

UK Social Housing and Housing Market in England: A Statistical Review and Trends

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ABSTRACT

Around 80% of the 63 million people in the UK live in urban areas where demand for affordable housing is highest. Supply of new dwellings is a long way short of demand and with an average annual replacement rate of 0.5% more than 80% of the existing residential housing stock will still be in use by 2050. A high proportion of owner-occupiers, a weak private rental sector and lack of sustainable financing models render England's housing market one of the least responsive in the developed world. As an exploratory research the purpose of this paper is to examine the provision of social housing in the United Kingdom with a particular focus on England, and to set out implications for housing associations delivering sustainable community development. The paper is based on an analysis of historical data series (Census data), current macro-economic data and population projections to 2033. The paper identifies a chronic undersupply of affordable housing in England which is likely to be exacerbated by demographic development, changes in household composition and reduced availability of finance to develop new homes. Based on the housing market trends analysed in this paper opportunities are identified for policy makers to remove barriers to the delivery of new affordable homes and for social housing providers to evolve their business models by taking a wider role in sustainable community development.

Key words: Social Housing, Housing Affordability, Housing Supply, England, Housing Finance

1. Introduction

For a UK population of just over 63 million¹ in 2011 the total residential housing stock was 27.6 million², resulting in an average household size of about 2.3. Around 80% of the UK population lives in urban areas³. The largest numbers of UK residents live in England, followed by Scotland, Wales and then Northern Ireland. Population density on average is 2.6 persons per hectare with some significant variation across the UK's constituent countries: density is highest in England (4.1 persons per hectare) and lowest in Scotland (0.7 persons per hectare). The majority of dwellings is owner-occupied (64.9%), with 17.1% rented privately and 17.8% rented from social housing providers. The highest percentage of social housing can be found in Scotland (23.9%), followed by England (17.3%), Northern Ireland (16.5%), and Wales (16.1%).

The UK faces significant issues in relation to an ageing society and an ageing housing stock. The UK population is projected to

continue ageing with the average (median) age rising from 39.7 years in 2010 to 39.9 years in 2020 and 42.2 years by 2035. In spite of increasing the state pension age, the number of people of state pension age is projected to increase by 28 per cent from 12.2 million to 15.6 million by 2035 which will put significant pressures on public budgets. In parallel the existing housing stock is also ageing fast: 87% of the current housing stock has been built before 1990 and almost a quarter of the pre-1990 housing stock is now more than 100 years old⁴. With low annual replacement rates of about 0.5% more than 80% of the current residential dwellings will still be in use by 2050⁵. To address this issue the Labour Government in 2007 set a target of 3 million homes to be built by 2020; however, since the Coalition Government was elected in 2010 policy-making shifted away from house building targets and supply side stimulus, such as the £1bn investment through the National Affordable Housing Programme 2008-2011, to an entirely demand side stimulus. The 'Help to Buy' scheme, introduced in 2013, provides two options – a mortgage guarantee

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Table 1. Population and Dwelling Stock for the UK and its Constituent Countries

| Area | Population (million) | Population density (persons per hectare) | Total dwellings (million) | Average household size | Social housing dwellings (millions) | Social housing as percentage of total dwellings |
|------------------|----------------------|--|---------------------------|------------------------|-------------------------------------|---|
| England | 53.012 | 4.1 | 22.976 | 2.31 | 3.981 | 17.3% |
| Scotland | 5.295 | 0.7 | 2.495 | 2.12 | 0.595 | 23.9% |
| Wales | 3.063 | 1.5 | 1.384 | 2.21 | 0.223 | 16.1% |
| Northern Ireland | 1.810 | 1.3 | 0.759 | 2.38 | 0.125 | 16.5% |
| UK total | 63.182 | 2.6 | 27.614 | 2.28 | 4.924 | 17.8% |

Source: · ONS 2011 Census 2011 Census: Population and household estimates for the United Kingdom

· CLG – Live tables on dwelling stock <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

scheme and an equity loan scheme – to prospective buyers. Whilst this may be welcome news for people aspiring to home ownership questions remain around the sustainability of these government schemes (e.g. putting financial pressure on people that would otherwise not be able to secure a mortgage due to difficulties with loan repayments) and around the lack of supply side support (e.g. significantly reduced funding for the development of new affordable homes). These measures may therefore fuel rather than alleviate the inherited problems such as buyer's affordability, limited financing, rent increase, shortage of new builds and property speculation. Whilst it is important to allow people to make choices for themselves in the market it is equally important to protect and help vulnerable people. It is widely recognised how important housing is for health and wellbeing; thus identifying and understanding individual household's needs and supporting them through tailored housing provision, including care and support, should be an integral consideration for policy makers. Security of tenure and the provision of decent and affordable homes can significantly reduce cost in other public services, such as health care and crime.

As an exploratory research this paper provides not only an overview of social housing provision in the United Kingdom (UK) to seek a better way forward, but also the in-depth analysis of the English housing market. The paper outlines future trends

that will impact on the housing market with a particular emphasis on implications for social housing providers which provide nearly 5 million homes across the UK. The in-depth analysis is focused on England as its housing stock of almost 23 million dwellings accounts for 83.2% of the total residential housing stock in the UK.

2. Overview of Social Housing Provision in the United Kingdom

Social housing in the UK is low cost housing allocated on the basis of need. Local authorities are obliged to provide housing for those in need; they set out procedures and priorities by which social housing will be allocated with a 'reasonable preference' given to people who are classed as homeless or live in unsanitary, overcrowded housing conditions, or have to move for medical or welfare reasons. Applications for social housing can be made to the local council or to housing associations direct. Most local authorities operate a 'points-based' system to rank applications in a list which is commonly referred to as 'housing waiting list'; however, there is no guarantee to be allocated a property. Some councils operate a choice-based lettings scheme; under this process prospective tenants identify properties that they would be interested in and apply for a tenancy. The council will assess applications against a defined set of criteria and allocate available properties accordingly.

With the exception of Northern Ireland, where it is provided only for rent, in the rest of the United Kingdom social housing includes the provision of rental dwellings, affordable home ownership, as well as shared ownership schemes. Social housing is provided by councils (local authorities) and housing associations which are private non-profit bodies, independent of the state. In addition to providing accommodation at social and affordable rent levels, housing associations develop and manage intermediate housing which is for sale or rent at a cost above affordable rent,

1) ONS 2011 Census (<http://www.ons.gov.uk>)

2) CLG Table 101: Dwelling stock: by tenure, United Kingdom (historical series)

3) The World Bank: World Development Indicators <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

4) Department for Communities and Local Government, ONS (2012). English Housing Survey. Headline Report 2010-11 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6735/2084179.pdf)

5) Institute for Sustainability, Technology Strategy Board (2011). Introduction to the low carbon domestic retrofit guides. Edition 1. September 2011

but still below full market levels. To finance below market rent level developments housing associations increasingly also provide housing for sale or rent at market cost.

The provision of social housing has a long tradition in England⁶⁾, going back to the Middle Ages (religious institutions, charitable bequests) and with a rapid expansion of the sector in the early 19th century to address the challenge of poverty and poor housing during the industrialisation. After World War Two local authorities became the dominant providers of social housing. From the mid-1960s and through the 1970s government support shifted in favour of funding housing associations which lead to a significant increase in the provision of social housing through private companies instead of local councils. Despite this shift housing associations accounted for only 2% of housing in England by 1981; the corresponding figure for local authorities was 27%. However, by the 1980s local authorities had virtually ceased to build new houses and the ‘right to buy’ scheme introduced by the Conservative Government elected in 1979 led to the sale of nearly 1.8 million dwellings. The delivery of new homes was now almost an exclusive domain for housing associations as they were freed financially by excluding their new tenancies from statutory rent protection and allowed to borrow money privately to supplement government grants (Housing Act 1988). These financial freedoms also encouraged the transfer of local authority owned housing stock to housing associations. By 2008 housing associations owned more homes than local authorities and in 2012 housing associations account for 10% of housing in England (almost 58% of all social housing); the corresponding figure for local authorities is 7% (just over 42% of all social housing)⁷⁾.

The financing of new social housing development is increasingly dependent on private funding. After the Housing Act 1988, the proportion of the cost of new homes met by capital grant was scaled back by the Government, so borrowing became the primary source of funding for investment. The new Affordable Homes Programme for England⁸⁾, introduced by the Coalition Government in 2011, reduced the public contribution to about 14% of development costs by allowing rents to rise up to 80% of market levels. More than half of the development cost is financed

through borrowing against future rent income and about a third is provided by housing associations’ own finance and reserves. With a gross book value of social housing assets of 118 billion GBP⁹⁾ (195 billion USD) in 2012/13 housing associations supported 73 billion GBP (120 billion USD) of private borrowing (Q3 2012/13). Supplementing more traditional bank lending, which is secured against assets (but reaching upper limits of gearing covenants), housing associations have also issued 4 billion GBP (6.6 billion USD) in bonds, both through own name issues and through The Housing Finance Corporation (THFC) as national aggregator. These figures illustrate the ability of housing associations to raise private funds substantially exceeding their level of state support: under the Affordable Homes Programme 2011-15, the National Housing Federation as the trade body for housing associations in England estimates that housing associations’ funding contributions to new social housing development will exceed Government’s by a ratio of 6:1.

3. The English Housing Market

The English housing market is one of the least responsive housing markets in the developed world. Forecasts estimate that 240,000 new households will be forming every year; however, supply of new dwellings is a long way short of that demand: Since 2007 annual completions have dropped by 37% to just 109,000 new dwellings added to the stock in 2011. And these low build-out rates cannot solely be explained by the most recent economic recession: Since the 1950s, the private sector has built an average of 138,000 new homes each year which is still just about half as

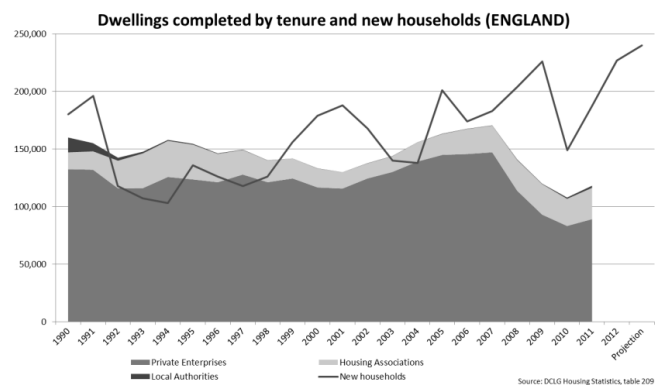


Fig. 1. Dwellings Completed in England, 1990–2011
Source: Schmickler(2013), Housing Market Trends

6) See John Bryant/David Orr: Housing associations and the state. National Housing Federation, April 2012.

7) CLG Table 104 Dwelling stock: by tenure, England (historical series)

8) Responsibility for housing policies in the UK is devolved to the constituent countries; therefore different housing policies and programmes may be in place in England, Scotland, Northern Ireland and Wales.

9) Homes and Communities Agency: 2012 Global Accounts of Housing Providers

Table 2. Housing Affordability in England, 2011

| Region | Average house price in USD ¹⁾ | Average earnings in USD ²⁾ | Ratio | Income in USD needed for 75% mortgage ³⁾ |
|--------------------------|--|---------------------------------------|-------|---|
| North East | 225,296 | 31,534 | 7.1 | 49,431 |
| North West | 255,330 | 32,048 | 8.0 | 54,714 |
| Yorkshire and the Humber | 256,133 | 32,117 | 8.0 | 54,885 |
| East Midlands | 265,524 | 33,034 | 8.0 | 56,897 |
| West Midlands | 283,188 | 32,487 | 8.7 | 60,683 |
| East of England | 383,457 | 36,320 | 10.6 | 82,169 |
| London | 694,986 | 49,415 | 15.6 | 148,926 |
| South East | 461,900 | 38,147 | 12.1 | 98,978 |
| South West | 369,218 | 32,134 | 11.5 | 79,118 |
| ENGLAND | 390,077 | 35,205 | 11.1 | 83,587 |

Source: 1) Land Registry data (2011)
 2) Annual Survey of Hours and Earnings (ASHE) (2011) (affordability based on home address)
 3) Based on a 75% mortgage at 3.5 times annual earnings

many homes as will be needed to keep up with projected household growth.

Consequently median house prices are rising fast and have already recovered to and in most areas exceeded their pre-recession levels, although with some significant regional variation (see Table 2). The overheated housing market, fuelled by unresponsive demand and lack of sustainable finance, leads to excessively high affordability ratios. Even in the lower priced Northern English regions, median house prices significantly exceed the average income to mortgage ratio of about 3 to 3.5.

An underdeveloped private rental sector adds pressure to the already unsustainable housing market with rent levels for 1-bedroom flats in some London areas exceeding 50% of median earnings, and in Inner London even up to 80% of median earnings (see Fig. 2). However, the rental sector is stronger in urban areas and in areas where housing associations have significant stock.

Social consequences of expensive housing in England are impacting on housing conditions and the wider standard of living for an increasing proportion of the population:

- 1 in 5 households in the UK cannot meet their own housing costs and need support from the state.
- There are over 5 million claiming housing benefit. 1 million of these families are in work, a figure that has increased from 14 % in 2010 to nearly 20% of the total.
- There are over 1.8 million households on the register for social housing.
- More than 650,000 households live in overcrowded conditions (nearly 1 in 10 in London).
- Over 50,000 households are in temporary accommodation.
- Over 50,000 households have been accepted as homeless and in priority need.

This situation will be further exacerbated through demographic change with an additional 4.5 million households expected to be forming in England by 2030¹⁰⁾; a 20 per cent increase on 2011 levels. Higher growth levels are forecasted in London and the South East with the highest relative increase on 2011 levels to occur in the East of England (Essex, Suffolk and Norfolk). The main driver of household growth is population growth, accounting

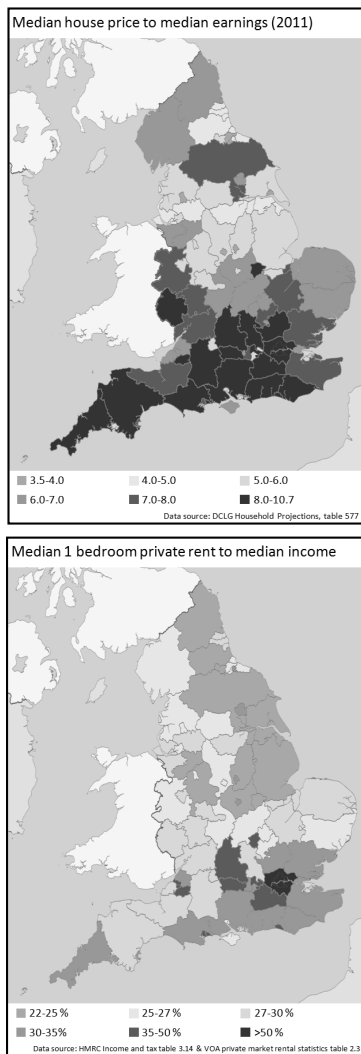


Fig. 2. Affordability of Housing in England, 2011
 Source: Schmickler(2013), Housing Market Trends

10) Department for Communities and Local Government (DCLG). Household Projections, 2008 to 2033, England and DCLG Housing Statistics, table 406 and ONS Population Projections Unit, 2012

for nearly three-quarters of the increase in households between 2008 and 2033. A particular strong increase is projected in one person households with 159,000 new one person households expected to be established per year (two-thirds of the total increase in households; 55% increase on current levels).

By 2033, this will lead to almost every fifth household being a one person household. These households are likely to be concentrated in urban areas and some remoter rural and coastal areas; this could be seen as a reflection of a professional working class living in cities with high employment rates (singles and pied-à-terre commuters) and an ageing society in rural areas (the likelihood of forming a single-person household increases with age again). A more moderate increase is forecasted for couple households but lone parent households are set to increase by almost 1 million between 2008 and 2033. For the housing market this it potentially the most important change driver in relation to household composition as it will impose very specific requirements to the provision of suitable accommodation, including the temporary living of a child in the household if parenting is shared between divorced or separated couples.

A second strong trend in the future demographic development in England is an ageing society: By 2030 one in six people in England will be aged 70 or over; on a 2010 baseline this age group is expected to grow by 55% (more than 3.3 million people). Looking at projected regional age profiles London is expected to have the lowest percentage of people aged 70 and over (9% of total) by 2030 with the South West forecasted to have the highest (20%). For people aged 25 to 49 – representing high economic activity rates – London leads the rest of the country with 40% of its total population in this age bracket. Urban areas and centres of employment have generally speaking a younger population with more rural and coastal areas, in particular the South West but also parts of the South East, having the highest percentage of elderly people (see Fig. 3). However, it is noticeable that areas closer to London will face a much higher proportional increase of elderly people which will impact on existing communities and their provision of suitable housing. The fastest ageing local authority area is Milton Keynes, where the population over the age of 70 will more than double by 2030.

For the English housing market this may indicate an increasing number of people in retirement as well as reaching retirement age living in the South East and South West region; in both these regions another 24% of the total projected population in 2030 are in the age bracket 50-69 where the likelihood of early retirement or part-time working is increasing. Not only will this have an

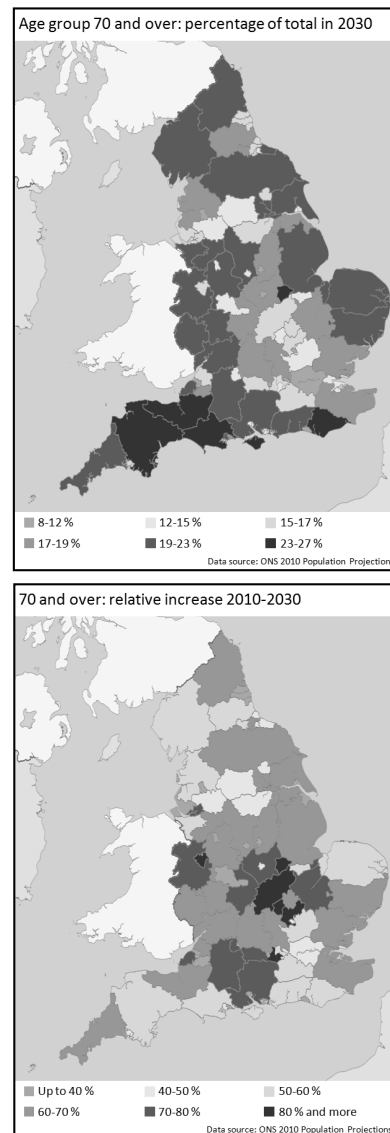


Fig. 3. Demographic Changes in England by 2030
Source: Schmicler(2013), Housing Market Trends

impact on economic activity rates in the local market but also possibly prevent younger people moving into the area in pursuit of employment opportunities, unless mobility in the housing market is increased, for example through equity release schemes for owner-occupied properties.

London and the South East of England feature very high business start-up rates, significantly higher economic productivity and low unemployment in comparison to other English regions. Due to these buoyant economic opportunities gross disposable household income is well above the national average, in Inner London even exceeding the national average by a factor 1.5 (see Fig. 4).

These economic conditions make London and the South East

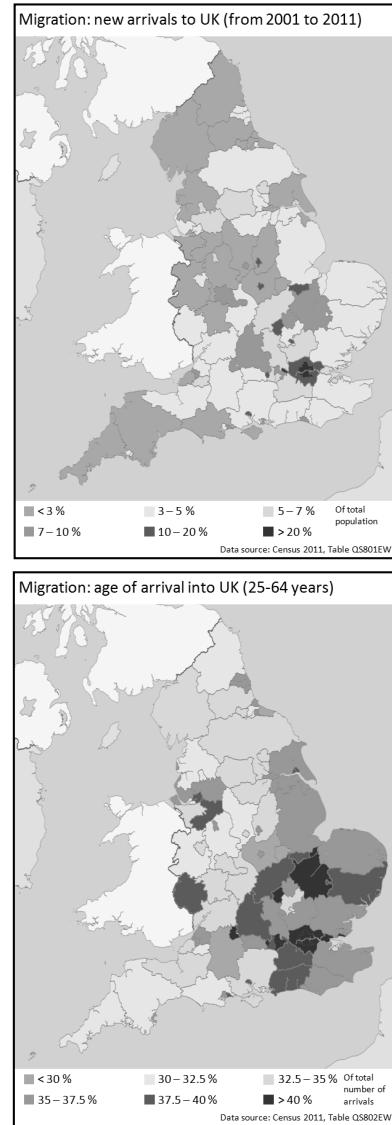
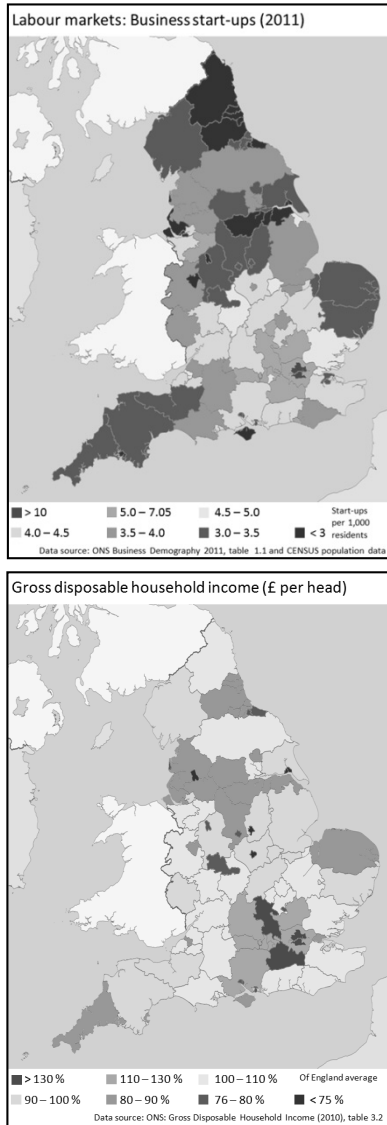


Fig. 4. Business Start-ups (2011) and Gross Disposable Household Income (2010)
 Source: Schmickler(2013), Housing Market Trends

Fig. 5. In-Migration: New Arrivals to UK (2001–2011) and Age Profile (2011)
 Source: Schmickler(2013), Housing Market Trends

very attractive not only for in-country migration but also for in-migration from abroad. Between 2001 and 2011 London attracted almost 1.5 million new arrivals with a very high percentage in the economically very active age group between 22-64 years (see Fig. 5). The status of London as a world city is evidenced by the over 42% of its total population being non-UK born.

With the further increased dominance of London and the South East for growth and job creation (London generated 50% of the country’s GDP growth in the decade leading up to the economic crisis and continues to grow more quickly than the rest of the nation) the housing market in this area is under significant pressure with much more subdued housing markets in the Midlands and North of England. Responding to increasing demand for affordable

housing in these areas of high economic activity will become an ever more important challenge. The significant growth in high value economic activity is coupled with an equally strong growth in personalised services in or near city/office locations (e.g. cleaning, security, maintenance, hairdressing, gardening, dog-walking etc.) which imposes the challenge to accommodate people in low income jobs close to (and ideally within) high value areas.

Due to these economic and demographic changes demand for affordable housing is much polarised across England: economic opportunities attract significant numbers of people into urban centres, in particular London and its hinterland, leading to high pressures on existing and undersupplied housing markets. Equally, old industrialised parts of the country and those undergoing signifi-

cant economic restructuring (Merseyside, Tyne & Wear, West Midlands, Kingston-upon Hull, Portsmouth) have also significant demand for affordable accommodation. This observation is borne out by the current distribution of housing benefit recipients which are to be found in higher proportion in urban areas and those with underlying structural weaknesses in their economies.

4. Implications for Social Housing Providers

The implications for social housing providers are that demand is highest where it is either most expensive to develop (e.g. London and areas of high economic activity) and/or when it is most expensive to develop (e.g. during economic boom times) or where existing stock is in need of substantive refurbishment (e.g. old industrialised areas). These challenges are faced at a time when reduced government support, both for tenants (welfare reform)¹¹⁾ and for providers (Affordable Homes Programme) pushes housing associations into seeking alternative sources of finance. In particular non-bank finance is becoming even more important and products which require a lower asset securitisation. A marked shift towards mixed income portfolios, which includes new products (e.g. full market rent, intermediate housing, assisted living, market sale) and diversified investment strategies (e.g. overseas property bonds), to generate income, poses a regulatory challenge as the social housing element of the business should be protected from losses which may occur in the profit-making business activities ('yes to benefits of re-investing but no to risk sharing').

The diversification in the financing of social housing, and in particular the marked shift towards private sources of funding, lead to increased pressures on housing associations as their traditional, grant-based business model is changing rapidly. Whilst

private sector development slows during economic slumps, housing associations have historically kept development going, most recently evidenced through the economic recession which the UK entered into in 2008: private sector completions dropped by 21% year on year between 2008 and 2010 whereas completions by housing associations continued to grow by 17% between 2008 and 2009, and 9% between 2009 and 2010.¹²⁾ This pattern was enabled through counter-cyclical investment by housing associations, utilising government grants, low-cost finance and cheaper building costs during economic downturns. However, due to the increasing dependency on private borrowing (lack of government grant) and market property sales (additional income to finance development), housing associations are less able to continue with this counter-cyclical investment model and are hence forced into building most during housing booms, when costs are highest.

Another negative side effect of the most recent financial crisis is that many homeowners were pushed into negative equity; this means property-based retirement plans are broke and need urgent replacement. Equity release schemes ('reverse mortgages') might be a useful product to provide much needed access to property in areas of high economic activity (London and the South East) whilst enabling homeowners to downsize/relocate without losing value and indeed opening up opportunities for accelerated wealth transfer to the younger generation.

The historically low build out rates are likely to remain low as it makes little economic sense to meet demand in an overpriced property market. Government support for prospective home-buyers are likely to lead to a further deterioration of that situation: the Help-to-Buy scheme is wholly focused on a demand-side stimulus thus leading to even higher house prices and more competition for fewer properties coming onto the market.

In terms of housing supply a significant shift is forecasted in the household composition as well as the demography of occupants which leads to new requirements, e.g. increasing demand for one-person households and lone parent households as well as an adaptation of existing and provision of new homes to suit the needs of an ageing population.

Finally, housing associations might seek out opportunities to support self-build, possibly in the context of shared ownership, or new production of housing at scale, e.g. through prefabricated housing. However, a major constraint to both these issues is the planning system which is geared towards large developers (planning

11) The Welfare Reform, which is being implemented by the UK Government from April 2013, introduced a system called 'Universal Credit' which brings together a number of government benefits into a single payment and also capped the total amount of benefit an individual can receive. The most significant changes for social housing providers are the integration of the housing benefit payment into Universal Credit (e.g. tenants are now responsible for their rent payment to social landlords) and the introduction of the bedroom tax, a reduction in benefit payment if a tenant is deemed to occupy more rooms than necessary. This is a particular issue for both tenants and social housing providers as smaller properties into which tenants could move to avoid the bedroom tax are not available in sufficient numbers. More information about the implications of the Welfare Reform on social housing can be obtained at <http://www.housing.org.uk/policy/welfare-reform>

12) CLG Table 241 House building: permanent dwellings completed, by tenure historical calendar year series - <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

permissions are a negotiated procedure, however, reform proposals might improve the success rates for non-institutional applications) and reluctant to respond to innovation.

5. Conclusion & Recommendation

This research was conducted to explore the current provision of social housing in the UK and investigate trends of the English housing market in order to seek a way forward and encourage more strategic consideration within the housing sector and amongst policy makers towards delivering more affordable homes and thus a more sustainable future. The findings revealed that demand for affordable housing has been polarised through England as economic opportunities and job creation attract more people into urban areas with a particularly strong pull towards London. Significant changes in the future demography such as an ageing society and increase of one person households will further fuel the already overheated English housing market.

Despite the significance of affordable and decent housing to the national economy, health and wellbeing, the UK housing market suffers from a chronic lack of supply over decades. For many years, England has not built enough homes to keep up with demand. Based on future population projections the country needs at least 240,000 new homes each year – and that is even before the existing backlog is taken into consideration. In 2012, fewer than 112,000 new homes were built – less than half the number needed. This chronic undersupply is likely to worsen due to significant projected population increase and an ageing society. Current policy responses focus on a demand-side stimulus which is not followed by a supply increase (UK most unresponsive housing market in Europe). Drastic reductions in supply-side assistance (e.g. the 2010 Government Spending Review saw capital investment in housing cut by 63% cut in real terms – the biggest single cut to any capital budget across government) necessitated significant increases in housing associations' borrowing levels and risk taking which cannot be sustained long term.

Rebalancing investment towards capital: The recent rise in the housing benefit bill is a result of the recession and higher unemployment. However, the long-term trend appears more structural than cyclical as many more housing benefit claimants are being housed in the more expensive private rented sector. The consequence is that, of every £1 of government expenditure on housing, 95p is spent on housing benefit and only 5p on building new homes.¹³⁾

13) IPPR, Backing 'benefits to bricks': our big cities need deal-wheeling housing powers, May 2013

Without taking a long-term view of how increasing the delivery of new homes that country needs, the UK is in danger of aggravating the housing crisis, increasing the housing benefit bill and ignoring the needs to future generations. Housing has been identified by the European Commission as a persisting structural weakness holding back the UK's economy.¹⁴⁾ The increasing fiscal deficit (3.7% of GDP in 2012), a large goods trade deficit (minus 6.9% of GDP in 2012) as well as high government and household debt levels contribute to the weakening competitive position of the UK. In particular, high household debt levels ("nation of borrowers") impact on consumer spending and put at risk prudent borrowing approaches. With the return to high loan-to-value mortgage schemes, backed by Government guarantees, house prices are pushed up and thus even more people are excluded from the housing market. The dual function of housing in the UK as "home" and "investment" further increases the number of people being excluded from adequate housing which is particularly impacting on younger people¹⁵⁾.

A more sustainable approach to mortgage lending, strengthening of intermediate housing and shared ownership, alongside investment in affordable housing would reduce pressure on the English housing market. With reduced grant levels and the need to increase private financing of affordable new build specialist intermediaries (e.g. The Housing Finance Corporation) play a pivotal role in channelling corporate investment (e.g. pension funds, European Investment Bank) into well designed affordable housing portfolios which deliver not only a return on investment but also create social equity.

Addressing the significant challenge of housing undersupply in the UK is increasingly urgent; to be successful UK government, housing providers, financiers, construction companies and developers, but also individual owners and tenants, need to work together towards sustainable solutions. The regeneration of blight neighbourhoods, the bringing back of empty homes into economic use, the equity release from existing stock (to increase mobility and transaction numbers in the housing market), the unlocking of stalled sites, the delivery of new affordable homes in centres of high demand and new approaches to construction (e.g. off-site manufacturing) all have a contribution to make in delivering a sustainable future for the UK's housing market. Analysing and

14) Moving Europe beyond the crisis: country-specific recommendations 2013. European Commission COM (2013) 378 final – Brussels, 29th May 2013

15) It is projected that 3.7 million young people will be living with parents by 2050 – see Joseph Rowntree Foundation (2012). Housing options and solutions for young people in 2020

responding to economic realities and demographic changes – as set out in this paper – is important but can only ever be the first step in securing long term opportunities for sustainable communities. Delivering these communities can be enabled by foresighted interventions of housing associations but it will require considered risk taking which inevitably comes with any innovation introduced to the market. The diversification of financing social housing and the increasing number of services, which are being delivered by housing associations at a time when the state retreats from public service provision, provides not only a challenge but also a great opportunity to the social housing sector to embrace and fulfil its role as civic society organisations working with and for their communities. An ongoing dialogues between all relevant stakeholders and sharing of best practice play a critical role in understanding and monitoring the changing requirements to ensure the social housing sector can continue to deliver sustainable and affordable homes. Future research should investigate potential new financing and delivery routes for housing, including modern methods of construction, as well as looking into the refurbishment of existing stock in terms of long term value and sustainability.

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