Cartrefi Cymunedol Cymru | Community Housing Cymru

Resource: How are social homes allocated in Wales?

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Purpose

This document aims to provide an evidence-based resource on the allocation of social homes in Wales for housing organisations to support their own communications. The following information outlines the current legislative framework, eligibility criteria, and availability of housing stock.

Summary

Social housing in Wales is allocated based on housing need. The law requires priority to be given to people experiencing the greatest housing need, such as those who are homeless, living in overcrowded or unsuitable accommodation, or with serious medical or welfare needs.

Strict legal rules govern eligibility. Most people subject to immigration control, including those with No Recourse to Public Funds (NRPF), are not eligible for social housing. Refugees and some other groups with protected immigration status qualify, but must apply through the same legal allocation framework as everyone else.

The vast majority of social housing tenants in Wales are UK nationals. Census evidence shows that out of the 491,570 total residents living in social housing in Wales:

- **94.2%** (463,185 people) are UK-born
- **5.8%** (28,385 people) are non-UK-born

Refugees do not receive preferential access to social housing. They account for a small proportion of new social housing lettings and must meet the same legal allocation criteria as other eligible applicants.

Local connection can influence priority. All Welsh local authorities use local connection in some form, either through their allocation policy or Local Lettings Policies, while still complying with statutory duties to prioritise those in greatest need.

Homelessness duties and social housing allocations are separate legal frameworks. The rules governing homelessness assistance differ from those governing access to long-term social housing and should not be conflated.

Management transfers are an essential safety tool within the management of social housing stock. They allow housing providers to protect existing tenants in extreme situations without affecting the overall availability of social housing stock across Wales.

The biggest challenge facing the system is a shortage of homes, not the allocation rules. Around 94,000 households are waiting for social housing in Wales, while only around 7.5% of the existing stock becomes available each year.

Increasing the supply of affordable homes is the long-term solution. Wales currently has around 244,000 social homes, but evidence suggests that 7,800–9,300 additional homes are needed each year to meet demand. While delivery is at its highest sustained level in almost two decades, increasing supply remains essential to reducing waiting times.

Who is eligible to apply for social housing?

Someone who lives in the UK, is a British citizen and has not recently spent time living in other countries will almost certainly be eligible for social housing. Two main groups of people may not be eligible. These are:

- people who may have rights to live here but have spent time living somewhere else and aren't considered to be 'habitually resident'
- people who are not British citizens and/or don't have full rights to live here because of their immigration status.

If someone is subject to immigration control, they are not eligible for social housing in Wales, unless they:

- have unconditional or settled status (e.g. EEA nationals with 'settled status' under the EU Settlement Scheme).
- are a refugee. A refugee in the UK is an individual who has been officially granted protection and leave to remain after fleeing their home country due to a well-founded fear of persecution. Those awaiting a decision on their status from the Home Office are not eligible.
- have humanitarian protection
- are being displaced by specific, recent international crises or special schemes, e.g. such as for those from Hong Kong or Ukraine

- have been granted specific leave to remain or discretionary leave, and they do not have a no recourse to public funds (NRPF) condition on their visa

Someone is not eligible for social housing if their immigration status means they have NRPF. This condition is placed on temporary visas and limits a person's ability to access benefits and other types of financial support. If someone is undocumented, they will be affected by NRPF by default. NRPF affects many migrants in the UK, as well as asylum seekers.

How does someone apply for social housing?

- In the first instance, a person would need to contact their local authority (LA) or housing association (HA).
- Most LAs provide an online portal to apply for social housing (e.g. Cardiff Council's portal, Monmouthshire Homesearch).
- The applicant will need to give as much information as possible about their housing needs, family size, and circumstances.
- Supporting documents such as ID, proof of address, and medical letters (if applicable), will be required to verify information.
- Once implemented, the Homelessness and Social Housing Allocation (Wales) Act will require all local authorities to operate a common housing register (CHR). Social housing will only be allocated to people who are on the CHR. This is a joint waiting list for housing provided by the LA and any partner housing associations (HAs). 19/22 of the local authorities in Wales already operate a CHR.

What does the legislation say about the allocation of social housing?

Housing Act 1996

Social housing allocation in Wales is governed primarily by Part 6 of the Housing Act 1996.

- Every LA must have an allocation policy setting out how social housing is allocated. They must ensure that reasonable preference is given to:
    - People who are homeless or owed a homelessness duty
    - People in insanitary or overcrowded housing
    - People who need to move for medical or welfare reasons

    - People who need to move to a particular area, where failure to do so would cause particular hardship

- They are also able to provide additional preference to subsections of groups listed above - for example, for veterans or people fleeing domestic abuse.
- They are further allowed to set out factors taken into account when determining priority, including:
    - Finances of a household
    - Behaviour of a household (E.g. ASB or a criminal conviction).
    - Local connection
- They are also able to set out how certain types of homes will be let to certain types of people, even where those people do not have reasonable preference - these are commonly referred to as Local Lettings Policies (see below).
- The LA must have regard to statutory guidance issued by Welsh Ministers under section 169, both when formulating the allocation scheme and when making decisions on individual housing applications. This guidance is known as the 'Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness' ('the code' for short).
- The LA will have regard to the guidance contained in Part 1 of the Code, as well as any subsequent amendments or statutory guidance.
- The LA must allow its partner HAs to comment on this allocation scheme.
- Section 170 requires HAs to cooperate at the request of the LA, 'to such an extent as is reasonable', in offering an allocation to people with priority under the LA's scheme.
- In practice, most HAs have agreements with LAs to accept nominations of applicants for vacant properties.

Housing (Wales) Act 2014: Local connection

Section 81(2) of the Act defines someone as having a local connection with the area of a local housing authority in Wales or England if the person has a connection with it because:

- the person is, or in the past was, normally resident there, and that residence is or was of the person's own choice,
- the person is employed there,
- of family associations, or
- of special circumstances.

The code of guidance for local authorities states that there is no set period that an applicant has to live in an area to be regarded as having a local connection. LAs need to consider all the circumstances and decide whether the applicant is clearly settled, and if not, whether they have a clear connection elsewhere.

Local connection examples: Applicant residency requirements under different allocation policies

SARTH policy

This allocation policy has been adopted by the major social landlords operating in the counties of Conwy, Denbighshire and Flintshire.

A local connection is created when the applicant or a household member has been resident in the LA area for either:

- the previous 12 months or
- 3 out of the previous 5 years.

Cardiff Council

General residency period of 2 years.

Ceredigion

A person who has resided within the County of Ceredigion or some specific border wards adjoining major towns for 5 years at the date of application to the register.

Local lettings policies: Local connection requirements

Some areas or properties may be subject to a local lettings policy (LLP), which is a subset of rules that an LA and HA use to determine who receives priority for certain homes. It is part of the overall social housing allocation scheme and is often used to promote sustainable communities. For example:

- Prioritising people who already live nearby (local connection)
- Supporting families, older people, or Welsh-speaking communities
- Particular categories of people prioritised for e.g. bungalows, ground floor flats etc

The Welsh Code of Guidance confirms that LLPs provide a statutory mechanism for prioritising certain applicants, including those with a local connection, provided that overall the LA can demonstrate compliance with reasonable preference requirements. LLPs, therefore, cannot lawfully override the core allocation scheme or displace applicants in statutory housing need categories (outlined above). For example, in areas of high demand where an LA cannot discharge statutory duties and has a local letting policy, the needs of people to whom a duty is owed take priority over local lettings policies.

Local connection in Welsh LLPs can therefore influence priority, but cannot lawfully outweigh statutory reasonable preferences. It may affect which properties someone is considered for, or how quickly they're housed, but it should not push them so far down that their priority becomes meaningless.

There is variation in allocation schemes across Wales. Many LAs use a banding system to prioritise applicants, although there is no standard approach and systems vary.

Examples of LLPs with different local connection requirements

- Vale of Glamorgan rural lettings policies
- Carmarthenshire LLP Criteria for Letting
- Monmouthshire rural lettings

Changes to local connection due to the Homelessness and Social Housing Allocation (Wales) Act 2026

The Act, once implemented, does not change the local connection rules for social housing allocations. However, it introduces a new requirement for a local connection to Wales in relation to homelessness referrals. As a result, a Welsh local housing authority generally cannot refer an applicant elsewhere (or avoid the main homelessness duty on local connection grounds) unless it is satisfied that the applicant has no local connection with any local housing authority in Wales, subject to specified exceptions.

Local connection for asylum seekers and refugees in Wales: Distinction between homelessness and social housing allocations

The concept of local connection operates differently in the context of homelessness duties and social housing allocations in Wales. These two legal frameworks mustn't be conflated.

Homelessness

For homelessness applications, local connection is governed by sections 80 and 81 of the Housing (Wales) Act 2014. Local connection is relevant only where a local authority is considering whether an applicant's case can be referred to another local housing authority.

A specific exception exists for asylum seekers. Section 81(5) states:

> "A person has a local connection with the area of a local housing authority in Wales or England if the person was (at any time) provided with accommodation in that area under section 95 of the Immigration and Asylum Act 1999 (support for asylum seekers)."

This is a significant departure from the usual rule that residence must be of the person's own choice. It recognises that asylum seekers are dispersed by the Home Office rather than choosing where they live.

Section 81(6) further provides that where an individual is subsequently dispersed to another area under section 95 support, the local connection attaches to the most recent dispersal area rather than every previous area.

Accordingly, when a person is granted refugee status and later applies as homeless, their previous Home Office asylum accommodation can establish a statutory local connection for homelessness referrals.

Social housing allocations

The position is different for applications to join a social housing waiting list. Unlike Part 2 of the Housing (Wales) Act 2014, there is no equivalent statutory provision requiring local authorities to treat residence in Home Office asylum accommodation as creating a local connection for social housing allocation purposes.

The Welsh Government's Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness makes clear that allocation schemes are a separate legal framework from homelessness duties and that authorities are responsible for setting their own qualification criteria, subject to the Housing Act 1996, the Housing (Wales) Act 2014, equality legislation and the statutory guidance.

Consequently:

- There is no statutory entitlement for a refugee to be treated as having a local connection for social housing allocations simply because they previously occupied Home Office asylum accommodation;
- Whether residence in asylum accommodation is recognised will depend on the wording of the individual authority's allocation scheme and the authority's exercise of discretion;
- Once granted refugee status and eligible for public funds, refugees may establish a local connection under the criteria contained within the relevant allocation policy, for example, through residence, employment, family associations or other qualifying circumstances.

In reality, across the UK, whilst new social housing lettings to refugees have risen from 0.3% in 2013/14 to approximately 2.0% in the 2023/24 period, refugee households continue to account for a small proportion of all new social housing lettings. This data does not support the suggestion that refugees receive preferential access to social housing. The principal pressure on the system remains the limited supply of affordable housing relative to demand.

N.B. The Homelessness and Social Housing Allocation (Wales) Act does not introduce any refugee or asylum seeker-specific changes to local connection. The existing statutory recognition of Home Office asylum support accommodation for homelessness, with a local connection, is preserved, while no equivalent provision is introduced for social housing allocations.

What are management transfers and how do they work in Wales?

A management transfer is an internal operational process used by local authorities and housing associations to relocate an existing social housing tenant to a different property on an urgent basis.

Unlike the general housing register, which manages applications for prospective social housing tenants, a management transfer is designed specifically for households who are already social housing tenants but whose current home is no longer safe or suitable due to immediate, exceptional, or crisis circumstances.

Management transfers are exceptional measures used primarily for emergency or protective reasons. Typical grounds for a management transfer include:

- Immediate safety risk: Urgent relocations required due to severe domestic abuse, severe hate crime, harassment, or credible threats of violence.
- Extreme, sudden medical or welfare needs: Instances where an existing tenant's health or mobility undergoes an emergency change, making their current home unsafe or inaccessible.
- Major property emergencies: Situations where a property becomes uninhabitable (e.g. severe structural damage or fire) and an urgent permanent or temporary rehousing is required.

How management transfers operate within the allocation framework

- Strict eligibility: Management transfers are strictly restricted to existing social housing tenants. Because they apply only to people who already occupy a social tenancy, they do not reduce the overall number of social homes available to the wider public, nor do they bypass statutory eligibility rules.
- Evidence-based assessment: Management transfers are not granted automatically. Social landlords require robust evidence (such as police reports, social services assessments, or emergency medical evaluations) before approving a transfer.
- Managed outside the standard waiting list: To protect vulnerable individuals from immediate harm, management transfers are processed through an urgent operational pathway rather than standard bidding or banding lists. However, social landlords carefully balance these transfers against their broader statutory duty to allocate homes to others in urgent housing need on the main register.
- Direct matching: Tenants approved for a management transfer are typically offered a single direct match to a suitable, safe property - often in a different neighbourhood to mitigate risk rather than choosing from general property listings.

Waiting times for social housing

There isn't a single fixed average waiting time for social housing in Wales. However, there are some key factors influencing this:

- **Priority band/housing need** (Reasonable preference as referenced above, e.g. homelessness, medical needs = faster allocation)
- **Location** (urban areas can face a greater volume of need and this can impact waiting times)
- **Property size/type** (family homes and 1-bed flats are in short supply)
- **Availability of homes** (a major bottleneck across Wales)

On average, sources suggest waits range from a few months to several years.

Recent data shows that approximately 94,000 households are currently on social housing waiting lists across Wales. This equates to roughly 170,000 people, including over 45,000 children.

Why stock availability matters so much

How much social housing is there?

As of March 2025, Wales had approximately 244,000 social housing homes.

- Around 63% are owned by housing associations.
- Around 37% are owned by local authorities.
- Roughly 84% are general needs housing, with most of the remainder being sheltered or supported accommodation.

Allocations depend mostly on:

- Existing homes becoming vacant (someone moving out, passing away, or transferring)
- New homes being built

Existing vacant homes

Welsh Government data shows that 7.5% of social housing stock turns over each year in Wales. This equates to roughly 1 in 13 homes becoming available annually. This is considered low in housing policy terms because:

    - Social tenancies are typically secure and indefinite
    - Tenants often stay for decades

- There's limited movement into private housing because rental costs are significantly higher and less predictable, social housing offers far greater security of tenure, and upfront barriers like security deposits are steep.

New homes

Delivery of social homes is currently at its highest sustained level in nearly two decades. The delivery rate increased significantly toward the end of the last Senedd term as pipeline projects reached completion. Acquisitions played an important role in increasing the number of social homes available by buying existing private properties and bringing voids (empty social homes) back into use via the Transitional Accommodation Capital Programme (TACP).

Audit Wales noted that price inflation hit the programme hard; the average cost to build a social home rose by nearly 80% during this term, meaning the original £1.6 billion budget did not stretch as far as intended.

This Senedd term, the Welsh Government have set an ambitious target to deliver 20,000 new social rented homes in 4 years. The Government will explore interventions to speed up delivery through planning changes and the creation of Unnos, a new social housing enabler.

How much building would actually close the gap?

It is estimated that, on average, between 7,800 and 9,300 additional housing units are estimated to be needed annually over the five year period from July 2025 to June 2030, with a central estimate of 8,700 from newly arising need.

Who lives in social housing?

Evidence from the Census 2021

Social housing plays a vital role in Wales' housing system by providing secure, affordable homes for a diverse range of people whose housing needs cannot be met through the private market. Census evidence shows that in 2021, social housing residents in Wales are more likely than the general population to be:

- **Single parents and single-adult households**

  Social housing in Wales serves a significantly higher proportion of lone-parent families and single adults than any other housing sector. While lone-parent households make up a modest slice of the overall Welsh population, over 40% of all single-parent families in Wales live in social rented homes. Additionally, working-age single adults, particularly single men, and households with dependent children are far more heavily represented in social housing than among owner-occupiers.

- **Disabled and economically vulnerable**

Social housing residents in Wales are noticeably more likely to be permanently sick or disabled, retired, or serving as unpaid carers. Consequently, many tenants are economically inactive, with 60% to 70% of social housing households in Wales reliant on Universal Credit or Housing Benefit to assist with housing costs, reflecting a much higher level of economic vulnerability than the national average.

- **Younger and older adults**

  Age distribution within Welsh social housing skews toward life stages that face the highest housing barriers. Household heads in social housing are more likely to be young adults (ages 16–34) who are priced out of homeownership and private rents, or older adults aged 65 and over. In fact, with over 20% of Welsh social housing dedicated specifically to sheltered or supported accommodation, tenants are considerably more likely than the average resident to be living in age-adapted or specialist housing.

- **Non-religious or older Christian**

  When looking at cultural and religious identity, social housing tenants reflect distinct generational and geographic splits:

  - Secular or non-Religious: Working-age tenants are more likely to identify as having no religion compared to older demographics, aligning with the broader trend in Wales where non-religious identity is the largest single group.

  - Christian: Older residents (65+) in social housing are more likely to identify as Christian than their younger neighbours.

- **Born in the UK and more specifically, in Wales**

  94.2% (463,185) of social housing residents in Wales are UK-born, compared to 5.8% (28,385) who were born outside the UK. Essentially, if you took a random sample of 100 people living in social housing across Wales, 94 would have been born in the UK, and 6 would have been born outside the UK.

  While UK-born residents make up the largest share of overall tenants, looking at the proportion of each population living in social housing shows that Welsh-born residents are the most likely to live in social housing (17.9%), compared to people born in other UK nations (11.1%) or outside the UK (13.7%).

How do reasonable preference requirements align with the Census data?

The high proportion of single-parent families and disabled residents in social housing directly mirrors the reasonable preference requirements in the legislation. However, in 2024, research by Alma Economics for the Welsh Government reveals a critical tension between theoretical priority and practical stock availability. For instance, despite high demand and priority for 1-bedroom

homes by single working-age adults, stock is predominantly 2 and 3-bedroom houses. Similarly, a shortage of larger 3 and 4-bedroom homes causes persistent overcrowding for large families and ethnic minority households, while older adults often under-occupy family-sized homes because they are not prioritised to move unless seeking specialised accommodation. Ultimately, no allocation framework or priority system can resolve these structural bottlenecks without a sustained increase in the overall supply of social housing across Wales.