



# In-depth Briefing

## Updated PPIW report - Future Need and Demand for Housing in Wales

The Public Policy Institute for Wales' (PPIW) recently published 'Future Need and Demand for Housing in Wales'; a Welsh commissioned update on previous estimates of need and demand for housing in Wales. The previous report on housing need – 'Housing Need and Demand in Wales 2006 to 2026' was published in 2010.

PPIW published their updated report in September 2015 with estimates for need and demand for market and social housing over the 2011 to 2031 period. The report presents two projections - one based on the Welsh Government's official projections for household formation and the other developed by the report's author (Alan Holmans) – co-author of the 2010 report. It is important to note that 'social market' in this report includes private rental sector housing where a tenant(s) is supported through social funding.

You can read the updated report here: <http://ppiw.org.uk/files/2015/10/Future-Need-and-Demand-for-Housing-in-Wales.pdf>

### The Principal Projection

The principal projection is based on the Welsh Government's official household formation projections between 2001 and 2011. In this period, household formations were lower than historic trends which has resulted in lower projections throughout the report, on the assumption of a permanent change in household behaviour e.g. younger people living with their parents.

The Principal Projection of Additional Homes Required by period			
	%	2011-2031	Per year
<b>Total New Dwellings Required</b>		<b>174,000</b>	<b>8,700</b>
<b>Market sector</b>	<b>63</b>	<b>109,000</b>	<b>5,500</b>
<b>Social sector</b>	<b>37</b>	<b>65,000</b>	<b>3,300</b>



## The Alternative Projection

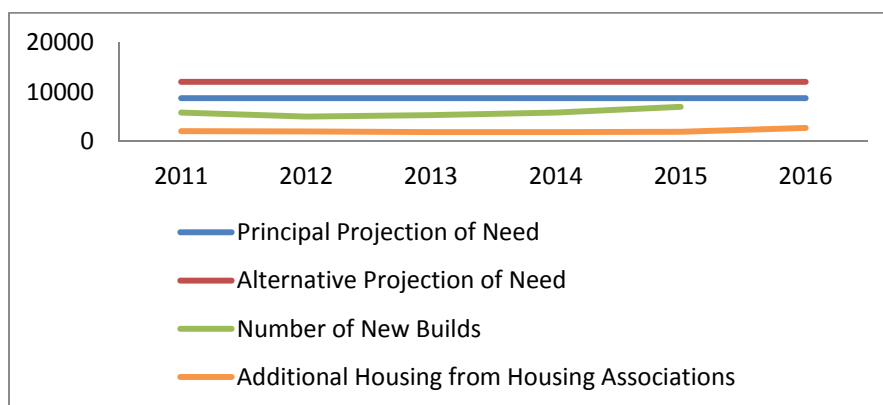
In light of the household formation trends projected to be lower than historic trends, the alternative projection assumes that there will be a return to trend following the easing of pressures such as economic and housing market pressures, therefore providing a higher projection.

The Alternative Projection of Additional Homes Required by period			
	%	2011-2031	Per year
<b>Total New Dwellings Required</b>		<b>240,000</b>	<b>12,000</b>
<b>Market sector</b>	<b>65</b>	<b>156,000</b>	<b>7,800</b>
<b>Social sector</b>	<b>35</b>	<b>84,000</b>	<b>4,200</b>

## Report Conclusions

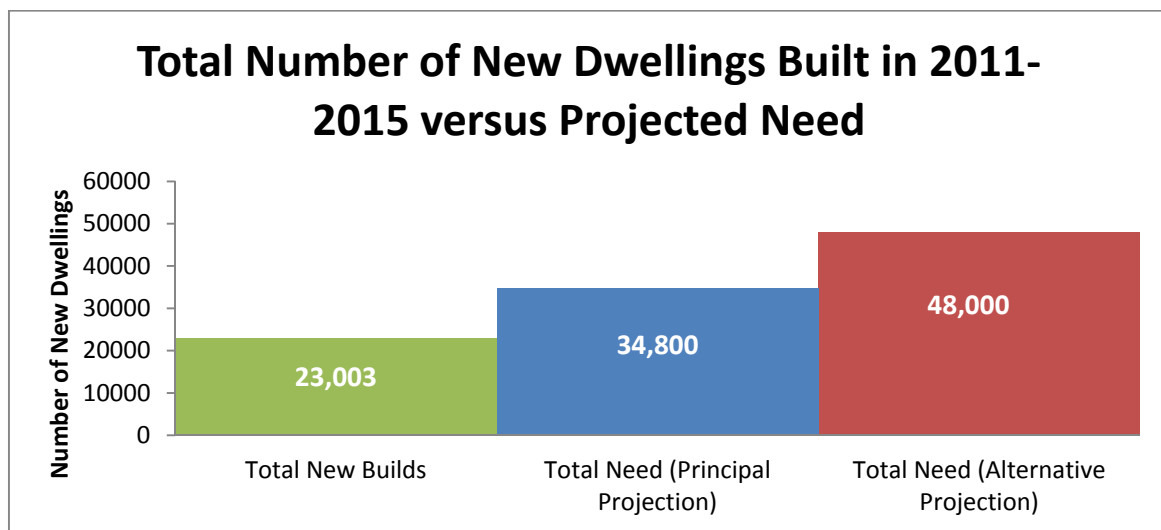
The report concludes that, based on official projections, Wales requires up to 12,000 new dwellings per year between 2011 and 2031 to avoid households living in unsatisfactory housing. This, the report concludes, would require a significant reversal in house building trends. To achieve the lower target of 8,700 new dwellings per year, house building would have to return to rates not seen since the early 1990s.

Meeting the greater, alternative projection of 12,000 per year would mean a return to house building levels not seen since the 1970s. The report indicates that there has been a growth in the supply of housing in the social sector, though this falls below both estimates of need.





**Figure 1: The graph indicates that, while the number of new all-market dwellings being built and the additional homes being provided by housing associations is increasing, there has been a deficit in the number of new dwellings needed according to both of the report's projections every year since 2011.**



**Figure 2: This graph illustrates the low levels of new all-market dwellings built in comparison to both of the projections of need between 2011 and 2015.**

### Final comments from Community Housing Cymru

Community Housing Cymru welcomes the publication of the report and the recognition that social housing supply is increasing as housing associations commit to build in an increasingly challenging climate. Figures published by the Welsh Economy Research Unit's research, commissioned by Community Housing Cymru, shows that the housing association sector has provided 11,927 additional affordable housing units since the original report in 2010.

However, it is clear from the report that a large proportion of the housing needs of a growing, and ageing, population remain unmet. It is vital that Welsh Government continues to invest in Social Housing Grant and ensure that the availability of land and the planning system create an environment in which enough homes can be provided to tackle the housing crisis and meet the need clearly

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outlined in the PPIW's report.

Community Housing Cymru will continue to campaign for an increase in the supply of affordable housing across Wales to meet the need identified in this report. As part of the Homes for Wales election campaign, we will be calling on politicians to end the housing crisis and build a stronger Wales. In the build up to the National Assembly for Wales Elections in 2016, we will be calling on all parties, if elected, to produce an ambitious plan to end the housing crisis in their Programme for Government.

**Community Housing Cymru**  
**October 2015**

Members of the Community Housing Cymru Group:  
Aelodau Grŵp Cartrefi Cymunedol Cymru:

