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Socio-economic impact

Executive Summary



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Over the past decade and more, Community Housing Cymru has worked closely with our members to measure and demonstrate the socio-economic impact of housing associations in Wales. Our well-regarded research with WERU and Beaufort have shown the true scale of the work housing associations do as the sector has grown, from stock transfers into the primary deliverers of affordable housing in Wales.

In 2017, our *Housing Horizons* vision of a Wales where good housing is a basic right for all marked out a new ambition to go beyond what we already do, and to achieve much more. We have set out bold ambitions to build 75,000 low carbon homes, to invest 95p in every pound in Wales, and to decarbonise our existing stock. As Wales faces up to a number of existential challenges in the face of a Climate Emergency, a homelessness crisis and an ageing population, the time has come to put those ambitions into action.

The Independent Review of Affordable Housing Supply in Wales, published last year, recognised that if we are to deliver on our ambitions we must change the way we do things. While the policy work continues apace to build a new policy framework for the delivery of affordable housing in Wales, we wanted to get a sense of what the prize was at the end of that long road. What could we achieved if good housing became a basic right in Wales? We didn't want to just focus on the economy, but on the environment, health and public services more widely.

Our *Research into the Economic Impact of the provision of affordable housing in Wales*, published in partnership with Amion Consulting, alongside our *Socio-economic impact surveys 2018/19* show that housing associations continue to deliver for Wales, but with the right investment, our impact could grow vastly.

The research is clear that the cost of achieving our vision is not insignificant:

- The cost of developing 75,000 homes by 2036 is estimated to cost £11.7bn
- The cost of decarbonising existing homes is estimated at around £4.8bn

These are large sums of investment by any measure, but the value this investment could bring would be enormous. The research shows that up to 2036, if housing associations are successful in delivering our vision, the sector would:

- Support £23.2bn of economic activity across Wales
- Create 50,000 jobs in the wider economy
- Provide 19,500 training and apprenticeship opportunities
- Grow to employ a total of 16,000 employees

These traditional Wales-wide economic measures only tell part of the story. Power is now being dispersed across the three regions of Wales, with new regional structures created and important decisions that affect housing associations moving away from Westminster and Cardiff Bay. Demonstrating impact at a local and regional level is increasingly important, and for the first time, the analysis of economic impact is broken down by the three economic regions of Wales. Those figures make interesting reading:

- Across the six local authorities of North Wales, the economic impact would sit at around £5.4bn



- In Mid & West Wales – covering both the Swansea City Deal Region and the proposed Mid Wales Growth Deal – we would see £8.1bn of economic activity

Meanwhile, the ten local authorities of the Cardiff City Region could see economic growth of £9.7bn

Further to this, a series of the report's findings demonstrate how the health and wellbeing of individuals and our environment would benefit from housing associations achieving their vision.

- The provision of 75,000 affordable homes would generate a wellbeing impact of more than £190 million, and fuel bill savings of £611.9 million
- Retrofitting existing stock to deliver on the vision of near zero carbon homes would generate a further £1.2 billion of savings
- Combined, these two measures would also more than £0.5bn worth of carbon

The report demonstrates many more benefits, including the work housing associations do to improve the public realm through their commitment to place making, and the potential that developing at scale could bring for improved links with transport, as well as our ability to offer genuine scale to activities in the foundational economy.

Just over a year out from the first elections to the soon to be renamed Welsh Parliament, many politicians will be considering their vision for the Welsh economy, public services and how they should be delivered. This research gives a flavour of what long term investment in housing could bring and the impact a Wales where good housing is a basic right for all would make. If politicians are serious about tackling some of the existential challenges Wales faces, this research make a compelling case for investment in housing and housing associations.

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