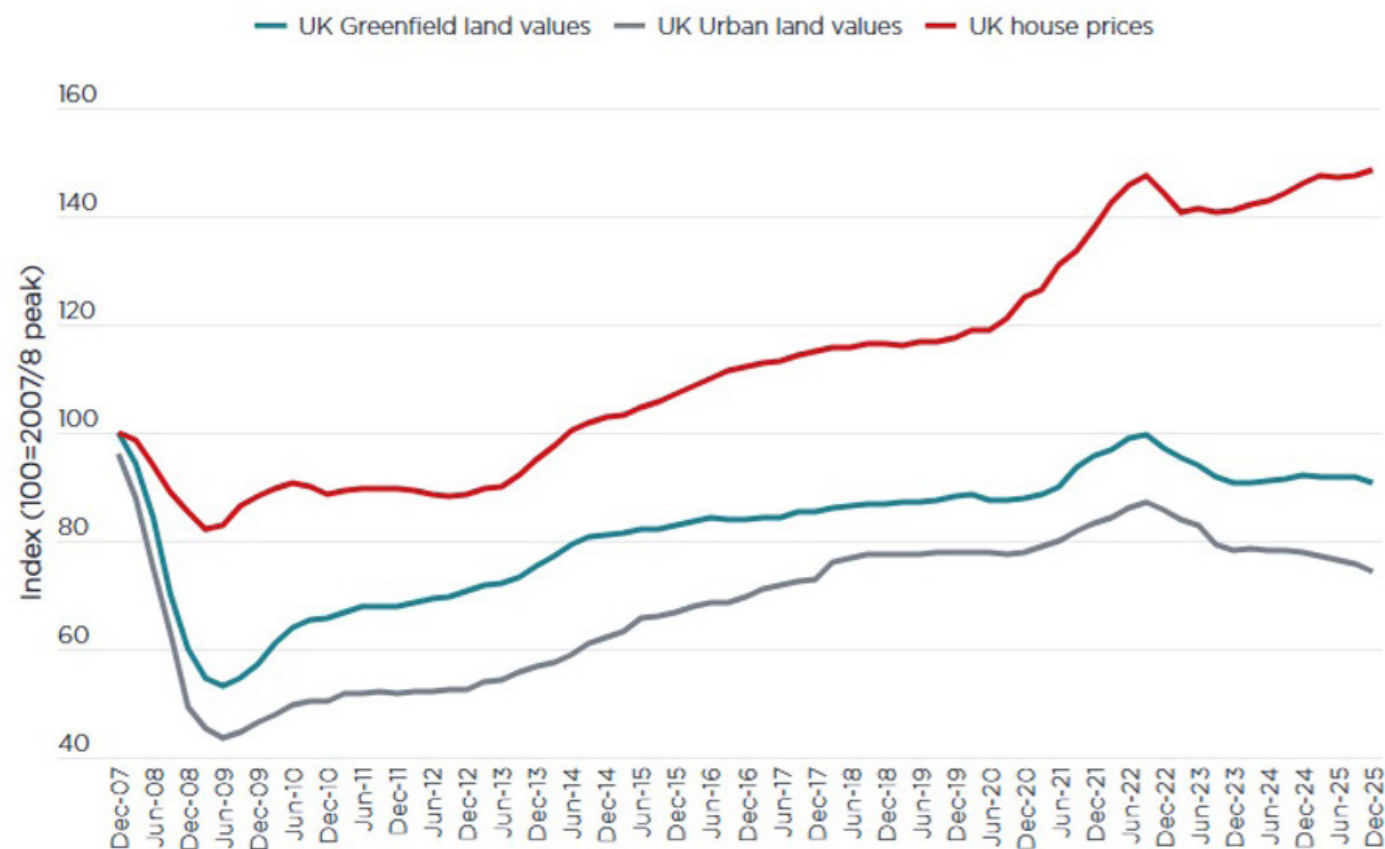


Source: [UK Construction Sector Report: December 2025. Tokio Marine HCC](#)

[The building cost information service \(BICS\)](#) in their recent building forecast outlined that building costs are set to increase by 14 per cent over the next five years, and tender costs by 15 per cent over the same period, though the report highlighted that due to geopolitical developments it is still too early to predict future economic implications.

This is not the only cost increase impacting development of homes. As seen in Savills' January update on the development land market, the cost of land has steadily increased year on year since the middle of 2009. As Figure 7 shows, we are now seeing a decrease in land values - though they are still higher than they were 17 years ago.

Figure 7: UK land values



Source: [Development Land Market in Minutes Q4 2025. Savills.](#)

These cost pressures have caused a 75 per cent increase between 2020/21 and 2023/24 in the grant needed to develop a new general needs property. As the bank of England adjusts the interest rates to manage inflation, social housing providers are seeing the cost of borrowing increase. [Interest rates for registered social landlords have increased](#) from 3.75 per cent in April 2022 to 5.5 per cent in June 2023. For local authorities, the rates rose from 2.5 per cent to 3.87 per cent over the same period.

The rising costs for materials, borrowing and the amount of grant needed to develop the social homes we need is also having an impact on the pace and scale of development. This was highlighted by respondents to our [2025 sector snapshot survey](#), where nearly a third of respondents stating they were unsure the 20,000 new low carbon social homes target would be met due to insufficient levels of funding.

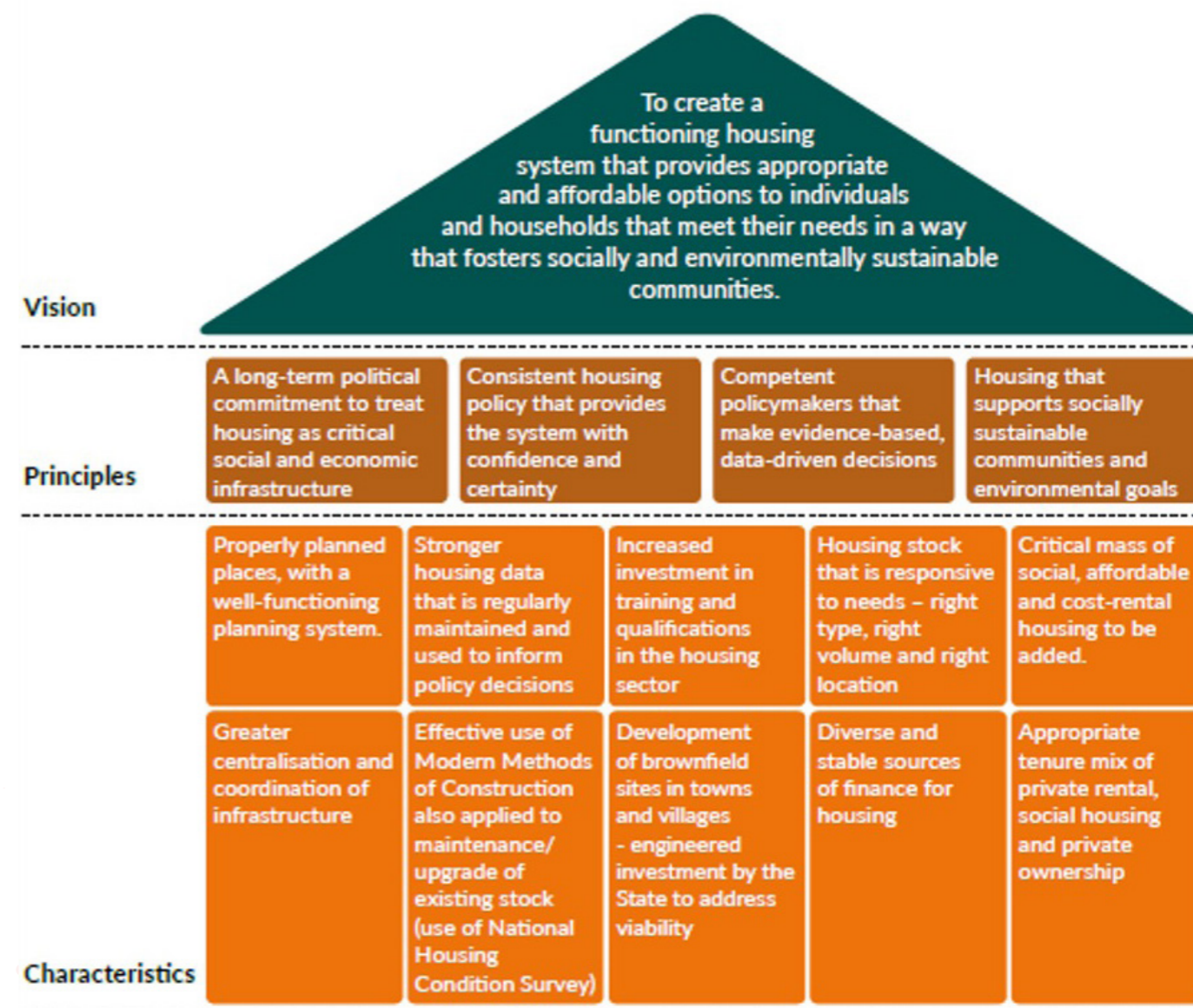
What is needed

A well-functioning housing system

We need 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 to rebalance housing tenures across Wales. This will ensure that there are more housing options for households and will help balance out prices within the private market. This cannot be achieved by rent control - it needs to be achieved by increasing the supply of social and affordable homes.

The [Housing Commission's report](#) published by the Irish government outlines how a critical mass of social housing is key to a well-functioning housing system. This critical mass should be at least 20 per cent. As shown in Figure 8, this critical mass is linked to other key factors that make up a well-functioning housing system, including stable sources of finance, a well-functioning planning system and changes to infrastructure.

Figure 8: A vision of a well-functioning housing system



Source: [Report of the housing commission.](#)

CIH's research from [Northern Ireland](#) and [research from the Nationwide Foundation in Scotland](#) found that measure like rent freezes or reductions in the rent that can be charged can reduce the overall supply - as landlords may choose to leave the market. This makes supply issues worse and may even drive up rents in unregulated areas. Alternatively, policies that limit the frequency or amount of rent increases for existing tenants, while allowing rents to rest at the start of new tenancies, can help improve affordability for existing tenants but may lead then to stay in a property even if it is no longer suitable for their needs. It may also lead to a reduction in turnover of properties impacting the overall supply of homes in the private sector.

As shown in Figure 8 a well-functioning housing system includes the private rented sector, but this must be sustainable and well-functioning. The private rented sector in Wales must form part of our wider strategy to develop a sustainable housing system in Wales. Yet we must also increase the supply of social and affordable homes to rebalance tenure and help to reset the cost of renting. This increase in supply of social and affordable homes will need a sufficient level of funding by Welsh government.

Appropriate funding levels

If we are to develop the affordable homes we need, our social housing providers need a grant settlement that enables them to mitigate the ongoing cost of development and high interest rates. Our social housing providers are committed to developing the homes we need, but they require an appropriate level of investment to achieve this.

To know what this level of investment is we need to consider the number of homes that would be needed as the minimum core to rebalance tenure. [The Senedd's local government and housing committee](#) has put the number of homes needed to rebalance tenure as 60,000. The committee was also clear that this will need a long-term perspective with interim targets for each Senedd term. 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 is £200,000. [Adjusting for inflation](#), this cost in March 2026 would be £231,315. Using this average cost, the estimated total social housing grant intervention (assuming a grant intervention rate of 58 per cent, although the average current grant intervention rate much higher) needed to provide an additional 20,000 homes in the next Senedd term would be £2.68 billion. This equates to at least £671 million per annum. The total level of social housing grant provided during the sixth Senedd was £1.7 billion, an average of £347 million per annum. The percentage difference between the grant level and what is needed is 64 per cent.

We are clear that any new target for social homes development must be based on a nuanced calculation of housing need that has a comprehensive definition of unmet need and provides an overview of the size, type and location of the homes we need. This is so a minimum core of social homes can be provided across Wales and meet the specific needs of our rural communities.

Investment into the planning system

There is a clear need for additional monies for planning teams in Wales so that we can increase the capacity of our local planning authorities. These monies are also needed to help future proof the planning sector, ensuring we can invest in the future planners the industry needs. This commitment to increasing capacity within local planning authorities will help increase the pace and scale of consents for new development so we can establish a robust pipeline of developments as we look to build the social and affordable homes we need to end the housing emergency in Wales.

Our own work with Welsh government in relation to scoping a Welsh Development Academi has identified a significant skills gap in local authority development teams. This is substantially affecting the pace and sale of the development of social homes and will need investment to ensure local authority development teams have the right skills to do so.

An arm's length development corporation/agency

In 2019, [the independent review into affordable housing supply](#) recommended that the Welsh Government should establish an arms-length body to function as a hub for public sector land management and professional services. This body should work alongside national and local government to provide capacity and resources to accelerate development of public land assets and to support greater consistency and efficiency in managing those assets.

Despite this recommendation from the Affordable Housing Review, little progress has been made in establishing this arm's length body. Instead, Welsh Government created the Land Division. It is clear we need a mechanism and/or body in Wales to bring together, at a strategic level, all the component parts required to deliver new social and affordable housing at pace and scale. This will need to include managing the availability of land, enabling the use of vacant land, working to overcome constraints in the planning sector, and delivering an effective supply chain for Wales.

Development of local supply chains

There is a need to look at ways we can build assurance into the cost of building materials. Part of this is to develop local supply chains. Local supply chains can enhance resilience to external disruptions. They also contribute to local economies and, by sourcing locally, are a key part of developing the circular economy in Wales.

We need to develop local supply chains across Wales to embed circular economy principles as part of investment into our communities, improving the economy and providing job opportunities for current and future generations.

Work already underway

Local government delivery programme

This programme has been contracted by CIH Cymru into Welsh government, with the individuals working on the project coming from a housing background. The programme has proved to be effective in delivering tailored support to the eleven stock retaining local authorities. It has supported over 20 projects, including establishing the [Tai ar y Cyd project](#) (pattern book) which is a unique collaboration between social landlords, including registered social landlords, government and industry experts to tackle housing challenges in Wales.

The programme has also linked projects such as the [timber industrial strategy](#) and the [home grown homes project](#). The aim of this is to raise the profile of the pipeline we need in Wales for home grown timber as we develop more homes, including those using modern methods of construction.

The success of the project can be seen through the delivery of local authority owned affordable housing units. [A total of 849 units were delivered in 2024/25](#) - the highest total since this data was first recorded in 2007 to 2008. The total number delivered between April 2021 and March 2025 (Available data for sixth Senedd) was 2,776 units.

Transitional Accommodation Capital Programme (TACP)

This programme was set up by [Welsh government so that new homes could be provided quickly alongside the existing social housing grant programme](#). It is a vital part of delivering homes at the pace and scale we need in Wales - we need to look at all tools at our disposal to end the housing emergency.

The TACP programme has allocated funding towards bringing long term voids back into use, remodelling existing accommodation and acquisitions - either bought from the open market or directly from developers. Any accommodation provided through the TACP programme must meet the minimum space requirements and be brought up to Welsh Housing Quality Standards (WHQS) within 10 years. If the property cannot meet the WHQS standards it can be used for a minimum of five years and a maximum of ten years before it is sold on the open market.

Homes provided under the scheme count towards Welsh governments target of 20,000 new low carbon social homes.

Local planning authorities

Welsh government has introduced a [new planning fee policy](#) to help with the funding of local planning authorities. These regulations are designed so that the fees local planning authorities charge cover their costs to a level that may, in the future, aid them in increasing their capacity through increased recruitment.

In addition to the fee structure, Welsh government has also put in place a [town planning bursaries scheme](#) to increase the pipeline of planners across Wales. The programme sees Welsh government meeting the cost of graduates to obtain a post-graduate planning qualification. A total of £9 million will be invested, though it is not clear how much of this will be for the bursaries.

Changes to [permitted development rights have also been made](#) which is likely to free up planner's time to look at other issues. One change is the removal of the three metre rule for air source heat pumps, with the new rule stating they can be installed within a metre of properties. This change to the rule will hopefully reduce the applications for consent to install air source heat pumps – freeing up some capacity in the system.

Second homes

Measures were introduced by Welsh government in the Sixth Senedd to tackle second home use. Local authorities have been given the power to introduce [discretionary council tax premiums on second homes](#) of up to 300 per cent. As part of the [Dwyfor pilot](#) Gwynedd council can now require planning permission to be obtained before changing the use of a residential home to second home or holiday home.

[Legislation has also been brought in](#) to provide a minimum number of days a property needs to be let out over a twelve-month period to prevent it being classed as a second home. Holiday homes need to be let for a minimum 182 days a year. Operators who narrowly miss this can average their lettings over three years. All properties need to be registered by Autumn 2026.

Further work as part of the next programme of government

If we are to have a well-functioning housing system in Wales, we need to increase the pace and scale of development to end the housing crisis and ensure we have enough social and affordable homes to meet housing need and work to ensure homelessness in Wales is rare, brief and non-repeated. The right to adequate housing will act as the catalyst and driver for the work needed to increase the supply of social and affordable homes in Wales. It will ensure that Welsh government invests the maximum level of resources to undertaking the following:

- Establish an accurate baseline of housing need in Wales, which will include households waiting for alternative types of accommodation or those in unsuitable accommodation
- Collate data to show the type, size and location of homes needed in Wales over the next decade
- Look to increase the number of social homes in Wales so that it meets a critical mass of at least 20 per cent of all homes in Wales to rebalance housing tenures, provide more housing options and help balance out prices in the private market

- Work with the UK government to unfreeze the local housing allowance and restore it to the 30th percentile to help combat rising rental costs and poverty levels in low-income families
- Evaluate the current social housing grant settlement so that it mitigates the rising costs of development and increased cost of borrowing. In addition, explore ways to make it a multi-year settlement to create a pipeline of development, providing surety of funding for the sector and financial institutions
- Invest additional monies into local planning authorities to increase their capacity
- Continue to provide degree apprenticeships, expanding the number available to train the local planning officers of the future
- Establish an arm's length development body whose remit will be to overcome barriers to increasing development of the homes we need. The body will be responsible for land assembly, speeding up planning consents, together with developing local and national supply chains
- Evaluate current programmes aimed at tackling second homes in Wales, expanding those that work and reworking those that don't
- Ensure that the needs of rural communities are considered – as we move towards social homes making up 20 per cent of all homes in Wales – as part of a whole system approach to housing affordability in rural Wales.



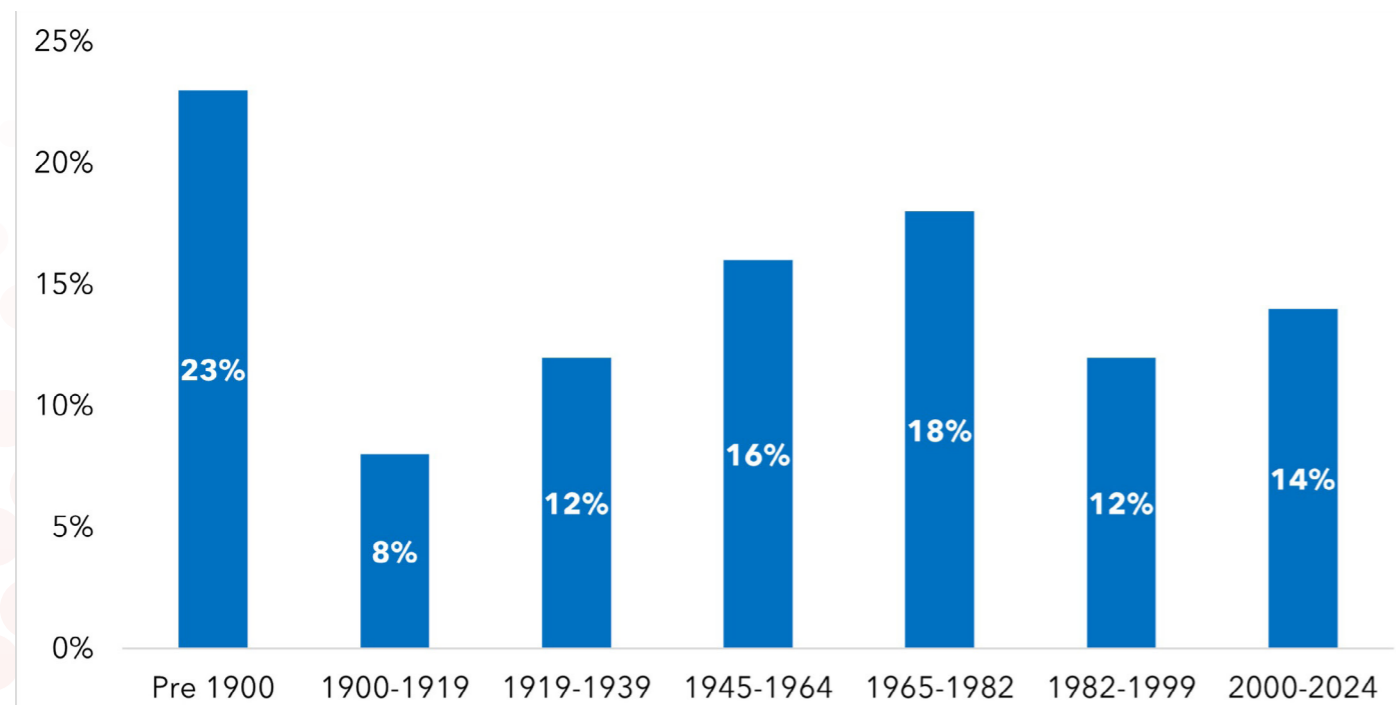
Improving our existing homes

Where we are now

Age and energy efficiency

Homes in the UK are the oldest in Europe and Wales' homes are the oldest within the UK. As shown in Figure 9 - of the nearly 1.5 million homes in Wales, 23 per cent (334,000) were built before 1900, with 14 per cent (214,000) since 2000.

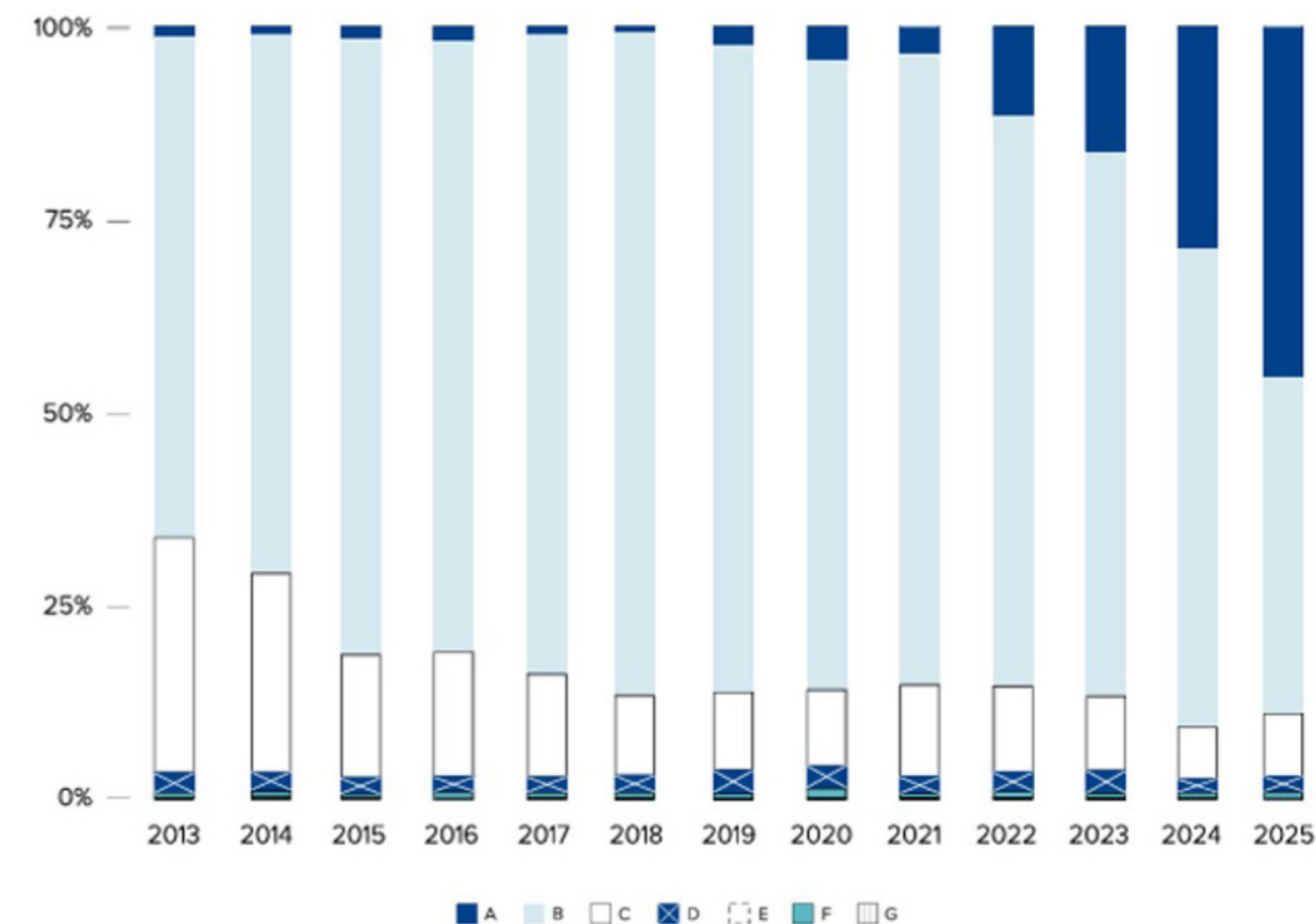
Figure 9: Proportion of Welsh homes built within time periods



Source: [Official Statistics. Council Tax: stock of properties, 2024](#). Table CTSOP 4.0: Number of properties by Council Tax band, property build period and administrative area, 1993 to 2024

When we consider the [location of the oldest properties](#), 49.7 per cent of homes in Rhondda Cynon Taff were built before 1919. In Blaenau Gwent it is 46.2 per cent, Gwynedd 46.2 per cent and Ceridigion 42.9 per cent. Whilst the age of a home does not automatically equate poor quality, they are more likely to be less energy efficient. [Homes built before 1929 in Wales have a median EPC rating D](#), compared to a median EPC rating C for those built between 1983 and 2011. For those built since 2012, the median EPC rating is B. Since 2012, as shown in Figure 10, the proportion of new dwellings with an EPC rating A has been steadily increasing.

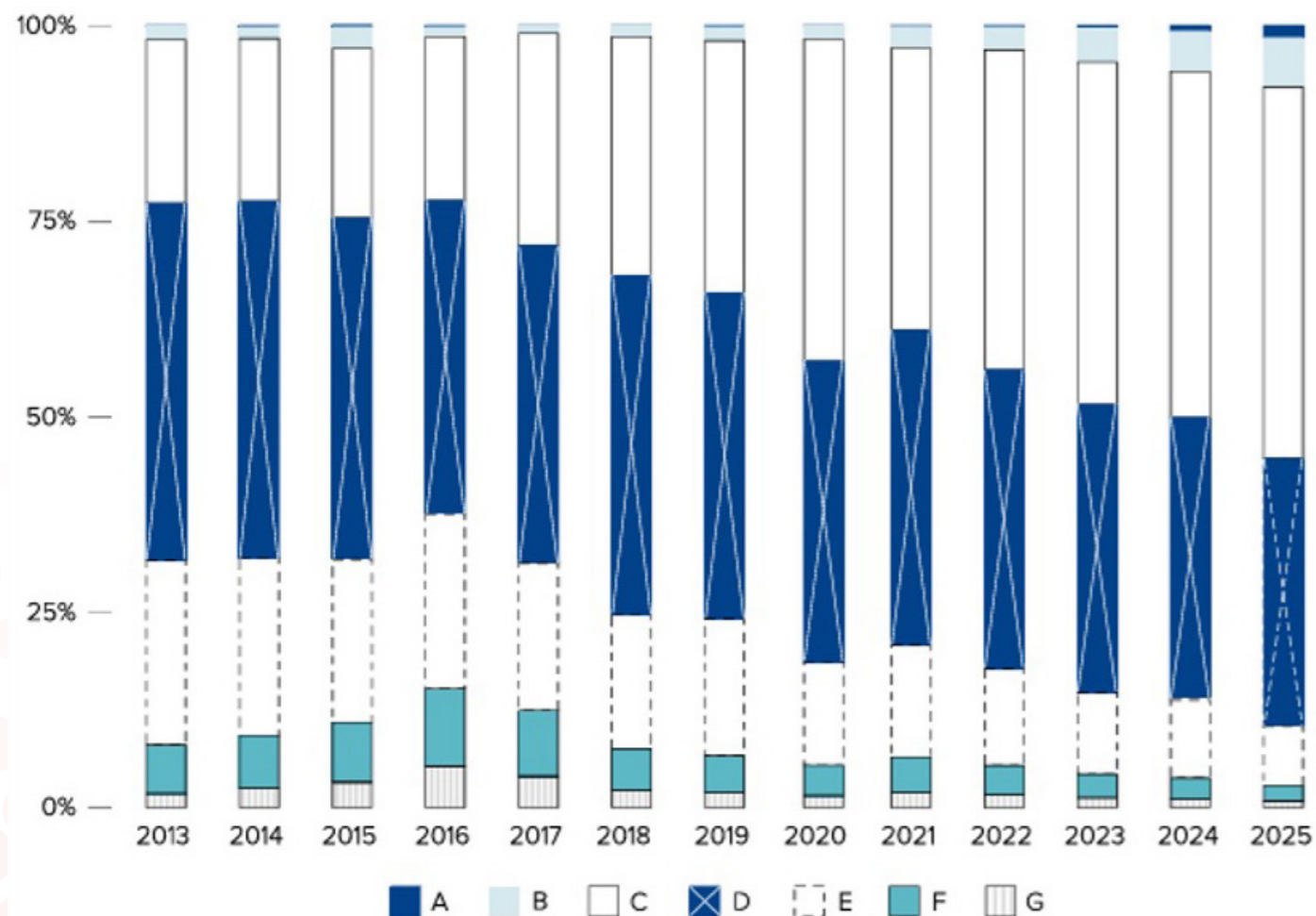
Figure 10: Energy efficiency ratings for new domestic dwellings



Source: [Welsh Housing Monitor 2026](#).

This is echoed to a smaller extent in existing dwellings but at a much lower proportion - as shown in Figure 11. Existing dwellings are improving their energy efficiency, but as Figure 11 shows, they are more likely to have EPC rating C, with the proportion of EPC rating D properties remaining at a similar proportion over the last decade and those properties with below an EPC rating of D decreasing.

Figure 11: Energy efficiency ratings for existing domestic dwellings



Source: [Welsh Housing Monitor 2026](#).

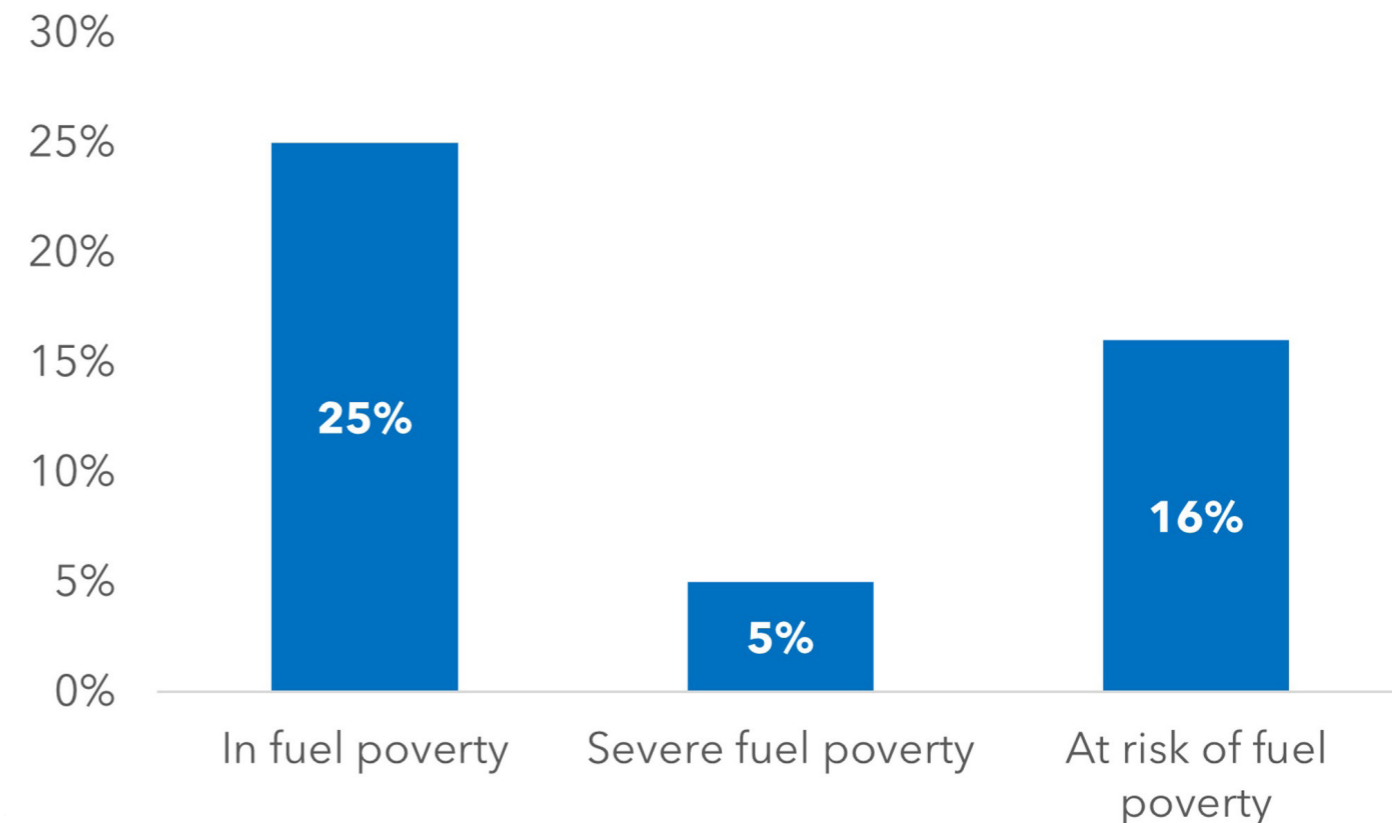
When we consider the [different tenures of homes](#) and their energy efficiency, existing social rented homes tend to be more energy efficient, with a median energy efficiency score of 70 (EPC rating C). Owner occupied homes have a median energy efficiency score of 63 (EPC rating D) and private rented homes 65 (EPC rating D). New social homes and owner occupier homes have median energy efficiency score of 84 (EPC rating B). The median score for new private rented homes is 79 (EPC rating C).

Improving the energy efficiency of our homes is seen as a key part of the decarbonisation agenda in Wales. The more energy efficient our homes are, the less carbon they emit. [Wales has a legally binding target to meet net Zero by 2025](#). Alongside this, social housing providers have a requirement with the [Welsh Housing Quality Standards \(WHQS\)](#) to ensure all existing homes meet EPC rating C by 31 March 2030. Social landlords are also required to develop a targeted energy pathway to set a date by which they will bring their existing social homes up to EPC rating A. [Private landlords need to ensure their homes also meet minimum energy standards](#) with all privately rented properties needing to have an EPC rating of C or better by 1 October 2030.

Fuel poverty

The more energy inefficient a home is, the more costly it will be to heat at a time of increased fuel bills and rising fuel poverty and utility debt. [Fuel poverty is defined as a household spending more than 10 per cent of their income on maintaining a satisfactory heat in their home](#) - usually 23°C in the living room and 18°C in all other rooms. As shown in Figure 12, in October 2024 there were 340,000 households in fuel poverty - equivalent to one in four households. A further 215,000 households (16 per cent) were at risk of fuel poverty.

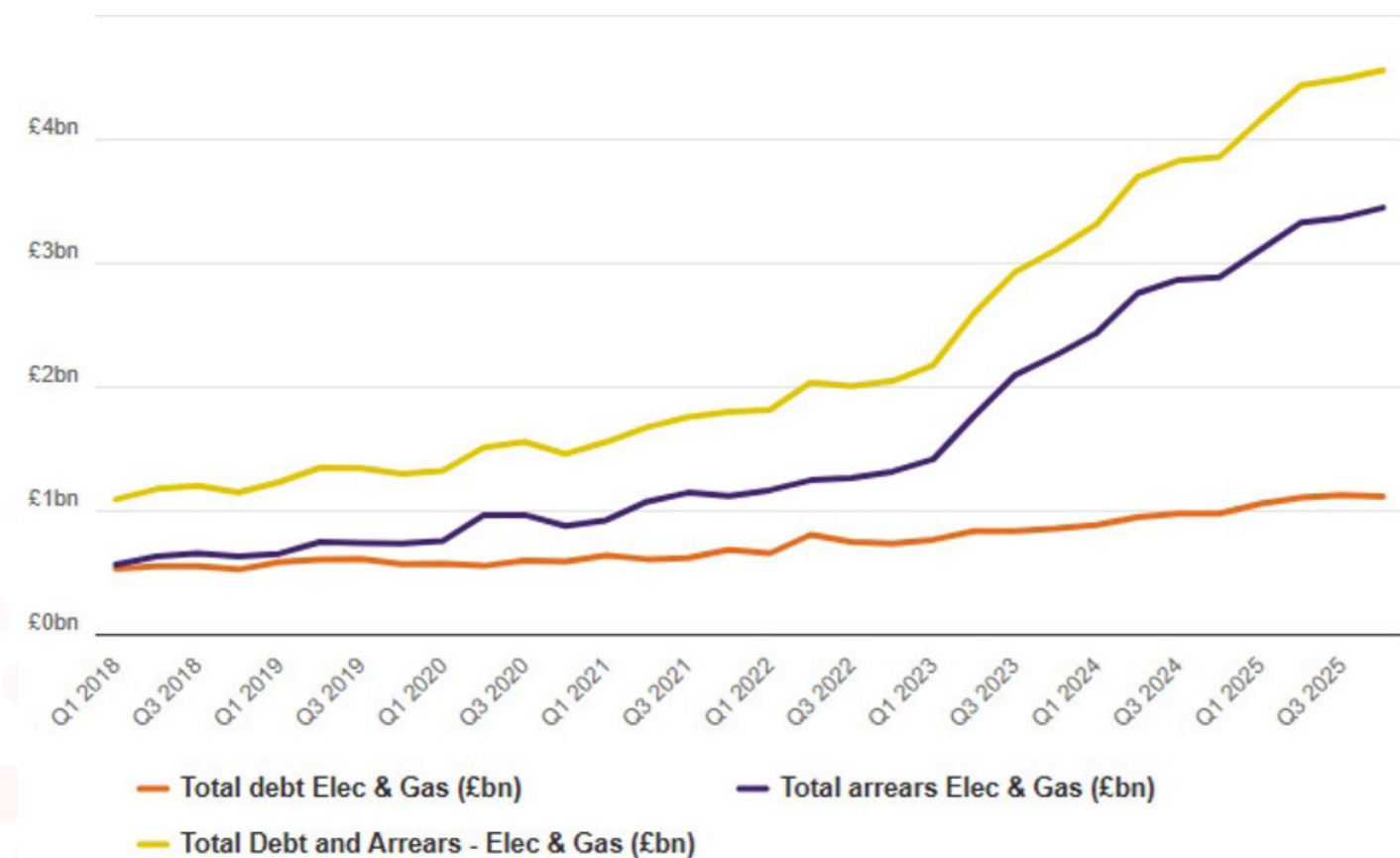
Figure 12: Proportion of Welsh households in fuel poverty October 2024



Source: [Welsh government fuel poverty modelled estimates October 2024](#).

Yet the proportion of households in fuel poverty is only one visible outcome from the ongoing cost of living crisis in the UK and the impact this is having on people’s ability to heat their home. [Data published by Ofgem](#) shows that in March 2026, the total debt and arrears on domestic energy accounts was £4.55 billion. As shown in Figure 13, this is more than double the level seen before the cost of living crisis started.

Figure 13: Total value of domestic customer debt and arrears



Information correct as of March 2026

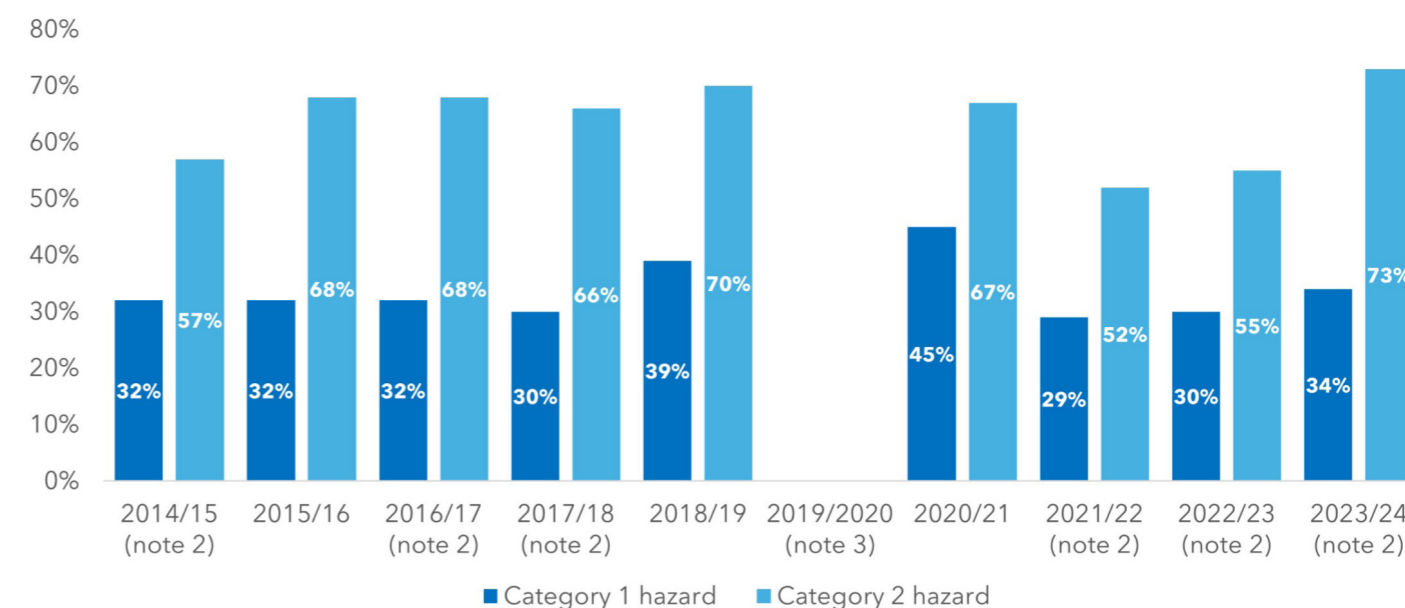
Source: Ofgem analysis

Source: [Ofgem debt and arrears indicators 2026](#).

Housing hazards

In 2023/24 a total of 4,821 Housing Health and Safety Rating System (HHSRS) assessments were carried out, half of which were on Houses in Multiple Occupation. Category 1 hazards, seen as the most serious, were found in 34 per cent of assessments. The most common hazard was excess cold followed by damp and mould. Following action by local authorities, 59 per cent of category 1 hazards were resolved. As seen in Figure 14, category 1 hazards have been present in around a third of assessments over the last decade. There are, however, a higher proportion of category 2 hazards found during assessments.

Figure 14: Percentage of assessments with at least one category 1 or category 2 hazards



Source: [Welsh government. Housing Hazards: April 2023 and March 2024](#).

Note 1: Assessments may contain both category 1 and category 2 hazards. Note 2: Includes estimated figures for some local authorities. Note 3: Data not collected for 2019/20 due the impact of the Covid-19 pandemic.

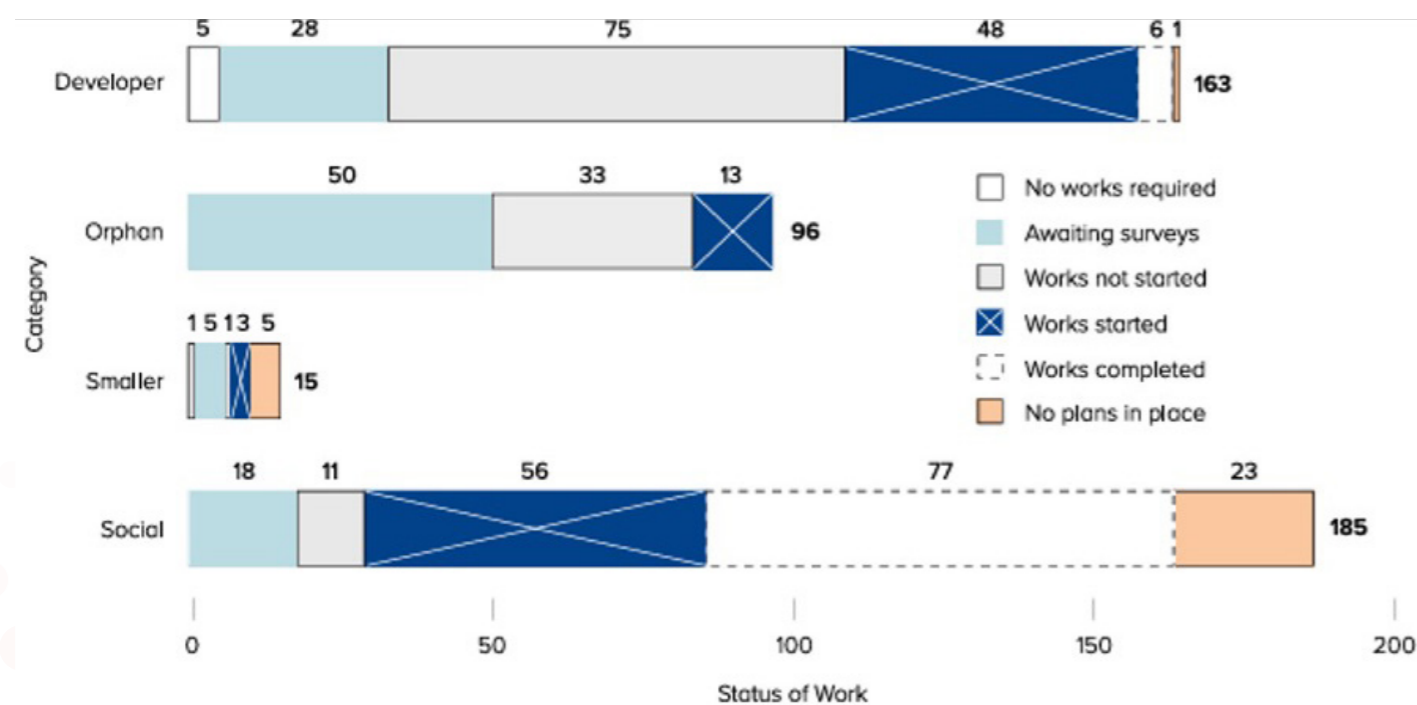
The data available on hazards in properties is unlikely to represent the whole housing stock. Assessments are undertaken for reasons generally due to a tenant making a complaint about the condition of their home. They are also more likely to be undertaken in the private rented sector.

Tenure wide data on housing conditions was collected as part of the last Welsh Housing Conditions survey. Yet this was last undertaken in 2017-18 so data on assessments undertaken under the Housing Health and Safety Rating System (HHSRS) is the best data available to give an overview of the conditions of homes in Wales.

Building safety

In response to the Grenfell Tower tragedy where 72 people died, Welsh government launched the Welsh building safety programme. This is focussed on the remediation of fire safety issues in residential buildings above 11m in height. [As of September 2025, the programme had identified 459 buildings 11m and over](#). There were 274 in the private tenure and 185 in the social housing sector. Remediation work was either complete or underway for 44 per cent of buildings with a further 47 per cent in planning stages. A dozen major developers have signed the Welsh government developer contract and the Welsh building safety fund in grant funding remediation for social homes and orphan building. The progress being made is shown in Figure 15. Yet despite this progress the pace has been criticised.

Figure 15: Progress of remediation work in the different categories of buildings as of September 2025.



Source: [Welsh Housing Monitor 2026](#)

Welsh government has also drafted legislation around building safety both during the construction phase and the occupation phase. Despite remediation being omitted during the white paper for Building Safety relating to the occupation phase, [the passed bill](#) now contains legislation relating to the remediation of buildings. Regulations for both pieces of legislation are in the process of being implemented or drafted.

The skills gap

The Construction Industry Training Board (CITB), in their [written evidence to the UK government](#) as part of work looking at new towns in England, highlighted the fact that the construction industry in the UK is ageing. The evidence showed that in 2023, 24 per cent of the construction workforce was aged over 55, compared with only 13 per cent in 2000. There are fewer younger workers joining industry, meaning the proportion of older workers will continue to rise.

The [CITB in June 2025 published a report looking at the construction workforce outlook for Wales](#). This report outlined - looking at the expected increase in demand - that the workforce in Wales will need to grow to 117,420 by 2029 to meet projected demand. This means a total of 1,720 extra workers will be needed each year across all construction roles.

Yet the skills gap is not just limited to construction. We also know there is a shortage in skills for installing new energy-efficient technologies as part of making our existing homes more sustainable. [A report published by Welsh Government in March 2026](#) puts the size of the existing retrofit workforce at 24,900 workers in core roles with an additional 116,000 individuals working in adjacent roles. The report provides a table of the projected labour demand and supply and labour demand to 2034/35, broken down into a base level, low demand and high demand. The table is provided in Figure 16.

Figure 16: Labour supply and demand projections for retrofit delivery scenarios

	Base		High demand		Low demand	
	Labour Demand	Labour Supply	Labour Demand	Labour Supply	Labour Demand	Labour Supply
2025/26	27,400	23,900	29,900	23,900	24,500	23,900
2026/27	31,200	23,200	34,200	23,200	24,200	23,200
2027/28	35,800	22,500	40,000	22,500	25,700	22,500
2028/29	41,300	22,000	47,500	22,000	27,100	22,000
2029/30	48,900	21,500	56,900	21,500	28,100	21,500
2030/31	58,900	20,900	67,700	20,900	28,400	20,900
2031/32	74,000	20,400	78,900	20,400	27,700	20,400
2032/33	78,200	19,900	88,300	19,900	26,100	19,900
2033/34	76,000	19,500	93,800	19,500	23,900	19,500
2034/35	76,500	19,000	93,400	19,000	21,500	19,000

Source. [Assessing workforce requirements for home retrofitting in Wales](#). Welsh government 2026.

The report goes onto calculate the likely workforce gap using the following equation:

Workforce gap = Projected labor demand - Projected Labour supply.

This gives a workforce gap of between 2,500 and 74,400. The base estimate workforce gap is 57,500. The report also found that the core labour supply for retrofit is projected to decline over the forecast period, no matter the demand assumptions, unless interventions are taken. Even maintaining current delivery levels will become more challenging over time - with any scaling up of the work exacerbating the workforce pressures.

What is needed

A well-funded decarbonisation programme

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 in February 2026, the amount needed to plug the funding gap would likely be closer to £3.4 billion over ten years or around £340 million per annum.

The New Economic Foundation report went on to outline that Welsh Government's share of the £2.7 billion funding gap is £1.7 billion or £170 million per annum. [Accounting for inflation](#) the investment from Welsh government in February 2026 would need to be in the region of £2.16 billion over a ten-year period or £216 million per annum.

Welsh government has provided £96.9 million in the 2025/26 budget to decarbonise existing social homes. The difference between the level of investment needed and the monies provided by Welsh government is 76 per cent.

Yet decarbonising our social homes is just part of the solution. We also need to ensure homes in the private rented sector and owner-occupied homes can also contribute to the net zero target. [The New Economics Foundation in its report on financing Wales' decarbonisation](#) indicates the total level of investment needed to bring every home in Wales to EPC rating A by 2050, utilising the target for net zero. This found that using 2020 costs the total level of investment over thirty years would be £55.96 billion. The level of investment would likely reduce to £36.17 billion over thirty years when planned renovation and improvement (RMI) costs were factored in. [Accounting for inflation](#), the costs in February 2026 would be £72.43 billion, reducing to £46.8 billion over thirty years when factoring in RMI costs.

The decarbonising of our homes in Wales will improve the EPC rating, making them more economical to heat and helping to lift people out of fuel poverty. This, coupled with targeted interventions aimed at helping people meet their fuel bills at specific points of increased costs, will also help reduce costs - lifting people out of and from the risk of fuel poverty in Wales.

Address the skills gap

The training sector is largely demand led. If we are to see an increase in the number of people employed in or entering the construction sector, we need to create the demand for those skills, including those needed to retrofit our existing homes as part of the decarbonisation agenda. We need the construction industry and Welsh government to work together and for there to be a clear outline of future work. This will enable robust future planning for training requirements and the level of investment needed so we can plug the skills gap as part of decarbonising our homes.

Develop local supply chains

There is a need to look at ways we can build assurance into the cost of building materials. Part of this is to develop local supply chains. Local supply chains can enhance resilience to external disruptions; they also contribute to local economies and by sourcing locally we reduce the carbon emissions from travel. Local supply chains are also a key part of developing the circular economy in Wales, reducing waste and increasing efficiency.

A local supply chain will help reinvest into Welsh communities, help mitigate the rising cost of materials and help reduce carbon emissions from transporting materials to site. We need to develop local supply chains across Wales to embed circular economy principles as part of investment into our communities, improving the economy and providing job opportunities for current and future generations.

Work already in progress

Addendum to WHQS relating to hazards in social housing

In 2022 the Chartered Institute of Housing (CIH) and the National Housing Federation (NHF) set up the Better Social Housing Review (BSHR) to examine issues relating to the quality of social housing in England. This review was carried out over six months by a panel of independent experts, with the report being published late 2022.

Following the publication of the [BSHR](#), CIH Cymru, along with Community Housing Cymru, wrote to the then Housing Minister Julie James suggesting that we needed a Wales approach to the issue of damp and mould, and wider disrepair, as the landscape was different to that in England.

The outcome of that exchange was that CIH Cymru, in partnership with Welsh Government and CHC, established a sector working group to look at disrepair more widely, specifically at legislation, regulation and current approaches to engagement with tenants on disrepair. This group has concluded that there are opportunities for improvements and development to ensure the best outcomes for tenants are delivered, but that this work should relate more widely to hazards rather than specific types of hazards.

A consultation was held by Welsh government on a new rule to be included in the WHQS and whether this new rule should cover all 29 hazards set out in the HHSRS. The consultation also asked for views on a reasonable timeframe to respond to hazards reported and whether a remedy plan should be provided if the hazard cannot be remedied under normal emergency repair targets. The outcome of this consultation was the [addendum to WHQS](#) of a new rule covering hazards in social housing and the timescales to address these hazards, which went live in April 2026 and covers 28 of the 29 hazards. Overcrowding is not included in the new rule.

Improving conditions in the private rented sector

The [Renting Homes \(Wales\) Act 2016](#) contains requirements around the condition of dwellings, including the introduction of fitness for human habitation obligations for landlords which apply across all tenures. This includes an obligation to prevent, diagnose and/or treat occurrences of any of the 29 matters and circumstances that make up an assessment of fitness for human habitation. Some of the 29 matters are damp and mould, cold, heat, overcrowding and fire. These matters aim to improve the standards of private rented accommodation in Wales, with landlords unable to serve a retaliatory notice if a tenant makes a complaint relating to the fitness of a property.

Building safety

Welsh government, as part of an enhanced building safety regime in Wales, will be implementing [new Building regulations](#) from 1 July 2026. These deal with the construction phase of buildings in Wales, including higher risk buildings. They have also passed the [Building Safety \(Wales\) Act 2026](#) which looks at the occupation phase of a building. Buildings will be placed in one of three categories, with specific safety obligations for each category. The Bill also included provision for the remediation of existing building.

Together, these regulations and legislation will strengthen building safety in Wales, working to ensure that another tragedy like Grenfell Tower can never happen again.

Developing the skills needed

There are good practice examples of organisations working together to provide the training needed to fulfil future planning of the decarbonisation programme. One example is from [Adra in North Wales](#) who have opened a decarbonisation hub at Penygroes in partnership with Grŵp Llandrillo Menai and Bangor University. The hub is in a redeveloped empty factory unit and has brought skills and jobs to the area. The hub is a training facility to develop skills to install and maintain small solar photovoltaic, domestic heat pumps and solar thermal hot water systems. The hub has received £230,000 of funding from Welsh Government to support further growth.

Work for the next programme of government

The action we need to see from Welsh government over the next Senedd term is:

- Evaluate existing levels of capital investment available to social landlords to make their homes more energy efficient and sustainable and establish if it is sufficient, considering the rising costs of materials
- Establish resilient local and national supply chains that embed circular economy principles, invest in local communities and local economies – as we seek to meet the rising demand and costs for renewable energy and green technology – as part of decarbonising Welsh homes
- Develop a suite of finance options for owner occupiers and private landlords to increase the pace of retrofit, and to include the retention of existing finance options for low-income households
- Work with industry and employers to undertake a robust skills audit to establish a baseline for the number of individuals needed within the construction industry for traditional trades and the rising demand for new skills as part of retrofit
- Utilise the findings from the skills audit to develop a training programme to provide the skills we need for the future, developed in partnership with schools, higher education institutions and employers, ensuring sufficient apprenticeships and places to study vocational qualifications are made available
- Evaluate the implementation of the fit for human habitation requirements in the Renting Homes (Wales) Act 2016 to establish if it is improving conditions in the private rented sector. If not, establish why this is to ensure that whatever tenure home someone chooses to live in, it is of good quality.

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

Where we are now

People's views of social housing

Many people living in social housing experience stigma because of where they live. The causes of this stigma are varied. They include how the media represents those living in social housing which can create and reinforce unfair stereotypes. [A report published by CIH Cymru](#) outlined that whilst there is significant public recognition of the need for social housing, there are also negative perceptions around social housing. Social housing is generally not seen as desirable, with 43 per cent of research participants stating they would not want to live in social housing, compared to 63 per cent who stated home ownership should be aspired to.

The survey that informed the research also asked people about who they thought currently resided in social housing. The general perception was that social housing occupancy was concentrated among those on low incomes, single mothers and asylum seekers. Yet those individuals currently living in social housing were more likely to think that working families, retired individuals, and young professionals resided in social housing.

Social housing stigma and the planning process

This stigma towards social housing often extends into the planning process. We have heard through our members that there is often opposition to them building new social housing in an established community. There have also been examples of a scheme of one-bed properties in a town centre for all ages being amended at the planning consent stage to age 50 plus, following pressure from the community. This comes at a time where there is an acute shortage of one-bed properties at social rent.

Community cohesion

In the UK, we have seen increasing tensions and social polarisation across communities over the past few years, with the riots in Southport fuelled by misinformation and anti-migrant sentiment, coupled with the rise of antisemitic attacks and continuing Islamophobia.

Wales is not immune from this, with social media attacks against organisations supporting asylum seekers and those promoting EDI, coupled with misinformation about who social housing is for. As [the Khan review published in 2021](#) outlined, community cohesion can break down among many fault lines – not just race and religion. There can be breaks due to political affiliations, other protected characteristics and holding of certain opinions. There can also be inter racial and inter religious tensions. Whatever the cause, community cohesion is at risk in many areas. The need for community cohesion was also seen as a priority for the first time in [CIH Cymru's Winter 2025/26 sector snapshot survey](#), perhaps reflective of what our housing professionals are seeing as they work with tenants and residents.

What is needed

Eradicating stigma against social housing

[Tyfu Tai's report on housing need and desirability](#) recommended the following actions to help eradicate stigma around existing and proposed social housing developments:

- Registered social landlords and local authorities should work collaboratively to raise awareness of different housing tenures and their role in our housing market
- A nationwide 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
- Ensure consistent language is used around social housing when interacting with communities where new social homes are to be developed
- Utilise different communication methods as part of a jargon busting process around the language used when looking at developing new homes
- Develop a commonly used terminology guide as part of standardising the language used around social homes
- Improve the community understanding of what social housing is and the positive impact it can have as part of building communities.

Community cohesion

We need to look at ways we can strengthen community cohesion in Wales. This follows on directly from the myth busting campaign to tackle stigma around social housing. This myth busting campaign should also include tools and ways housing providers in Wales can tackle misinformation around social housing.

Right to adequate housing and tackling stigma

Ultimately, 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 and cohesive 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 current and future generations.

Work already underway

There are several legislative and policy frameworks already in place by Welsh government to strengthen community cohesion, tackle racism and look to improve equity for certain protected characteristics. These are shown in Figure 17.

Figure 17: Welsh government equalities policy, and legislative frameworks

Duties on public bodies	Sanctuary seekers and migrants	Equality action plans
<ul style="list-style-type: none"> • The Wellbeing of Future Generations (Wales) Act 2015 establishes 7 national wellbeing goals, including a 'Wales of cohesive communities' • The socio economic duty (2021) places a duty on public bodies to reduce the inequalities of outcome resulting from socio-economic disadvantage 	<ul style="list-style-type: none"> • Wales is a nation of sanctuary for to ensure Wales is a place where those seeking sanctuary are welcomed and celebrated for their unique contribution to Welsh life. • A migrants integration framework to highlight approaches to supporting migrant integration. 	<ul style="list-style-type: none"> • The Anti-racist Wales Action Plan 2022 and 2024 includes actions to tackle hate and discrimination and strengthen community cohesion. • The LGBTQ+ Action Plan 2022 sets out actions to strengthen equality and challenge discrimination. • The disabled people's rights plan 2025 helps to advance the rights and opportunities of disabled people, removing barriers and challenge prejudice and discrimination.

Work for the next programme of government

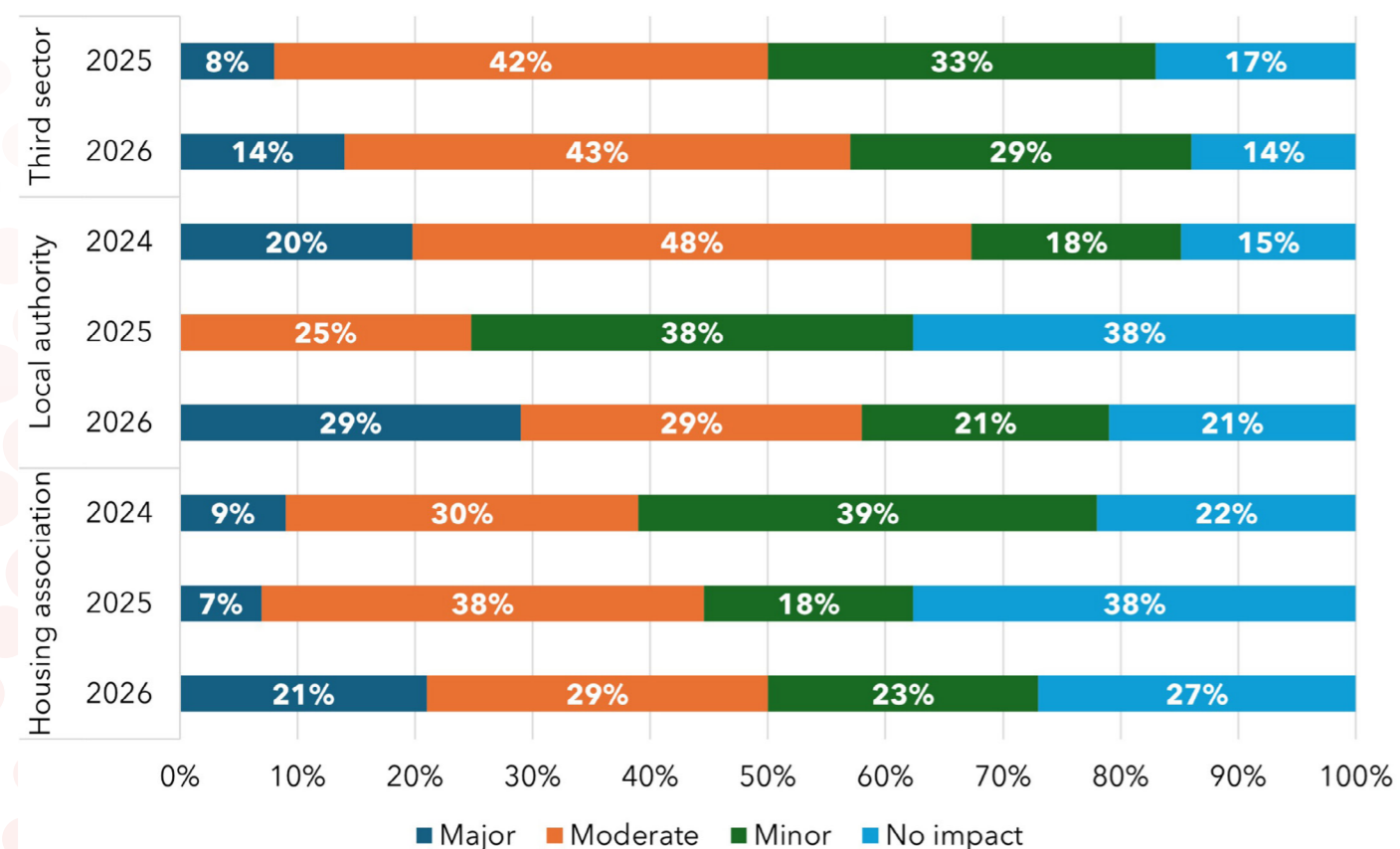
In order to tackle stigma, promote the positive impact of diverse communities and strengthen community cohesion, Welsh government should take the following actions:

- Develop a national campaign focussed on ending the stigma around social housing to improve community understanding of what social housing is and the positive impact it can have
- Produce a commonly used terminology guide as part of standardising the language used around social homes
- Continue to embed the anti-racist Wales action plan as part of developing cohesive communities and organisations that reflect the communities they serve
- Involve communities in calculations of housing need to ensure the right homes are built in the right place. Utilising housing enablers within local authority areas to provide the link between national and local governments and communities to ensure there is an ongoing conversation around the positives of social homes
- Embed the disabled persons rights action plan into housing organisations to ensure everyone can access a home and housing services that meet their needs
- Provide training to housing providers to give them the confidence to tackle misinformation and disinformation around social housing in their local areas.

A professional, resilient and competent workforce

Where we are now

Our series of sector snapshot reports have been clear that people work in housing in order to make a difference to communities, tenants and residents. Yet they are facing many competing pressures against the backdrop of insufficient resources and rising workloads. This is negatively impacting the mental health and wellbeing of those housing professionals who completed our surveys. For our [winter 2025/26 survey](#), 74 per cent of respondents outlined that the pressures they were facing had a negative impact on their mental health and wellbeing. This survey also showed an increase in the number of respondents who noted there is a severe impact on their mental health and wellbeing as, shown in Figure 18.



Source: [CIH Cymru Sector snapshot report Winter 2025/26](#)

But the surveys do not leave it there. We also asked the sector what can be done to help address the pressures they are facing. For the winter 2025/26 survey, respondents outlined that they need more funding and a larger workforce, but this also extended to other public services. It was noted that other public services in Wales need more investment so that their workforces are of the right size - housing organisations are often having to step into the gap when someone reaches a crisis which can put tenancies at risk. This is summarised by the following quotes from responses to our Winter 2025/26 survey:

“The rise in caseload is mainly due to cutbacks in other services/agencies - mental health for example, long waiting lists for substance issues, counselling etc ... cost of living has also had a huge impact both on tenants directly but also on funding to our team.”

“Better resource other services to take the strain off housing professionals - at the moment we end up standing in for social services, the police and mental health healthcare as these bodies don’t have resource to deal with people until they’re in crisis which is often too late to help them stay in their home or out of prison/health institutions”

The housing sector keeps repeating that they need more support and better partnership working but, as we have seen over the last three years of sector snapshot surveys, little is changing. Perhaps it is not surprising that one key ask for the Welsh government by respondents to the [Winter 2025/26 survey](#) is for the Welsh government to listen more to the sector, with 28 per cent of respondents listing this as their number one priority.

A key action in the [Ending Homelessness Action Plan](#) is to build a resilient and valued workforce. Yet despite this aim, our series of sector snapshot surveys shows that very little has changed in the day-to-day experience for working in housing in Wales.

What is needed

Housing, in line with other key professions, should be seen as a key pillar to support the delivery of a public service. Now is the time to develop, in partnership with CIH Cymru and the wider housing sector, 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.

Any workforce strategy will also need to consider whether Wales needs its own [Competence and Conduct Standard](#). This framework, which comes into force in England October 2026, will require social landlords in England to ensure the people they employ possess specific skills knowledge and behaviours. It also mandates certain qualifications for senior managers and executives.

Implementing a whole housing workforce strategy for Wales will:

- Develop career routes
- Ensure that the housing sector reflects the wider diversity of Wales
- Nurture expertise
- Increase capacity to deliver manageable workloads
- Develop resilience
- Support the mental health and wellbeing of the housing sector.

This will then ensure that the resources are provided to the workforce so that professional standards are embedded across all housing organisations in Wales and we have 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 practices fairly
- **Knowledge and skills:** Making sure knowledge is a shared commodity and looks ahead at skills needed for a modern housing sector to work effectively
- **Leadership:** A workforce that is forward thinking and adaptable to change.

This will need funding and support for the whole housing sector. This will not only ensure that housing organisations have a workforce of the right size to ease some of the pressures on mental health and wellbeing, but also to provide capacity in teams for individuals to explore qualifications as part of the wider professionalism agenda. [CIH Cymru's Sector Snapshot report on qualifications in Wales](#) found that there is support for qualifications in Wales. Yet there are barriers to obtaining qualifications due to a lack of capacity within organisations and a lack of learning centres across Wales.

Work needed in the next programme of government

In order to achieve the goal of a professional, resilient and competent workforce, the Welsh government should undertake the following actions:

- Work with the housing sector to undertake a robust skills audit to establish a baseline for the number of individuals needed within the sector, and the skills that are needed now and, in the future, as part of professionalising the sector and meeting demand
- Utilise the findings from the skills audit to develop a housing workforce strategy for Wales that provides career routes, reflects the diversity of Wales, nurtures expertise, increases capacity and develops resilience
- Evaluate whether Wales needs its own conduct and competency framework as part of a workforce strategy
- Identify key pathways into the housing profession and invest in and develop these pathways to future proof the workforce.

Conclusion

This housing strategy has outlined the way we can overcome the housing emergency in Wales and meet our overall vision of a Wales where everyone can access a safe, suitable and affordable home. We are clear that this vision needs to be met through the legislating for a right to adequate housing in Wales. It is this right that will make housing a foundation missions for the Welsh government, ensuring that this and future generations can access a safe home, a suitable home and a home they can afford. Now is the time to take bold action to end Wales' housing emergency.





**Chartered
Institute of
Housing**
Cymru

To discuss any matters relating to the work of CIH Cymru and how we can support your organisation please contact:

Matthew Dicks, CIH Cymru national director
matthew.dicks@cih.org
02475 312018

Liza Fleming, CIH Cymru engagement manager
liza.fleming@cih.org
02475 312016

Cerys Clark, CIH Cymru policy and public affairs manager
cerys.clark@cih.org
07939 302 566

