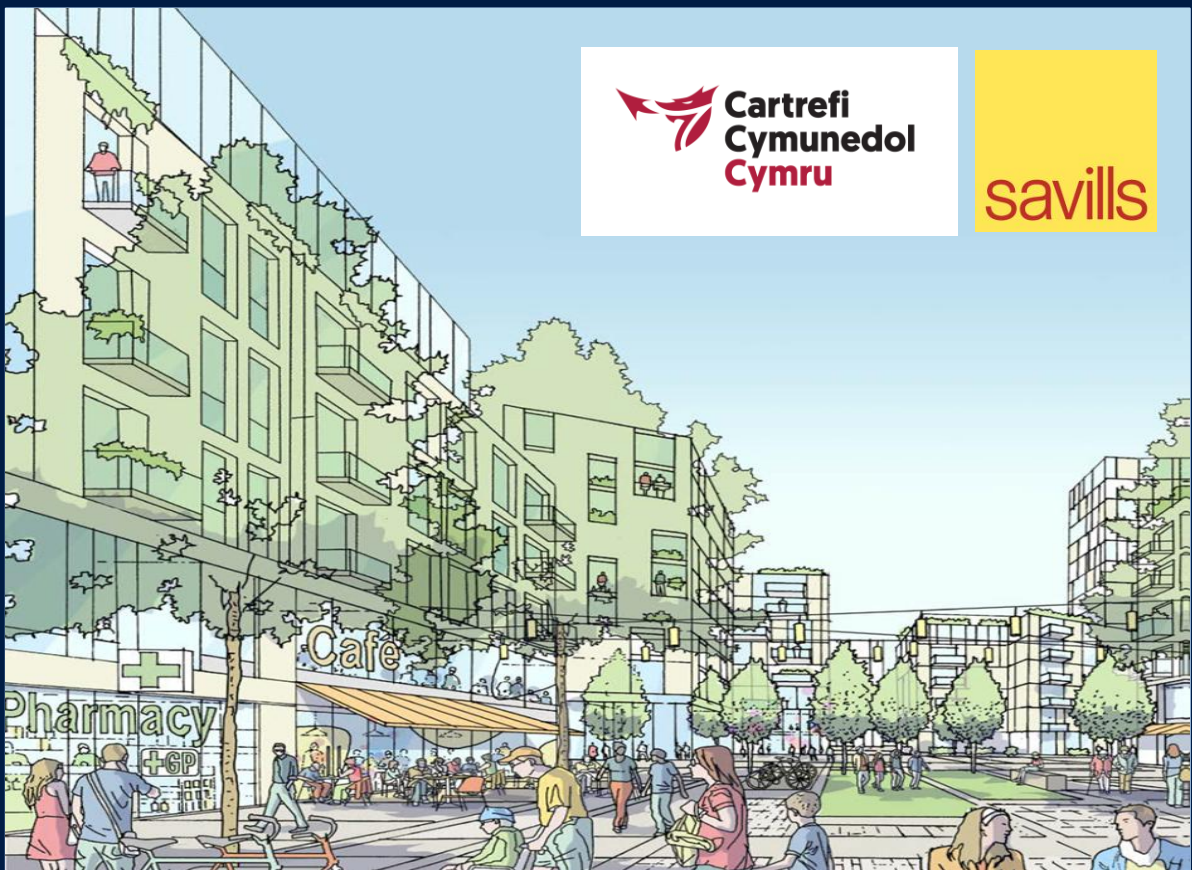


Economic Impact of Welsh Housing Associations

Final Report



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1. Introduction

1.1. Background

- 1.1.1. Savills (UK) Limited ('Savills') has been commissioned by the Community Housing Cymru (CHC) to assess the socio-economic impact of Welsh Housing Associations (HAs).
- 1.1.2. CHC is the voice of housing associations in Wales. They represent 30 not for profit housing associations who provide almost 174,000 homes to 10% of the Welsh population. Their members work throughout Wales, providing homes and services to a wide range of people. As an influential voice, CHC works to secure stable and sufficient funding, alongside a policy framework that supports investment in new and existing homes and support services.

1.2. Purpose

- 1.2.1. This report estimates the economic impact of Welsh Housing Associations in Wales in 2024/2025 and the future economic output of 20,000 new housing association homes. The key areas this report will focus on, include:
 - Direct Economic Benefits from Construction and Operation of housing associations;
 - Indirect (supply chain) and Induced (income) Economic Benefits from Construction and Operation of housing associations; and
 - Future economic impacts associated with delivering a further 20,000 new homes.
- 1.2.2. In practice, **indirect effects** capture the economic activity generated when housing associations purchase goods and services from suppliers, who in turn buy from their own suppliers, creating a chain of spending throughout the economy.
- 1.2.3. **Induced effects** measure the additional impact of wages paid to employees—both in housing associations and across their supply chains—when those workers spend their income on everyday goods and services such as food, housing, transport, and leisure.
- 1.2.4. A survey was issued to housing associations in Wales to better understand their expenditure in the Welsh economy. This provided the information needed to demonstrate the Welsh Input-Output model with their direct, indirect and induced effects.
- 1.2.5. Together, these effects represent the wider ripple impacts of housing associations activity beyond their direct operations, showing how their spending and employment support broader economic growth and jobs throughout Wales.
- 1.2.6. For the purposes of this report, we have modelled the hypothetical impacts of housing associations delivering 20,000 homes over the next four years, representing a construction investment of approximately £4.8 billion in 2025 prices. This would be an ambitious target, but we hope demonstrates the scale of impact that can be achieved by building new social homes.

1.3. Summary

- 1.3.1. This report assesses the economic contribution of Welsh housing associations to the Welsh economy in 2024/25, and then assesses the hypothetical impact of delivering a further 20,000 housing association homes up to 2031. The analysis demonstrates that housing associations, and the delivering of further housing association homes, can have a significant economic impact.

Economic Impact of Housing Associations in 2024-25

- 1.3.2. During 2024-2025 housing associations are estimated to support a total of 37,040 FTE jobs. This is made up of 21,950 jobs and a further 15,090 jobs are supported through the suppliers' wider supply chains and associated income (induced) effects (4,800 jobs throughout the supply chain, and 10,280 jobs as a result of induced income impacts). Similarly, up to £1.4bn of Gross Value Added (GVA) was generated across the Welsh economy, of which around £0.7bn is direct GVA impacts of housing associations.
- 1.3.3. In addition to this, the construction of homes by housing associations generates positive social value by supporting employment and training opportunities in the construction industry.

Barriers to Delivering New Housing

- 1.3.4. Housing associations identified several barriers to housing delivery, including:
- EPC, SAP, and WHQS standards that raise costs and limit resources for new investment.
 - Financial constraints linked to interest cover ratios and borrowing covenants such as EBITDA-MRI.
 - The planning system, with calls for more resourcing, lower upfront costs, and streamlined processes to speed up scheme approvals.
 - Space standards under the Welsh Development Quality Requirements (WDQR).
- 1.3.5. The above represent potential reform opportunities that could help reduce the time and cost of delivering housing association homes.

Funding Profile

- 1.3.6. Additionally, the survey shows that the main source of funding for housing associations is Government Grants (40%), which includes SHG, followed by Borrowing (29%) (which includes a mix of private and public financing) and Other Sources of Funding (which includes housing associations' own cashflow).

Future Economic Impact of Delivering 20,000 new Housing Association Homes

- 1.3.7. Delivering 20,000 housing association homes over the next four years would represent an additional construction investment of approximately £4.8 billion in 2025 prices¹. The construction phase would be expected to create an additional 6,290 direct and 7,900 indirect jobs per year, which equates to 14,200 direct and indirect construction jobs per annum, over the four year construction period.
- 1.3.8. This would generate direct and indirect GVA of £880m per annum which equates to £3.2bn in total (NPV 2025 prices, 4 years, 3.5% discount). This exceeds the estimated SHG grant required to deliver the 20,000 new homes (£3.1bn) by £121m.
- 1.3.9. Once the 20,000 new homes are complete they would continue to generate economic benefits, including:

¹ On top of the necessary spend for the operation and maintenance existing stock of homes.

- A total of 2,690 jobs, made up of 1,420 direct and 1,270 indirect jobs.
- The GVA of the ongoing operations and maintenance (O&M) of 20,000 new housing associations homes is estimated to be £114.4m per annum (2025 prices).

Value for Money of Delivering Additional Housing Association Homes

1.3.10. Delivering additional housing associations homes is expected to generate strong value for money outcomes:

- For every one full-time job within a housing association, approximately 1.6 additional jobs are supported elsewhere in the Welsh economy as a result of their activities and operations.
- For every 10 houses complete, there are 28 direct and indirect construction jobs, and £1.7m GVA (NPV) created in the Welsh economy.
- For every 10 houses complete, there are a total of 1.3 direct and indirect O&M jobs and £0.1m GVA created in the Welsh economy.
- For every £1,000,000 in SHG funding there are a total of 18 direct and indirect construction job, and a single O&M job.
- GVA associated with the construction of 20,000 new homes exceeds estimated SHG grant required to deliver 20,000 new homes by 4%, returning more economic output to the Welsh economy than estimated SHG spent.

2. Methodology and Approach

2.1. Introduction and Summary of Methodology

- 2.1.1. The methodology and approach to estimating the economic impact of housing associations in Wales follows the approach developed by the Welsh Economy Research Unit (WERU) at Cardiff Business School, and later applied by Beaufort Research and Houston Economic Consulting in similar work for CHC in 2015² and 2018³. A further report by Amion Consulting 'Research into the economic impact of the provision of affordable housing in Wales' from 2019⁴ was also reviewed.
- 2.1.2. Spending patterns across different operational areas of housing associations were collected through a survey conducted by CHC and Savills. This survey captured spending data from 20 housing associations, out of a total of 30 (reflecting a 67% response rate).
- 2.1.3. These results were combined with macro-level spend figures published by the CHC Global Accounts 2022⁵. These figures were adjusted to 2025 prices using the Bank of England's Consumer Prices Index (CPI) projections for 2022 and 2025.
- 2.1.4. To estimate jobs and GVA turnover to job ratios and employment costs to GVA ratios are used. These ratios are sourced from the Business Population Estimates 2024, from the Department for Business and Trade⁶, the ONS Business Registry Employment Survey (BRES) 2023, and from the ONS Annual Business Survey 2024.

2.2. The Welsh Input-Output Tables 2019⁷

- 2.2.1. In 2025, the Welsh Government published a new set of Supply and Use Tables (SUTs) and Input-Output Tables (IOTs) for 2019. These tables provide a snapshot of the Welsh economy, detailing the flow of goods and services between industries and sectors. The previous version of these tables was produced in 2007 by the Welsh Economy Research Unit (WERU) at Cardiff University's Business School.
- 2.2.2. The 2019 tables are currently classed as 'official statistics in development', as the underlying methodology may still be refined. Nonetheless, they represent a significantly more realistic and Wales-specific view of the economy than previous Input-Output tables.

² See more: https://chcymru.org.uk/cms-assets/legacy/Final_WERU_Report_2015.pdf?

³ See more: https://chcymru.org.uk/cms-assets/legacy/2018_Economic_Impact_of_Welsh_HA_sector_Report_FINAL.pdf

⁴ See more: <https://chcymru.org.uk/cms-assets/legacy/CHC-Economic-Impact-of-Affordable-Homes-ENG.pdf>

⁵ See more: <https://chcymru.org.uk/cms-assets/documents/Global-Accounts-2022-%E2%80%93-ENG.pdf>

⁶ See more: <https://www.gov.uk/government/statistics/business-population-estimates-2024>

⁷ See more: <https://www.gov.wales/supply-and-use-tables-and-input-output-tables-2019>

- 2.2.3. Savills Economics calculated Type 1 and Type 2 multipliers⁸ from these tables and applied them to housing association expenditure data. Both types of multipliers capture the total 'flow-on' effects of spending throughout the Welsh economy. Type 1 refers to indirect effects (supply chain impacts), while Type 2 includes both indirect and induced effects (spending by employees).
- 2.2.4. Induced effects are based on household income and consumption. Due to the lack of industry-specific saving rates in the IOTs, it is assumed that all income is spent.
- 2.2.5. Previous Socio Economic Impact of the Housing Associations from 2018⁹ and 2015¹⁰, did not show how spending categories were matched to specific industries within the Input-Output framework. In this report, a best-fit matching process has been undertaken to improve accuracy and transparency.

2.3. Gross Spending of Welsh Housing Associations by category 2024/25

- 2.3.1. Spend by category was estimated using a survey developed by CHC and Savills that collated the spending patterns of 20 housing associations. These categories were developed in consultation with CHC and their members, and reflects spend categories that best align with members' accounts. Their responses provided spending shares across different categories that were later used to account for additional effects.

2.4. Main Categories of Housing Associations spend

- 2.4.1. The main spend categories captured by the survey are defined as follows:
- **Construction:** This includes spend on building new homes, regenerating existing housing stock, and developing community infrastructure.
 - **Contractors & Materials:** This includes spending on construction, maintenance, and refurbishment of housing stock. It covers payments to building contractors, suppliers of construction materials, and other related services. These expenditures are essential for developing new homes and maintaining existing ones to meet quality and safety standards.
 - **Labour Costs and Payroll:** This refers to the costs associated with employing staff directly within the housing association. This includes salaries, pensions, training, and other employment-related expenses.
 - **Non-Domestic Labour Organisations:** This includes payments to external organisations providing labour services that are not directly employed by the housing association.
 - **IT spend:** This covers spend in digital infrastructure, software, hardware, cybersecurity, and IT support services. This spend supports operational efficiency, tenant services (e.g., online portals), data management, and compliance with regulatory requirements.
 - **Other:** A broad category that includes miscellaneous expenditures not captured in the above groups. This may involve marketing, governance costs, insurance, utilities, etc.

⁸ Around October 2025, the Welsh Government has derived the effects and multipliers following the classic theory from Miller and Blair (2012): Input-Output Analysis. Resulting multipliers are largely similar to the ones derived by Savills Economics.

⁹ See more: https://chcymru.org.uk/cms-assets/legacy/2018_Economic_Impact_of_Welsh_HA_sector_Report_FINAL.pdf

¹⁰ See more: https://chcymru.org.uk/cms-assets/legacy/Final_WERU_Report_2015.pdf

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2.4.2. **Table 2.1** shows the % spend by category for the sample of housing associations who responded to the survey:

Table 2.1 Spending shares from Housing Associations 2024-2025

Spend Category	Share (%)
Construction	35.4%
Contractors & Materials	20.3%
Non-Domestic Labour Organisations	3.4%
IT spend	1.8%
Other	13.8%
HAs Labour Costs and Payroll	25.3%
Total	100%

Source: Savills & CHC, 2025.

2.4.3. **Table 2.2** below sets out an estimate of how much of housing associations spend was retained in Wales. These figures are further used to estimate impacts along with the Welsh Input-Output Tables.

Table 2.2 Spending shares from Housing Associations retained in Wales 2024-2025¹¹

Item	% of spend retained in Wales
Construction	84.8%
Contractors & Materials	85.0%
Non-Domestic Labour Organisations repair spend	88.6%
IT spend	54.7%
Other	61.8%
HAs Labour Costs and Payroll	100.0%

Source: Savills & CHC, 2025.

2.4.4. The 'Global' spend figure reported in the CHC Global Accounts 2022 includes operational costs, purchase and development of properties, component replacements, and replacement of fixed assets, which totals around £1.5bn in 2022 prices (£1.7bn in 2025 prices). These are detailed in the following **Table 2.3**:

¹¹ Wherever there was a missing answer for the Wales retention, it was approximated by the corresponding sector's retention figure from the Welsh Input-Output Tables.

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Table 2.3 Total Expenditure 2025

Step	Spend
Total Expenditure 2022	£1.5bn
Inflation adjustment	1.14
Total Expenditure 2025 prices	£1.7bn

Source: Savills 2025 & CHC Global Accounts 2022.

2.4.5. **Table 2.4** estimates that around £1.49bn of spend is retained in the Welsh economy, using **Tables 2.1 – 2.3**.

Table 2.4 Summary of Spend Categories.

Item	Total Spend (£m, 2025 prices)	Retained Spend in Wales (%)	Retained Spend in Wales (£m)
Construction	£620.8m	84.8%	£526.7m
Contractors & Materials	£357.3m	85.0%	£303.7m
Non-Domestic Labour Organisations repair spend	£60.2m	88.6%	£53.3m
IT spend	£31.0m	54.7%	£17.0m
Other	£242.5m	61.8%	£149.7m
HAs Labour Costs	£444.5m	100.0%	£444.5m
Total	£1,756.3m	85%	£1,494.9m

2.4.6. The analysis and conclusions presented in this report assume there are no major macro-economic shocks to the UK economy. The potential impact of such external factors means the figures in this report should be kept under review. All figures presented are based on a range of assumptions.

2.4.7. Estimates are subject to some uncertainties. Our assumptions and calculations are based on good practice guidance. We estimate that actual impacts are likely to be within a range of +/-20% of figures given.

3. Direct and Indirect Economic Impacts

3.1. Introduction and Summary

- 3.1.1. This section estimates the operational and construction impacts of housing associations (HAs) in Wales, using data from both survey respondents and the overall figures published in the Global Accounts 2022.
- 3.1.2. During 2024-25 housing associations in Wales generated:
- Output of £2.9bn;
 - Gross Value Added (GVA) of around £1.4 bn;
 - Supports a total of c.37,040 FTE direct and indirect jobs in Wales, made up of 11,420 jobs that are directly employed by housing associations, 10,520 supported by their spend with suppliers, a further 4,800 indirect jobs support throughout its supply chain and 10,280 indirect jobs as a result of induced income impacts.

3.2. Direct Economic Impact

- 3.2.1. Direct economic impacts refer to the immediate spending impacts of housing associations. This includes expenditure on goods and services, where each payment to external companies or providers is treated as 'output' in the Welsh economy.
- 3.2.2. Direct employment impacts include both jobs within housing associations and those supported through their spending on suppliers. We estimate that housing associations employ 11,420 staff and support 10,520 jobs through their spend with suppliers.
- 3.2.3. Gross Value Added (GVA) is estimated from both the internal operations of housing associations and the GVA generated through their supply chain expenditure. GVA serves as a measure of economic value and indicates the housing associations overall contribution to the Welsh economy. We estimate that direct GVA produced by housing associations and their direct spend is £760.4m.

Housing Associations Staff

- 3.2.4. To estimate the staff employed by housing associations, figures from the Global Accounts 2022 were used and adjusted for growth in line with previous reports. In 2015, the Global Accounts recorded 8,800 staff; and in 2018, 9,138 staff; reflecting growth of around 3.8%. Applying this growth rate to the 2022 figure provides an estimate of 11,420 staff in 2025. Details of these steps are described below:

Table 3.1 Steps to Estimate Housing Association Staff

Step	Value
Staff Reported in 2015	8,800
Staff Reported in 2018	9,138
Growth rate (%)	3.8%
Staff Reported in 2022	11,000
Estimated Staff 2025	11,420

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Housing Association Employment from Spend

3.2.5. We estimate that over the 2024 – 2025 period housing associations spent £1.5bn on the following in Wales:

- £526m on construction;
- £444.5m on staff costs;
- £303.7m on contractors and materials; and
- £220.1m across IT, non-domestic labour organisations repairs, and others.

3.2.6. To estimate the jobs created by housing association's spend in Wales we apply turnover-to-jobs (FTE) ratios to the spend figures set out previously in **Table 2.4**, with the exception of housing associations spend on their own labour costs as we have calculated housing association jobs separately. These ratios are based on the Welsh Input-Output Tables (2019), and are calculated by dividing total output in each sector by the corresponding level of employment. Employment figures were sourced from the Business Register and Employment Survey (BRES) for the same year (2019) to ensure consistency.

3.2.7. We have summarised the retained spend in Wales, turnover per jobs and estimated direct jobs in **Table 3.2** below.

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Table 3.2 Direct Spend by Category and Jobs (excluding spending on staff)

Item	Retained Spend in Wales (£m)	£ Turnover per Job (FTE)	Direct Jobs (FTE) (£ Retained Spend / £ Turnover per Job)
Construction	£526.7m	£161,355	3,260
Contractors & Materials	£303.7m	£59,209	5,130
Non-Domestic Labour Organisations repair spend	£53.3m	£59,209	900
IT spend	£17.0m	£32,759	520
Other	£149.7m	£211,478	700
Total	£1bn		10,520

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Direct Gross Value Added (GVA) Impacts

3.2.8. The direct GVA generated by housing association operations and spend is estimated to be £760.4m, as set out in **Table 3.3** below. This is calculated based on their estimated spend in Wales of £1.5bn, and turnover to GVA ratios, sourced from the ONS Annual Business Survey, 2023 for Wales.

Table 3.3 Direct GVA estimates

Item	Spend in Wales (£m)	Turnover to GVA ratios	Gross Value Added (GVA £m)
Construction	£526.7m	0.4	£201.5m
Contractors & Materials	£303.7m	0.6	£184.9m
Non-Domestic Labour Organisations repair spend	£53.3m	0.6	£32.5m
IT spend	£17.0m	0.6	£10.0m
Other	£149.7m	0.6	£93.2m
HA Staff	£444.5m	0.5 ¹²	£238.3m
Total	£1,494.9m		£760.4m

Source: Savills & CHC 2025, ONS Annual Business Survey 2023. Figures may not sum up due to rounding.

¹² For this item, an employment cost to GVA ratio corresponding to the 'L68 Real Estate activities' sector is used.

3.3. Indirect and Induced Economic Impacts

- 3.3.1. In this section, we estimate both indirect (supplier) impacts and induced (income) impacts arising from the activities of housing associations. Both are derived from the direct effects outlined above.
- 3.3.2. Indirect impacts reflect the economic activity generated by housing associations' suppliers through their own spending on Welsh goods and services. Induced impacts capture the wider economic effects of wage expenditure, as employees spend their incomes on goods and services across the Welsh economy.
- 3.3.3. These effects are estimated using the Welsh Input-Output Tables 2019, recently published in March 2025. Savills Economics calculated Type 1 multipliers (indirect effects) and Type 2 multipliers (indirect plus induced effects), which were applied to both employment and GVA in Section 3.2.

Indirect Employment Impacts

- 3.3.4. As shown in **Table 3.4**, direct employment in housing associations is estimated to be 11,420 jobs, with a further 10,520 direct jobs supported by their immediate suppliers, totalling 21,950 jobs. We estimate, by applying Type 1 and Type 2 multipliers, that a further 15,090 jobs are supported through the suppliers' wider supply chains and associated income (induced) effects.
- 3.3.5. This illustrates that for every one full-time job within a housing association, approximately 1.7 additional jobs are supported elsewhere in the Welsh economy as a result of their activities and operations. This creates a total of 37,040 direct and indirect jobs. Details are shown in **Table 3.4** below.

Table 3.4 Indirect Employment Impacts from Housing Associations.

Item	Direct FTE Jobs	A - Indirect (supplier)	B- Induced (income)	Total effects (A+B)	Total
Construction	3,260	1,530	2,570	4,100	7,360
Contractors & Materials	5,130	2,480	5,480	7,960	13,090
Non-Domestic Labour Organisations repair spend	900	440	960	1,400	2,300
IT spend	520	210	830	1,040	1,560
Other	710	160	430	590	1,300
HA Staff	11,420			-	11,420
Total	21,950			15,090	37,040

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Indirect Gross Value Added (GVA) Impacts

- 3.3.6. The direct GVA of £760.4m will generate a further indirect GVA of £689m (including both supply chain and induced effects). This reflects the 'knock-on' effects of housing association economic activity in the Welsh economy. In total, housing associations create an estimated £1.4bn of direct and indirect GVA in the Welsh Economy in 2024-25.

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3.3.7. The Indirect GVA impacts are calculated by applying GVA multipliers to the direct GVA figures set out previously in **Table 3.3** (which excludes GVA impacts associated with housing associations staff). This analysis incorporates turnover-to-GVA ratios from the ONS Annual Business Survey (2023) for Wales, applied to the housing associations' expenditure. To avoid double counting GVA effects within the supply chain, multipliers were applied only to spending categories with the known supplier allocations.

3.3.8. This indicates that for every £1 of GVA generated by housing associations, a further £0.9 of GVA is generated throughout the Welsh economy.

Table 3.5 Indirect GVA Impacts from Housing Associations.

Item	Direct GVA	A - Indirect (supplier)	B- Induced (income)	Total effects (A+B)	Total GVA
Construction	£201.5m	£92.8m	£160.4m	£253.2m	£454.7m
Contractors & Materials	£184.9m	£18.8m	£268.4m	£287.2m	£472.1m
Non-Domestic Labour Organisations repair spend	£32.5m	£3.3m	£47.1m	£50.4m	£82.9m
IT spend	£10.0m	£0.6m	£19.4m	£20.0m	£30.0m
Other	£93.2m	£19.0m	£59.4m	£78.4m	£171.6m
HAs Output	£238.3m				£238.3m
Total	£760.4m			£689.2m	£1,449.6m

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

3.4. Total Direct and Indirect Economic Impacts in the Welsh Economy

3.4.1. Housing associations in Wales supported an estimated £1.4bn GVA, and around 37,040 direct and indirect jobs as summarised in **Table 3.5** below. Every job within a housing association supports almost 1.7 additional jobs elsewhere, highlighting the sector's importance in both economic output and employment generation across Wales.



Table 3.5 Estimated Total Impacts of the Housing Associations in Wales 2024-2025

	Direct Impact	Indirect Impact (supply chain and Induced effect)	Total Impact
GVA (£m)	£760.4m	£689.2m	£1.4bn
Employment FTE	21,960	15,080	37,040

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

4. Community Regeneration, Tenancy Sustainment and Social Value

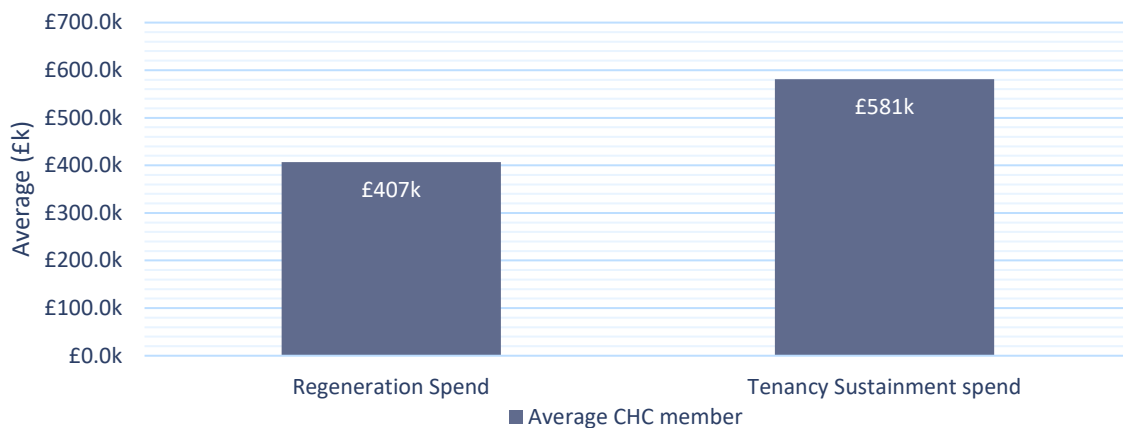
4.1. Introduction and Summary

- 4.1.1. This section sets out the broader benefits housing associations provide to tenants and the community, and the flow of effect on evictions. This relates specifically to Community Regeneration projects and Tenancy Sustainment.

4.2. Community Regeneration and Sustainment

- 4.2.1. Community Regeneration describes activities that positively affect the lives of tenants, their families, and wider communities by building capacity and skills in local areas. Housing associations deliver community regeneration across tenure and have historically used other income streams to help them deliver this work. Community regeneration spend is typically a mix of capital and revenue spend. Examples of activities can include but are not limited to physical regeneration, digital inclusion, employment, education and training support, tenant involvement / scrutiny and wider community benefits (for example through supply chain, voluntary projects etc).
- 4.2.2. **Figure 4.1** estimates total spend on Regeneration and Sustainment spend from the survey respondents. The average spend on Community Regeneration was around £407k per housing association, based on survey responses. If this is applied to each housing association it could provide an estimate of circa £11.6m for the period between 2024-2025.
- 4.2.3. Similarly, Tenancy Sustainment describes any activity that allows tenants to stay in their homes. This is typically revenue spend. This can include but is not limited to energy, money and / or debt advice, wellbeing activities that promote better mental health, safeguarding, hoarding support, and referrals to other services.
- 4.2.4. The average spend by each housing association in Tenancy Sustainment was around £581k. If this average is applied to all housing associations it could yield an estimated spend of £16.5m on Tenancy Sustainment over the 2024-2025 period.

Figure 4.1 Estimated average spend in Regeneration and in Tenancy Sustainment (£) 2024-2025 per Housing Association

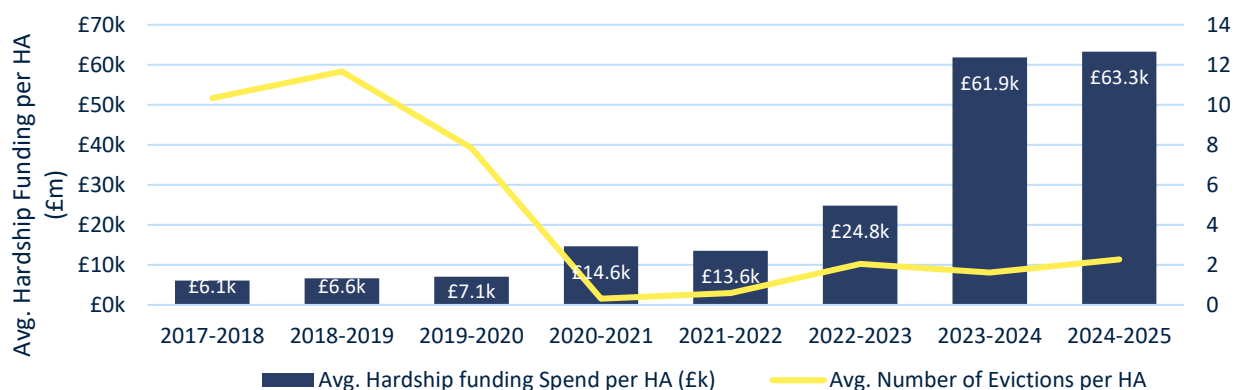


Source: Savills & CHC 2025. Figures may not sum up due to rounding.

4.2.5. Similarly, **Figure 4.2** below presents the estimated average hardship fund spend since 2017–18. Between 2017 and 2025 it is estimated that at least £3.3 million was spent across all housing associations. In the most recent period (2024–2025), an average spend of approximately £63k per member is observed — a peak compared to previous years.

4.2.6. **Figure 4.2** also illustrates the relative stability of tenancies across housing associations in recent years. It shows that the average number of evictions has significantly decreased over the last 3 years; whilst during that time the average hardship funding showed an increasing trend.

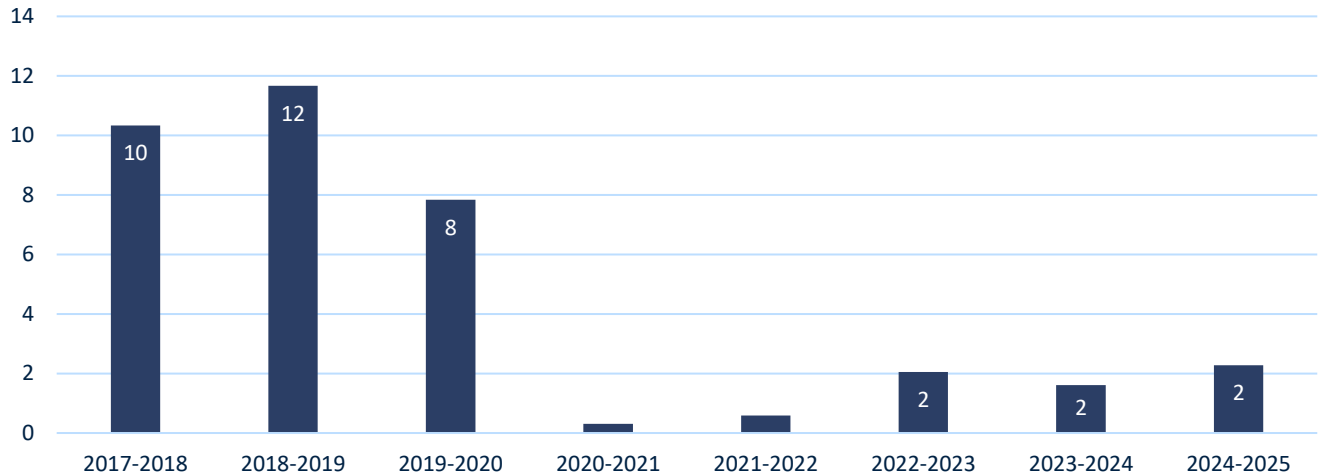
Figure 4.2 Average Hardship Funding Spend (£k) vs Average number of Tenant Evictions 2017-2025



Source: Savills & CHC 2025.

4.2.7. **Figure 4.4** below illustrates a significant decline in the average number of evictions per housing association. During 2024-2025 evictions fell to around 2 evictions per housing association per annum.

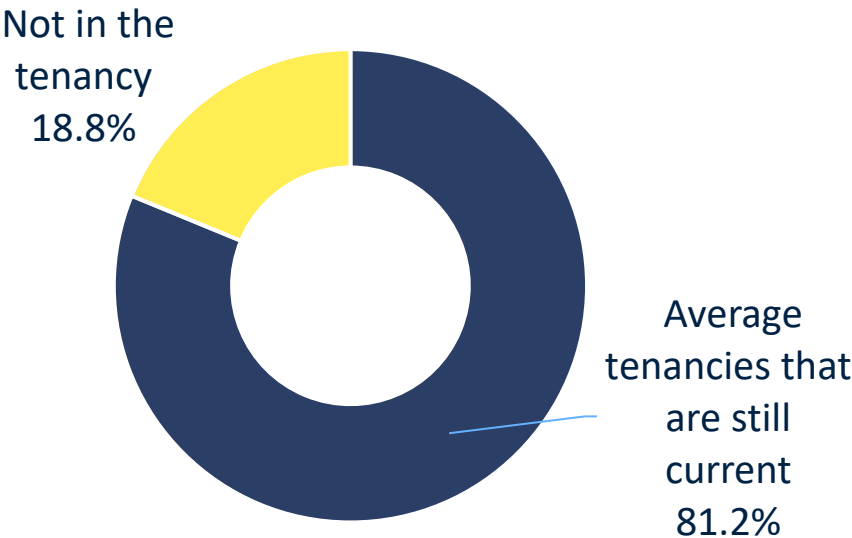
Figure 4.4 Average Tenant Evictions per Housing Association 2017-2025



Source: Savills & CHC 2025.

4.2.8. **Figure 4.5** illustrates that, on average, that around 81% of tenancies in 2023-2024 are still current. The highest level of remaining tenancies observed was 99%, and the lowest was 77%.

Figure 4.5 2023/24 Tenancies that are still current



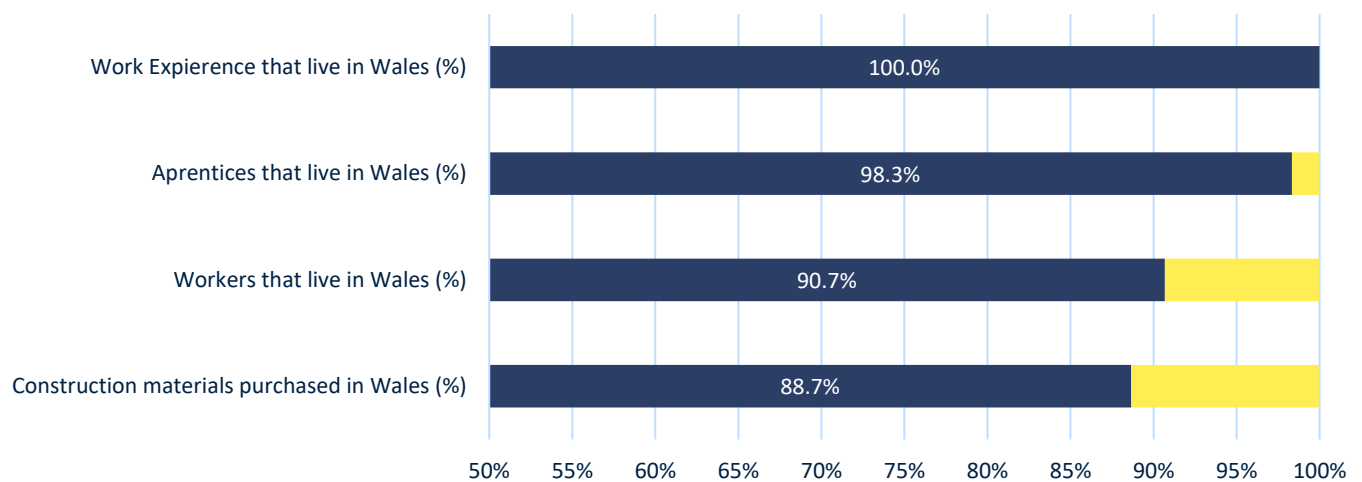
Source: Savills & CHC 2025.



4.3. Social Value During Construction

4.3.1. Figure 4.6 presents housing association survey respondent's social value contributions over the last 5-years.

Figure 4.6 Social value contribution of surveyed housing associations over the last 5 years (%)



Source: Savills & CHC 2025. Figures may not sum up due to rounding.

5. Housing Delivery and Funding

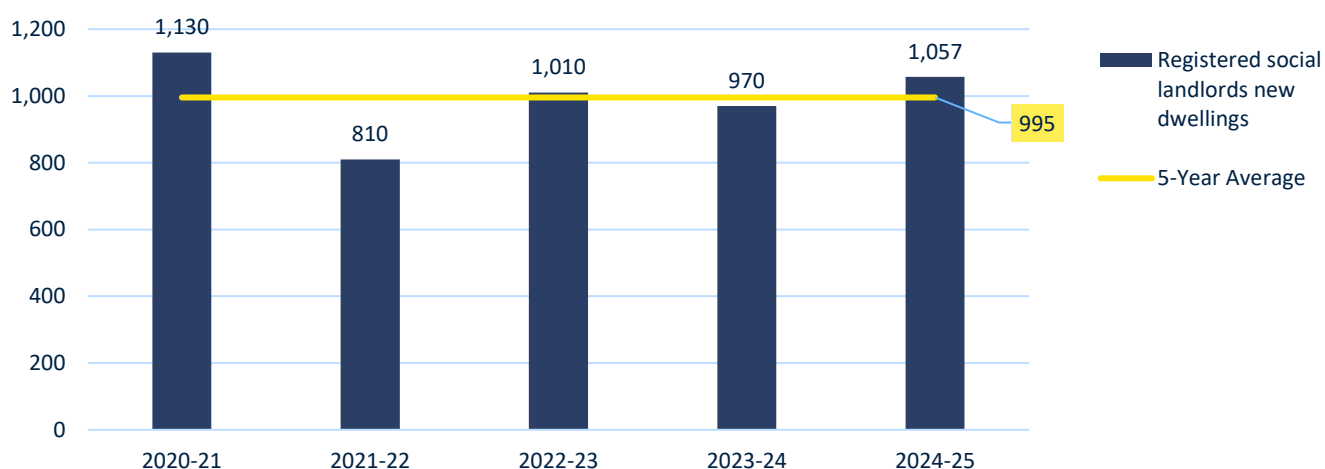
5.1. Introduction and Summary

- 5.1.1. This section sets out the amount of housing delivered by housing associations, how they are funded, the barriers to delivery, and how to overcome them in order to maximise GVA and other benefits.
- 5.1.2. Housing associations identified several barriers to housing delivery, including stringent EPC, SAP, and WHQS standards that raise costs and limit resources for new investment, as well as financial constraints linked to interest cover ratios and borrowing covenants such as EBITDA-MRI. The planning system was also described as slow and complex, with calls for more resourcing, lower upfront costs, and streamlined processes to speed up scheme approvals. In addition, space standards under the Welsh Development Quality Requirements (WDQR) were viewed as restrictive, with some members suggesting modest adjustments to allow smaller, lower-cost homes and reduce reliance on additional grant funding.
- 5.1.3. Additionally, the survey shows that the main source of total funding for housing associations is Government Grants (40%), which includes SHG, followed by Borrowing (29%) and Other Sources of Funding (16%) (which includes housing associations' own cashflow). Borrowing included both private and public sources. The funding profile of Development projects differs slightly from this, with Government Grants (44%) still forming the main source of funding, followed by Borrowing (33%) and then Private Capital Markets (16%). This illustrates that private financing plays a larger role in funding new Development of housing than it does for members total funding.

5.2. Housing Delivery

- 5.2.1. In 2024-2025, according to StatsWales, housing associations delivered 1,057 new homes, above the 5 year average of 995 dwellings.

Figure 5.1 Reported Housing Delivery (Completions) and Starts 2024-2025



Source: StatsWales, New Dwelling Completions.

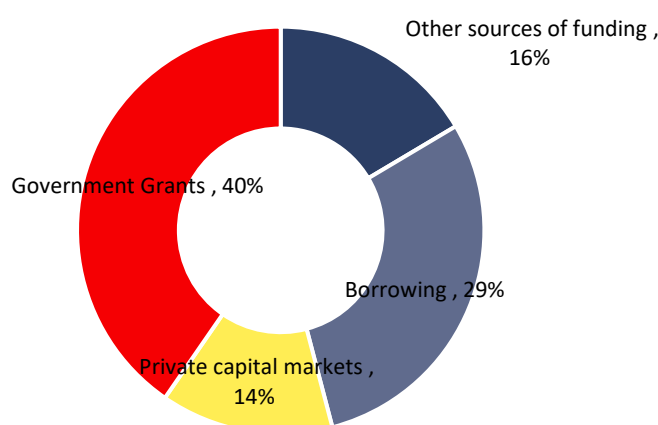
5.2.2. Housing associations responded on what they felt were the foremost challenges to delivering more housing and gave some potential solutions, which are summarised below:

- Current EPC and Standard Assessment Procedure (SAP) requirements for new builds and extensive Welsh Housing Quality Standard (WHQS) requirements for existing stock were frequently mentioned as a prominent challenge and drain on resources by many of the housing associations. Lessening EPC, SAP and WHQS standards would reduce build costs and free up more capital, making investment in new homes more viable.
- Many housing associations cited interest cover ratios and covenants such as EBITDA-MRI (Major repairs included), as limiting borrowing capacity. More flexible financial arrangements and interest rate cuts could improve scheme viability.
- Housing associations also repeatedly quoted the planning system as slow and complex. Members posited that planning departments could benefit from more resourcing support to process more schemes, as well as reforming some upfront costs and streamlining the time that it takes to bring schemes to planning stages.
- Space standards were also cited as a barrier to increased delivery. Some housing association members said they would like to see a review of the Welsh Development Quality requirements (WDQR), with slight adjustments towards smaller homes providing lower costs per unit and allowing further development without relying on increased grant funding.

5.3. Funding

5.3.1. Total Funding, which covers funding for housing associations' operational expenditure as well as project development funding. Government Grants, while still the largest source of funding, had a lower overall share (44%), while Other sources of funding (16%) was much higher, as it includes housing associations' own cashflow.

Figure 5.2 Total Funding 2024-2025 (%)



Source: Savills & CHC 2025.

6. Future Economic Impacts: Additional Impact of Delivering 20,000 new homes

6.1. Introduction and Summary

- 6.1.1. This section assesses the future economic impact of delivering an additional 20,000 housing association homes over a four year period.
- 6.1.2. Economic impacts are estimated using the Welsh Input–Output tables (2019) and derived multipliers, replicating the analysis in Section 3, but factoring in the delivery of 20,000 new homes and the associated expansion in housing association operations.
- 6.1.3. At 2025 prices, the total construction expenditure required to deliver 20,000 additional homes over four years is estimated to be around £4.8bn (of which £4.0bn is estimated to be retained in Wales). However, an expansion of housing association's housing stock will increase operational expenditure, including repair and maintenance, IT spend and staff, by approximately £130m (assuming a linear relationship between non-construction costs and CHC member's housing levels). Therefore, the economic impact of delivering 20,000 housing association homes is made up of both temporary construction phase jobs (over the 4 year construction period) and permanent operational and maintenance (O&M) jobs that will be created once the 20,000 homes are complete.
- 6.1.4. Delivering an additional 20,000 homes is estimated to create 14,200 direct and indirect construction jobs per annum, over the four year construction period, generating up to £3.5bn in GVA (NPV, 4 years, 3.5%). Once complete, housing associations will employ an additional 585 staff, while supporting a further 2,101 direct supplier and indirect supply chain and induced jobs. Ongoing GVA generated by this will be £114.4m per annum, once the 20,000 homes are complete.

6.2. Construction of 20,000 new homes

- 6.2.1. This section estimates the economic impact of constructing 20,000 new housing association homes. As the jobs supported during the construction phase are temporary, we have expressed the employment impacts in terms of job years and annual jobs over the 4 year construction period.

Direct Employment and GVA Impacts

- 6.2.2. The construction spend of £4.0bn in Wales is estimated to generate an additional 25,170 total direct job years to 2030, which equates to 6,290 direct jobs per annum over the 4 year construction period (without considering jobs derived from effects). This will generate an estimated £388m GVA per annum over four years, equivalent to £1.4bn NPV (4 years, 3.5%).

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Table 6.1 Future Direct impacts – 4 years

Item	Construction Spend retained in Wales £m (2025 prices)	FTE (Total construction period)	GVA £m (2025 prices) Net Present Value (3.5%, 4 years)
Construction (Total construction period)	£4,061.1	25,170 job years	£1.4bn
Construction (Per Annum)	£1,015.3	6,290 per annum	£388.4m

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Indirect Employment Impacts

6.2.3. In addition to the direct construction jobs supported by the delivery of 20,000 new homes, a further 31,630 indirect (supply chain and induced effects) job years are estimated to be created in the Welsh economy. This equates to an additional 7,910 indirect jobs per annum over the four year construction period.

6.2.4. In total, factoring in both direct and indirect jobs, the 20,000 new housing associations homes are estimated to support 14,200 jobs per annum during its four year construction period. This is detailed in **Table 6.2** below.

Table 6.2 Future Indirect Jobs – 4 years

Item	Direct FTE	A - Indirect Supply chain	B - Induced Income	Total Indirect (A+B)	Total Direct + Indirect
Construction (Total construction period), Job Years	25,170	11,800	19,830	31,630	56,800
Construction, Jobs Per Annum	6,290	2,950	4,960	7,910	14,200

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Gross Value Added

6.2.5. Similarly, the delivery of 20,000 additional homes is estimated to generate total direct and indirect GVA £876m per annum. Over a 4 year period, this equates to around £3.2bn¹³ NPV (4 years, 3.5% discount rate). This exceeds the estimated SHG grant that would be required to deliver the 20,000 new homes (£3.1bn assuming 79% intervention rate per home) by £121m¹⁴. These figures are detailed in **Table 6.3**.

¹³ Or £3.5bn undiscounted.

¹⁴ Based on an average of £163,000 per home. See Section 7 for more detail.

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Table 6.3 Future Indirect GVA up to 2031 (2025 prices)

Item	Direct GVA £m (2025 prices)	A - Indirect (Supply chain)	B - Induced (income)	Total Indirect (A+B)	Direct and Indirect GVA
Construction (Total Construction Period)	£1,553m	£715m	£1,237m	£1,952m	£3,506m
Construction (Per Annum)	£388m	£179m	£309m	£488m	£877m

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

6.1. Operation and Maintenance of 20,000 New Homes

6.1.1. This section sets out the Operational and Maintenance (O&M) economic impacts of the 20,000 new housing associations homes once they are delivered in 2031, and reflect operational FTE jobs for a single year.

Direct Employment and GVA Impacts

6.1.2. It is estimated that the operation and maintenance of 20,000 new housing associations homes could generate around 1,420 direct permanent jobs, including those from direct expenditure with suppliers. This is expected to generate £64.2m GVA per annum for the Welsh economy.

Table 6.4 Future Operational Direct impacts

Item	Spend retained in Wales £m (2025 prices)	Jobs (FTE)	GVA £m (2025 prices)
Contractor & Material	£34.9m	590	£21.3m
Non-DLO repair spend	£6.1m	100	£3.7m
IT spend	£2.0m	60	£1.1m
Other	£17.2m	80	£10.7m
HAs Staff/Outputs	£51.1m	590	£27.4m
Total	£60.2m	1,420	£64.2m

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

Indirect Employment Impacts

6.1.3. In addition to the 1,420 direct operational jobs, a further 1,270 indirect jobs will be created through both supply chain and induced effects. In total, it is estimated that an additional 2,690 direct and indirect jobs will be supported by the delivery of 20,000 new housing association homes¹⁵.

Table 6.5 Future Operational Indirect Jobs

Item	Direct FTE Jobs	A - Indirect (Supply chain)	B - Induced (income)	Total Indirect (A+B)	Total (Direct + Indirect) FTE Jobs
Contractor & Material	590	290	630	920	1,510
Non-DLO repair spend	100	50	111	160	261
IT spend	60	20	100	120	180
Other	80	20	50	70	150
HAs Staff/Outputs	590				585
Total	1,420	380	890	1,270	2,690

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

¹⁵ Importantly, some of these operational jobs may begin to emerge during the delivery of the first homes in the early years.

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Gross Value Added

6.1.4. Similarly, the delivery of 20,000 additional homes is estimated to generate a combined GVA effect of £114.4m per annum, in addition to £64.2m of direct GVA.

Table 6.3 Operational Future Indirect GVA (£m - 2025 prices)

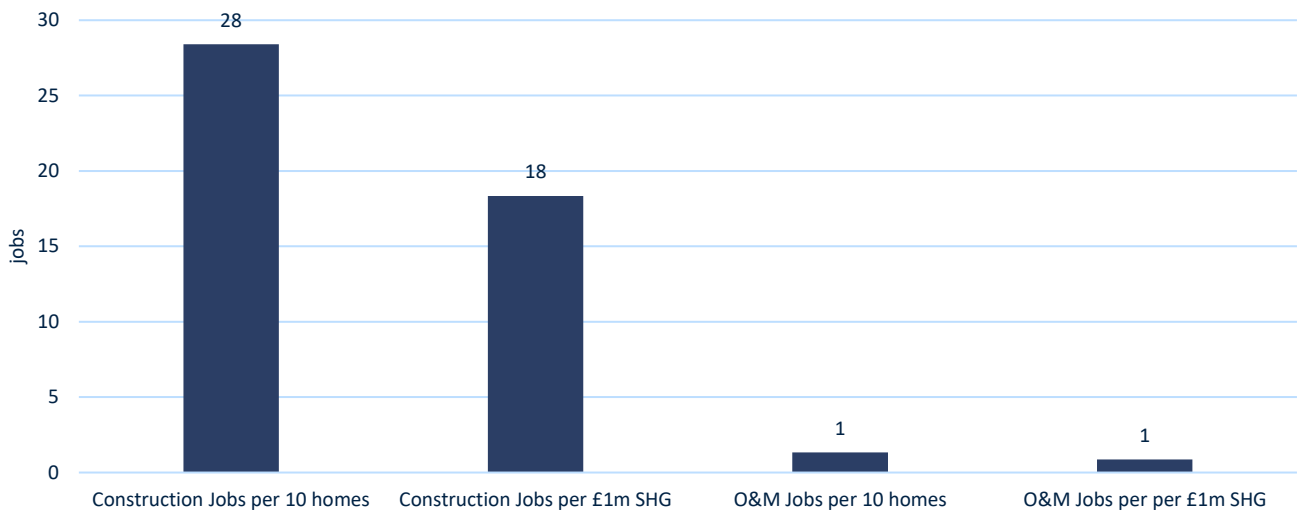
Item	Direct GVA £m (2025 prices) Per Annum	A - Indirect (Supply chain) Per Annum	B - Induced (income) Per Annum	Total Indirect (A+B) Per Annum	Direct and Indirect (£m)
Contractor & Material	£21.3m	£2.2m	£30.8m	£33.0m	£54.3m
Non-DLO repair spend	£3.7m	£0.4m	£5.4m	£5.8m	£9.5m
IT spend	£1.1m	£0.1m	£2.2m	£2.3m	£3.4m
Other	£10.7m	£2.2m	£6.8m	£9.0m	£19.7m
HAs Staff/Outputs	£27.4m				£27.4m
Total	£64.2m	£4.8m	£45.3m	£50.1m	£114.4m

Source: Savills & CHC 2025. Figures may not sum up due to rounding.

7. Value for Money of Delivering New Housing Association Homes¹⁶

7.1.1. **Figure 7.1** below shows that an average of 28 direct and indirect construction jobs were created for every 10 homes delivered and 18 per £1m in SHG. Once completed, it is estimated that 1 O&M job is created per 10 homes and £1m of SHG.

Figure 7.1 Jobs per 10 Homes



Source: Savills & CHC 2025.

7.1.2. **Figure 7.2** below illustrates that every 10 homes delivered an additional £1.7m in construction GVA (NPV) and £57k in O&M GVA (per annum from completion). Furthermore, £1.1m of construction GVA is created for every £1m SHG funding.

¹⁶ Estimates for Social Housing Grants are based on £163,000 per home, as reported by Audit Wales – Affordable Housing September 2024, and then multiplied by 5,000 homes per year, over 4 years.



Figure 7.2 Gross Value Added per 10 Homes



Source: Savills & CHC 2025.

8. Summary and Conclusions

- 8.1.1. This report assessed the economic contribution of Welsh housing associations in 2024/25. Using survey data from housing associations, combined with the Welsh Input–Output Tables (2019), the analysis estimates that housing associations support significant economic value through construction, maintenance, operations, and employment.
- 8.1.2. In 2024 - 2025 alone, housing associations in Wales are estimated to generate:
- Around 37,040 full-time equivalent jobs, with nearly half of these impacts arising indirectly through supply chain and induced effects.
 - Retained around £1.49 billion spend in Wales.
 - Around £1.4 billion in Gross Value Added (GVA) including effects.
- 8.1.3. The sector also invests in community regeneration, tenancy sustainment, and social value initiatives, including apprenticeships and training opportunities, which further strengthen its contribution to Welsh society.
- 8.1.4. Looking forward, if housing associations aim to deliver 20,000 homes over a four year programme, the additional impacts are estimated at (on top of their 2024-25 economic impact):
- A construction investment of approximately £4.8 billion in 2025 prices for the construction of 20,000 new homes¹⁷;
 - Creation of around 14,200 jobs per annum during construction, including direct and indirect jobs;
 - Creation of around 2,690 permanent direct and indirect jobs once the 20,000 new homes have been delivered;
 - Generation of direct £1.4 billion NPV (3.5%, 4 years) in GVA during construction, with an additional £1.8 bn NPV (3.5%, 4 years) (GVA arising from indirect and induced effects; and,
 - Generation of direct £64.2 million in GVA per annum during operation, with an additional £50 million GVA arising from indirect and induced effects, totalling £114m.
- 8.1.5. The report highlights both the scale of these benefits and the challenges to delivery, including funding, regulatory requirements, and planning processes, while demonstrating the central role housing associations play in driving economic activity, employment, and social value in Wales.

Appendix: Glossary

ASB	Anti-Social Behaviour
APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
BRE	Building Research Establishment
BRES	Business Register and Employment Survey
B&B	Bed and breakfast facility
CEBR	Centre for Economics and Business Research
CHC	Community Housing Cymru
DWP	Department for Work and Pensions
EPC	Energy Performance Certificate
FSHF	Future High Street Fund
GMCA	Greater Manchester Combined Authority
GP	General Practitioner
GVA	Gross Value Added
HCA	Homes & Communities Agency
HMRC	HM Revenue & Customs
MHCLG	Ministry of Housing, Communities and Local Government
NEET	Not in Education, Employment or Training
NHS	National Health Service
NI	National Insurance
NPV	Net present value
ONS	Office for National Statistics
RSL	Registered Social Landlords
SHG	Social Housing Grant
UK	United Kingdom
WHO	World Health Organisations
WIMD	Welsh Index of Multiple Deprivations

Appendix Value for Money of Delivering an Additional 20,000 new housing association homes

Construction Employment

Construction	Spend in Wales	Direct FTE Jobs	Indirect (Supply chain) Jobs	Induced (income) Jobs	Total Indirect Jobs	Total Jobs
Per Home	£0.2m	1.3	0.6	1.0	1.6	2.8
Per 10 home	£2.0m	12.6	5.9	9.9	15.8	28.4
Per 1k Home	£203.1m	1,259	590	992	1,582	2,840
Per 4k Home / 5 Year Annualised	£812.2m	5,034	2,360	3,966	6,326	11,360
Per £1m SHG (NPV)	£1.3m	8.1	3.8	6.4	10.2	18

Operational Employment

Construction	Spend in Wales	Direct FTE Jobs	Indirect (Supply chain) Jobs	Induced (income) Jobs	Total Indirect Jobs	Total (Direct and Indirect) Jobs
Per Home	£5,564	0.1	0.0	0.0	0.1	0.1
Per 10 home	55,642	0.7	0.2	0.4	0.6	1.3
Per 1k Home	£5.6m	71	19	45	64	134
Per 4k Home / 4 Year Annualised	£22.3m	283	76	178	254	537
Per £1m SHG (NPV)	£35,917	0.5	0.1	0.3	0.4	0.9

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Construction GVA (£m)

	Direct GVA £M	Indirect (Supply chain) GVA £M	Induced (income) GVA £M	Total Indirect Effects GVA £M	Total (Direct and Indirect) GVA £M
Per Home	£0.1m	£0.0m	£0.1m	£0.1m	£0.2m
Per 10 home	£0.7m	£0.3m	£0.6m	£0.9m	£1.7m
Per 1k Home	£73.6m	£33.9m	£58.6m	£92.5m	£166.1m
Per 4k Home / 4 Year Annualised	£294.5m	£135.6m	£234.5m	£370.1m	£664.6m
Per £1m SHG (NPV)	£0.5m	£0.2m	£0.4m	£0.6m	£1.1m

Operational GVA (£m)

	Direct GVA £M	Indirect (Supply chain) GVA £M	Induced (income) GVA £M	Total Indirect Effects GVA £M	Total (Direct and Indirect) GVA £M
Per Home	£0.0m	£0.0m	£0.0m	£0.0m	£0.01m
Per 10 home	£0.03m	£0.00m	£0.02m	£0.03m	£0.06m
Per 1k Home	£3.2m	£0.3m	£2.3m	£2.5m	£5.7m
Per 4k Home	£12.8m	£1.0m	£9.1m	£10.0m	£22.9m
Per £1m SHG (NPV)	£0.02m	£0.00m	£0.01m	£0.02m	£0.04m