

## Section 1 Contemporary issues

---



### Chapter 1

# How much housing do we need and how should we provide it?

Glen Bramley

---

For at least 20 years the need for more housing across the UK has been widely accepted, as has the need for more social housing. Attempts by recent governments to increase new supply to 300,000 units per year in England have – for a variety of reasons – failed. After the dramatic international and economic shocks of the last four years, it is timely to update the last authoritative assessment of housing requirements (made by this author).<sup>1</sup> Whichever party is in government, this is an issue that will need to be addressed urgently, and it is essential that policy is based on the most up-to-date and rigorous assessment of housing need.

This chapter summarises the new estimates of the overall housing requirement for England, including how much of this provision should be social housing, available in more detail in a parallel report.<sup>2</sup> The new work uses essentially the same methods as the previous, 2018-19 study, linking a well-established affordability-based approach to housing to a dynamic sub-regional housing market model. However, rather than providing a single projection of required housing output to meet identified need, this study generates a set of scenarios for output and evaluates them against an array of outcome indicators. It also gives additional attention to a key consideration in weighing whether to adopt particular housing targets, namely the net cost in terms of public subsidy, which in current circumstances may prove to be the determining constraint on actual policy.

### The study approach

As in the previous study, we use an evidence-based approach to examine the relationship between different levels and distributions of housing provision and the degree of achievement of a range of key outcomes. This requires a modelling framework which adequately captures the system in question, which in this instance is the Sub-Regional Housing Market Model which we have developed progressively since 2010, and which underpinned the 2018-19 study and ongoing projections of homelessness for Crisis.<sup>3</sup>

This dynamic model is combined with a traditional, affordability-based local housing needs model, used in many studies between 1990 and 2010. The latter is used to target supply to areas with greater relative need for additional homes (whether market or social), while the former is used to provide a dynamic picture of a range of key outcomes against which we assess the adequacy of supply.

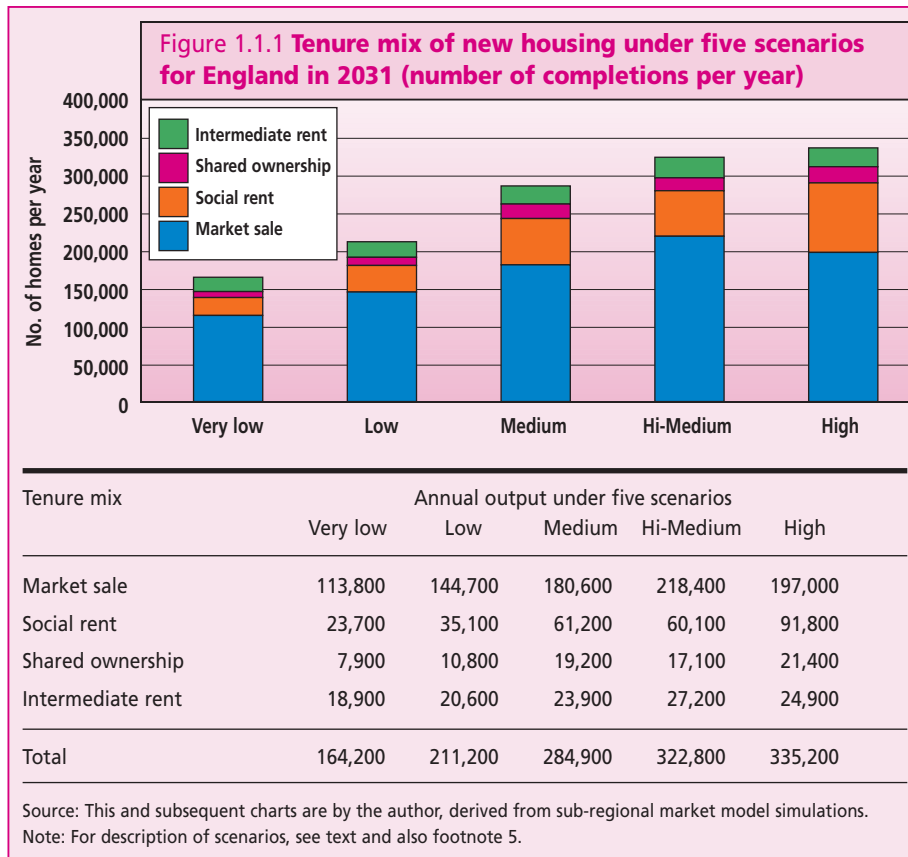
The key outcomes include:

- Homes supplied by tenure/sector (net and gross numbers).
- Household formation and growth.
- Affordability to buy or rent, poverty after housing costs and related financial difficulties.
- Change in housing tenure.
- Concealed and other households with current housing problems.
- Homeless households in temporary accommodation or ‘core homeless’.
- Adequacy of lettings supply to meet new and existing need, including homelessness.
- Various indicators of low demand.

All these are projected forward over 20 years for 102 Housing Market Areas (HMAs) across England, although in this study we focus particularly on the period around 2031 (model outcomes are mainly reported for this year).<sup>4</sup> It should be emphasised that when modelling tenures of new provision in forward years we take ‘social rent’ to mean regulated provision equivalent to current social rent levels, while provision at so-called ‘Affordable Rent’ levels (i.e. up to 80 per cent of market rent outside London: around 50 per cent in London) is treated as a distinct tenure of ‘intermediate rent’.

Figure 1.1.1 presents the five scenarios used in the study. It gives a summary of the numbers of new housing completions by tenure modelled for the period around 2031 for England as a whole, under each one, ranging from a ‘Very Low’ scenario, which is a pessimistic interpretation of current policy at the time of writing<sup>5</sup> to the ‘High’ levels which, as described below, can be justified in terms of meeting needs and achieving good outcomes. These scenarios have also been used to analyse potential cost and subsidy implications.

The model is generally used to compare the baseline scenario, ‘carrying on as we are’ with existing policies, with the range of alternatives summarised in Figure 1.1.1. The ‘low’ scenario represents recent performance, while ‘very low’ reflects the current (2024) economic climate and what we judge to be deleterious government changes in planning policy. In this application, we gradually move from these



scenarios through enhanced output targets for overall new housing and social housing, informed by affordability and housing need measures, and constrained by capacity in some cases. These incorporate strategic planning decisions on selective green belt release in pressured areas and enhanced provision in growth areas, various 'levelling up' measures, and finally a higher overall economic growth trajectory.

At the 'Medium' stage of this sequence we also included a range of non-supply measures (around benefits, prevention, allocations) which the model indicates would particularly help with addressing homelessness. Also overlaid on this, later

in the process, is a revised national demographic assumption incorporating arguably more realistic projections of international migration and mortality. Having built up the overall policy packages in this way, we also try to assess the effects of varying supply while holding other factors (economic growth, non-supply policies) constant, and in one case altering the balance between total and social-rented supply.

For the baseline and early years of the projections, economic assumptions are informed by the average forecasts from official/reputable sources, including the Office for Budget Responsibility (OBR), Bank of England, National Institute of Economic and Social Research, and the Treasury's average of independent forecasts. Obviously, we are in the midst of a cost-of-living crisis with real incomes falling or stagnant, following a difficult period through the pandemic, including a shift to higher interest rates, and these factors make the market prospects for the next few years 'subdued'. This in turn impacts on the likely achievable levels of supply and the viability of developments. Negative factors are compounded by recent government retreats on planning targets.<sup>6</sup> Partly for this reason, the study focuses on the period of the early 2030s when plans promoted in the immediate future would come to full fruition.

### Findings on supply

This section explains how outcomes vary across the five scenarios, referring back to the eight outcomes listed above. First, we summarise the impact on supply and tenure (the first outcome). Second, we make some observations about the impact on the other outcomes, picking out issues such as affordability and rehousing opportunities. Third, we look at differences between regions, and finally we comment specifically on how 'intermediate' tenures fare under the scenarios.

#### *Varying supply*

The scenarios tested show a wide variation in the scale of new housing supply, with those reported here ranging between around 164,000 p.a. and around 325,000 p.a. total new dwellings in gross terms (slightly less in terms of net additions), with social rented completions ranging between 24,000 and 92,000 dwellings per annum. Generally, the modelling assumes that, from the point that need quotas are defined, these numbers (total and social) move in step,

but in one scenario ('High-Medium' in Figures 1.1.1 and 1.1.5) we deliberately change the relative shares.

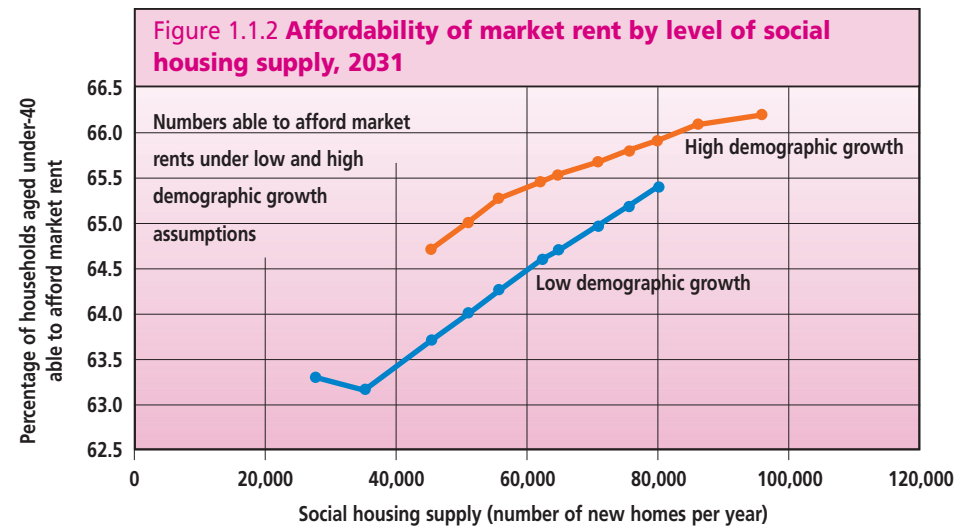
Certain points emerge from this process of modelling successive enhancements to supply. First, while we take account of constraints on land supply, these are mainly significant for Greater London and to a smaller extent for some other pressured areas. We therefore include within the higher supply options a selective release of green belt for housing in some London fringe and other pressured HMAs.<sup>7</sup> Also, as already noted, with the higher scenarios we also include additional non-supply measures to directly impact homelessness.

A further point revealed by the varying supply scenarios is that household growth is quite strongly influenced by supply, which we link to evidence of substantial suppressed household formation in most regions over the last two or more decades. This in turn helps to explain some apparently disappointing outcomes in terms of certain key measures, discussed below.

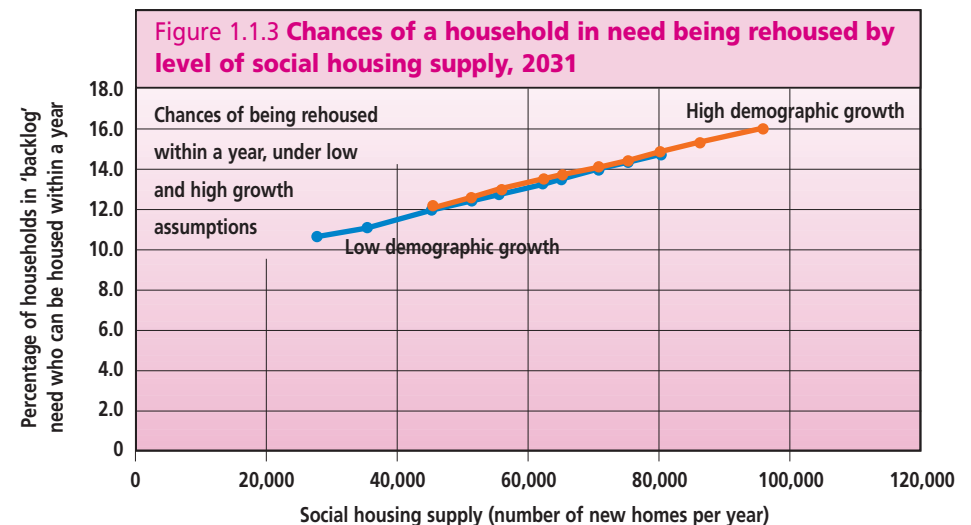
**Differential impacts on outcomes**

In reviewing the pattern of outcomes across scenarios with different supply levels, there are distinct groups of outcomes. Based on the model's predictions, some outcomes are not much affected by supply: this includes homeownership affordability and tenure share (apart from through low-cost homeownership – LCHO), and also includes the total backlog of housing need that has developed from past failure to provide adequate supply. Some outcomes show moderate improvement with increased supply, including lower private renting share, after housing costs (AHC) poverty, fewer homeless households in temporary accommodation and core homelessness, and increased homeownership through LCHO.

A moderate improvement is also seen in the affordability of market rents with increased social housing supply: Figure 1.1.2 compares the outcome in terms of numbers able to afford market rents for different levels of social-vented output, against low and high assumptions of economic and demographic change. Under both assumptions, increased supply has a moderate, positive impact on affordability, more favourable still if demographic change is assumed to be greater.



Notes: Affordability thresholds are as defined in Bramley (2019) Technical Report, namely gross rent less than 27.5 per cent of gross income and having more than 60 per cent of UK median equivalised income after housing costs. 'Low' and 'high' demographic growth refer to economic growth combined with international migration and mortality assumptions.



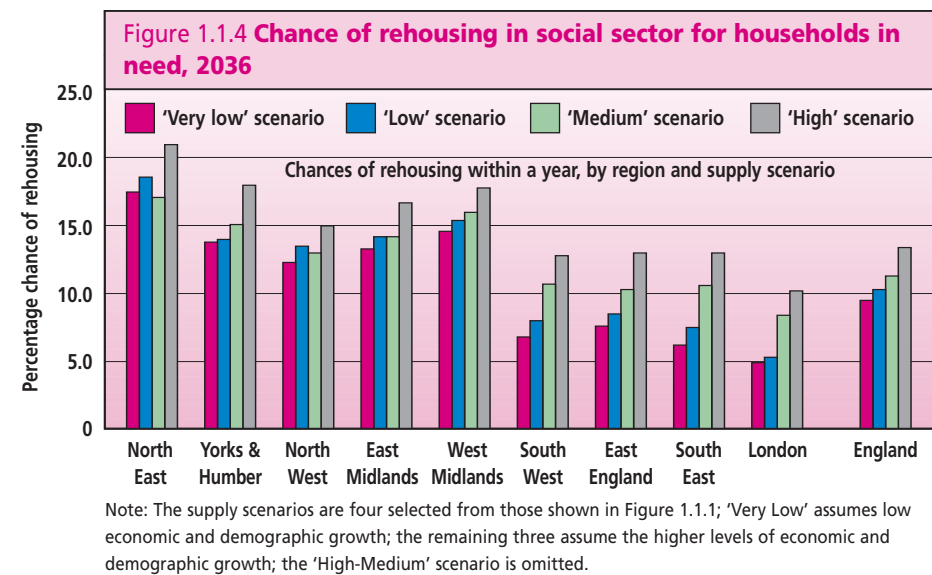
Indicators showing a relatively stronger impact include the annual new net need for social housing and the adequacy of social lets relative to core homeless flow. The chance of a household in need being rehoused in social renting is (as might be expected) also strongly influenced (see Figure 1.1.3).

A further question about the response of different outcomes to differing levels of supply is whether there is clear evidence (in any of the cases) of reaching a maximum or optimal point, beyond which things either go into decline or at any rate level off. Looking at Figures 1.1.2 and 1.1.3, in neither case do these outcomes flatten out or go into decline. In Figure 1.1.2 it appears that the affordability benefits may be approaching a point of levelling off, but in Figure 1.1.3 there is no indication of any levelling off in terms of chances of rehousing. These examples are generally representative across the cases where the outcomes are responsive to supply, in that there is no obvious maximum or turning point, although in some cases there is some tendency towards diminishing marginal benefits. This comes out more in some of the regional analyses, such as that shown in Figure 1.1.4, particularly in the more pressured regions.

Higher economic growth has mixed effects on most of these outcomes, with quite a number of them slightly worse – affordability to buy, owner-occupation share, and most housing need measures – especially annual net new need and chance of rehousing. This is consistent with some earlier findings from this model, and seems mainly to result from the tendency of higher growth to push up house prices significantly. However, this also depends on the regional profile of growth, discussed further below.

### Regional impacts

As well as looking at average outcomes, we also review broad indicators of regional equity of outcomes, for example the difference between the best and worst regions relative to the average. Figure 1.1.4 provides an example regional analysis, in this case looking at chances of rehousing in the slightly longer term, by 2036, for four of the five scenarios. This illustrates the general point that there are quite wide variations in outcome, especially in the 'Very low' scenario (equating to current performance). The regions with the best outcomes are scoring two to three times



the level of the worse performing regions, in this case London and the southern regions. Raising supply in the way we have modelled, which targets more supply to those with the greatest unmet needs and affordability problems, brings clear benefits in raising their outcome performance, and so reducing the regional differences.

Two points stand out from Figure 1.1.4, relating to the impacts of increased supply. First, on the regional equity point, one could describe Figure 1.1.4 as a kind of inverse 'levelling up', because in this instance the regions which need levelling up are London and the South, whereas this term is normally taken to mean improving outcomes in the North and Midlands. Second, it is visually apparent that in this case the greatest improvement in those regions with most need (London, and also South East and South West) is achieved by the step from the 'Low' supply to 'Medium' supply scenarios, with the additional gain from going to the most ambitious, 'High' scenario being slightly more muted. The Northern and Midland regions seem to gain more from this, although their situation was already relatively more favourable to start with.

### *Intermediate tenures*

It is worth at this point commenting briefly on the role of intermediate affordable tenures in this analysis. Low-cost homeownership (LCHO) is represented by a typical shared ownership product (a 40 per cent tranche owned by the occupier). In this case, potential numbers are constrained by supply, affordability and likely demand. The calculation starts from 30 per cent of the social rent numbers, but subject to the constraint of the number of buyers in the appropriate affordability bracket from younger, newly forming households, and assuming that only half of these would consider this tenure (given that they could also afford private renting). When modelling detailed size-type mixes further constraints come into play, because it is assumed that LCHO cannot monopolise the provision of certain size-type combinations and squeeze out private market provision of these. On this basis the indicated scale of provision of LCHO is in the range of 17-23,000 in the medium and higher scenarios, which is close to recent levels of provision, suggesting that there is not a clear case for expansion, unlike the case for social renting. Nevertheless, provision at this level would make a useful contribution to increasing homeownership somewhat, by around one percentage point by 2031 and two percentage points by 2041.

The numbers estimated to be potential candidates for intermediate rent are somewhat greater, at around 24-27,000 households per year. This group could not afford market rent but would be able to manage a rent level consistent with what has been termed Affordable Rent in recent years, but again we only assume a proportion (half) would choose this option.

### *Summary of outcomes*

Our analysis of the outcomes suggests that it is reasonable to plan on the basis of a total supply of at least 300,000 homes per year, including 60-70,000 let at social rents, in the initial period. From 2030 output would rise to around 330-350,000 in total, including 90,000 for social rent. There appears to be a case also for providing around 20,000 shared-ownership homes annually (i.e. no more than recent numbers) plus 25,000 for intermediate rent (subsuming what is now called Affordable Rent).

## **Financial Implications**

This section outlines how this higher output might be financed. It depends significantly on the role of the planning system, and this is described first. We then consider the subsidy implications, principally the use of cross-subsidy and surpluses, which then leaves a gap that would have to be filled by grant. Finally, we consider some issues that arise from assessing the financial implications.

### *Role of the planning system*

In the predecessor study of 2018-19, almost as an afterthought, the costs of required levels of housing provision and how they might be funded were modelled, assuming that the potentials of the planning obligation system were to be fully exploited. The role of the planning system needs some explanation.

Over a period of three decades the UK (particularly England) has used planning powers to require most new developments above a certain size to include a proportion of affordable housing. The main instrument involved is the 'section 106' planning agreement, although similar outcomes can be obtained in other ways, particularly on publicly owned land. As many have argued, this is one of the most effective of such policies when compared internationally, and surprisingly long-lasting given the controversy around it.<sup>8</sup> While by the 'mid-noughties' this system had become normalised and accepted, accounting for half or more of affordable housing development, following the financial crisis of 2008-10 and subsequent economic difficulties there was more pushback, with developers claiming that what local authorities were expecting was 'not viable'. This led to the development of a veritable 'industry' of viability studies, examining the economics of development in different contexts with different levels of affordable housing content. Also, arguably, government retreated on promoting vigorous application of this approach, while allowing schemes that were not appropriately affordable (e.g. 'First Homes') to be included.

For the purposes of this study, the Three Dragons consultancy (which has perhaps the longest track record in viability studies) was asked to provide a detailed picture of the current state of the art in such studies, in terms of sources of key input data and current norm values for key parameters (e.g. cost mark-ups, profit margins).

We then devised a small number of representative housing development schemes, defined in terms of number of units, type/size mix, and density, and populated development numbers from the sub-regional model scenarios with an appropriate mix of these archetypes, consistent with the characteristics of each housing market area (e.g. density, brownfield share). Tenure mix from the needs models and target numbers associated with each scenario were then overlaid on this.

This methodology then allowed the cost of developing a typical year's output to be calculated, for two target years (2027 and 2032) in each simulated scenario, which could then be compared with the revenues available to developers to cover these costs, distinguishing the market sector from the affordable sector. While, for the market sector, revenues derive from the product of completions and sale prices, for the affordable sector there would typically be up to five sources:

- the capitalised value of future rents, net of repairs costs and voids
- sales receipts from shared ownership tranches sold
- capital grants, as available from government
- cross-subsidies from rental surpluses on existing rental stock, and
- developer contributions from available surpluses on the market part of the development.

On only one item did we depart somewhat from the standard or typical parameter values provided by Three Dragons, and that was the 'benchmark land value' used to represent the value which would be paid to the previous landowner. Whereas for brownfield land this was specified as 1.2 times industrial land value, taken as the most likely existing or alternative use value, for greenfield land the suggested benchmark was *fifteen times* the agricultural value. While this may have been customary in recent years under a current government whose guidance and intentions have been less than clear, in our view this is completely inappropriate and simply serves to fuel a lot of speculative activity in greenfield land. Having set this at a more defensible three times, we noted that this still left an enormous sum being paid nationally (around £20 billion) for brownfield 'industrial' land. While noting that this also seems highly questionable, that is the basis of the current calculations.

Although these cost and subsidy calculations were run for both the shorter (2027) and the medium (2032) term, the results for 2027 were concerning in terms of the number of areas, particularly in the North and Midlands, where market-sector development did not appear to be viable, calling into question the deliverability of part of the scenario. This reflects the currently pessimistic economic forecasts for this period from official and independent analysts. Therefore we focus here mainly on the medium-term projections.

### Subsidy implications

Taking account of the role assumed to be played by the planning system, maximising the potential of planning obligations subject to viability assessment, we now summarise the key findings about the subsidy requirements for each scenario, taking 2032 as an example year.

Figure 1.1.5 again shows the five scenarios described in Figure 1.1.1, ranging from 'Very Low', effectively continuing to perform at expected current levels (165,000 total supply, but with an enhanced level of social rent, 24,000); through 'Low' and 'Medium' levels of total and social supply (210,000/35,000 and 285,000/61,000), a 'High-Medium' option (323,000/60,000), a 'High' overall option (335,000/92,000). In addition, there is a 'High' overall option with modified subsidy (335,000/87,000) whereby all social rented homes would attract a direct government subsidy of 20 per cent of cost, regardless of the market context.

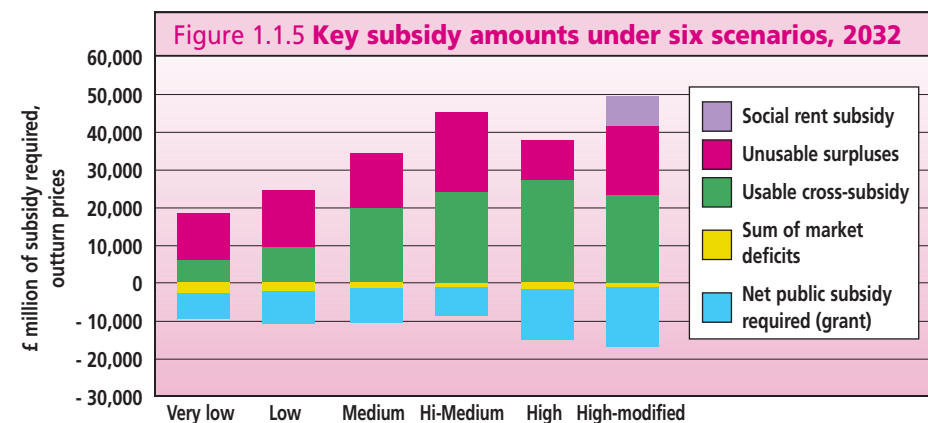


Figure 1.1.5 shows the key numbers relating to surpluses, deficits and subsidies, assuming consistent application of section 106 and equivalent arrangements for developer contributions.

The name of the game in this approach is 'cross-subsidy' and how cross-subsidy works is described here. It should be noted that in this iteration it is calculated at the level of Housing Market Areas, rather than at local authority level as in the 2018-19 study. This assumes that there is functioning cooperation between local authorities and their partners working in the area:

1. Areas where the private market housing makes a surplus, even after allowing for 'normal profit' and financing costs, are identified and the amount calculated.
2. This is compared with the (inevitable) deficit on the affordable housing. If the market surplus exceeds the affordable housing deficit, the cross subsidy is set at the latter figure. In this case no further public subsidy is required, but there is a balance of unexpended surplus from the market side.
3. If the market surplus is less than the affordable deficit, the cross-subsidy is set at the former value, and there will be a remaining net deficit to be covered by public subsidy (i.e. grant).

By the early 2030s market conditions are projected to be such that very large surpluses can be generated on market developments, ranging from £18.5 billion in the very low scenario to between £38 billion and £46 billion on the three variant 'high' scenarios (at outturn prices). In this period, market deficits would only arise in a few HMAs and would not amount to much. The amount which could be usable for cross-subsidising social and affordable housing, given need-based numbers, would range between £6.4 billion for the very low scenario to between £23 billion and £27 billion for the various high scenarios, with £20 billion for the medium scenario. Consistently applying this approach, and making full use of usable cross-subsidies, the net requirement for public subsidy would range from £6.7 billion ('very low') and £8.4 billion (Low) through £7.7bn (High-Medium combination), £9.1 billion (Medium) and £13.4 billion (High) to £15.9 billion (High modified by direct 20 per cent subsidy). At today's

2022 price levels, these amounts would be £5.0 billion, £5.8 billion, £6.9 billion, £10.0 billion, and £11.9 billion.

These numbers for net subsidy are similar to or lower than those appended to my 2018-19 study, focusing on the high end of supply. They are much higher, in terms of usable cross-subsidy, than the estimates of what was being achieved through section 106 around 2016 in the study by Alex Lord and others,<sup>9</sup> indicating that the system could be worked a lot harder. Interestingly, the first three of the figures just given are well within the current total of over £8 billion annually spent on government grants and loans for housing in the period 2021-2024, excluding guarantees (see Table 2.4.1 on page 86).

An incoming chancellor after the next general election, facing a very tough set of fiscal choices, might find a scenario like 'High-Medium' extremely attractive. This would deliver a lot more housing overall as part of a growth agenda, but including a meaningful and sizeable jump in social housing, well-justified by the evidence on needs and outcomes, and feasible within current spending levels.

#### *Issues raised by the analysis*

There are perhaps six main issues raised by this analysis, and particularly the part concerned with viability and funding. First, it is clear that government should retain and strengthen section 106 through national planning policy, including stronger guidance on viability assessment and norms. For their part, many local authorities could and should raise their game on section 106, given the steer and support from the centre. The guidance should give appropriate emphasis to the key role of social rented housing within the affordability sector.

In areas where larger-scale development is contemplated, publicly led development vehicles should play a leading role in land assembly, infrastructure provision, master planning and phasing development, acquiring land initially at close to existing use value and disposing of land under building licenses to a diverse range of providers, with freeholds conveyed to homebuyers or social landlords. Some reforms to land compensation codes would be required.

Benchmark land values are a particular issue emerging from the viability analysis. While there appears to be a need to reduce greenfield values so they are much closer to agricultural levels, this may need to be balanced by ensuring that sufficient land continues to come forward for development, perhaps by giving landowners a stake in the final, realised surplus post-development. An even bigger issue seems to be the scale of values being paid for brownfield land, allegedly based on industrial use value. Most of the around £20 billion paid annually to former landowners is accounted for by brownfield land, and it frankly strains credibility that this is truly based on industrial values. Since 2010 there has been a strong drive towards deregulation, typified by 'permitted development rights' (PDR), and complemented by an overriding drive to emphasise brownfield over greenfield at the expense of good planning principles. In our judgement these values are primarily driven now by the hope/expectation value of housing, which seems to trump all other land uses. There is a strong argument to scrap excessive PDR, and have proper use classes and planning based on a balanced view of what towns and cities need to be economically and socially vibrant in the future, including land for industry, for smaller and start-up businesses, for creative industries and community services.

This study significantly challenges the expectations of different parties, including landowners and the housing sector, about not only land values but also grant levels. The findings suggest that, for typical developments across most of London and much of the South of England, under buoyant market conditions in the medium term, there should be no automatic requirement for or expectation of grant, even for social housing, and certainly not for intermediate affordable tenures. The existence hitherto of such grant may well be a factor pushing up benchmark land values. The calculations clearly indicate that usable surpluses from market development should be more than sufficient to cover the funding gaps on the affordable sector in typical mixed developments. However, there would need to be a period of transition to such a situation, particularly given expected market conditions in the next 3-4 years. There may also need to be some pooling across localities within housing market areas to cover untypical and smaller social housing-only schemes, but in general there should not be a requirement on typical larger schemes.

Areas with weaker markets, particularly in much of the North and parts of the Midlands, present a different story. Here the viability modelling typically indicates that some grant is needed (i.e. 'levelling up' in the current sense of the phrase). There is a rough sense of fairness here – currently London and the South need the numbers, but these lower-value areas need some grant. What they do not need is over-ambitious numbers or competition between authorities for population, in a context where there are dangers of low demand re-emerging if there is sustained high supply over 15-20 years.

Last but not least, it must be conceded that this study has not taken full account of the implications of net zero targets on the economics of housing development. The government is now consulting on the expected upgrade of Building Regulations to achieve the Future Homes Standard, which will have some effect in pushing up construction costs and attenuating to some extent the development surpluses which fuel both land values and the potential for cross-subsidy. On the numbers side, there are also uncertainties about future levels of demolition and replacement requirements for stock which cannot be economically remedied.

## Conclusions

The main conclusions of this updated study of housing requirements in England are reasonably clear.

Increased provision of housing of all kinds, but particularly social rented housing, would generate a wide range of beneficial social outcomes, including enabling more households to form and live independently, improved affordability of renting and homeownership, reduced poverty after housing costs, lower incidence of a range of housing needs or problems (not least homelessness) and a much greater chance of people in housing need gaining access to good quality and affordable housing. Taken in conjunction with some more specific measures, the worst forms of homelessness could be dramatically reduced.

While more households would be able to become homeowners, caution should be exercised in focusing or promising too much in terms of expansion of this tenure.

The beneficial outcomes of such a programme of increased housing provision tend to increase in step with both the scale and the focus (geographical, and tenure-related) on areas and sectors of greatest need and market pressure. While 'levelling up' is a desirable aspiration it is unlikely to completely overcome the very strong focus of market demand on London and its surrounding region.

There is no particular point on the scale of increased provision where the social outcome benefits peak or tail off completely. However, when comparing with the current very low supply and current policies scenario, the move to a medium-high level of supply seems to generate a bigger impact on most outcomes than moving on to the very high scenarios. However, alternative demographic baseline assumptions (which seem on balance more realistic) suggest a somewhat higher top range for social rented housing supply aspirations up to and above the 90,000 p.a. previously recommended.

There are some constraints on achievable numbers, in both the shorter term and the longer term. The economic prospects for the next three to four years are not very bright, which means that market-viable levels of new supply would not reach the levels to which we might aspire within this initial period. Later, supply can grow further, but beyond a certain point there could be some build-up of low demand problems in some areas, depending partly on demographic factors which are uncertain.

A second constraint may lie in the capacity, and (in some areas) willingness, of local authorities to step up to the challenge in terms of putting local plans in place with adequate numbers and targets for affordable housing, cooperating with neighbouring authorities, and operating the planning obligations system effectively.

The third constraint is fiscal. With intelligent use of a strengthened planning system, systematic use of section 106 planning obligations (and/or publicly led development vehicles) to fund infrastructure and affordable housing, reasonable levels of increased provision could be accommodated without a significant rise in publicly funded capital subsidies and borrowing (from the current level of around

£8 billion). This assumes a necessary reorientation of such funding, moving away from ill-targeted support to market development and homeowner subsidies towards social rented housing.

However, higher-end levels of new provision might strain the capacity of the overall fiscal envelope (requiring £10-12bn or more subsidy), especially if providers expect direct subsidy for social units even in the highest value areas. Additional factors which might increase costs and net subsidy requirements include revised Building Regulations to target net zero and more prudent assumptions to reflect risk and uncertainty at the point of scheme commitment. This would also require a level of compliance and effectiveness of implementation within the planning system, which might not be consistently maintained, not least in the face of economic fluctuations.

In the light of these considerations, we conclude that it is reasonable to plan on the basis of a total supply of at least 300,000 new homes, including 60-70,000 social rented units per year in the initial period. There is also a case for providing around 20,000 p.a. of shared-ownership homes (i.e. no more than recent numbers) plus 25,000 for intermediate rent, within the 300,000 overall provision. From 2030, the conclusion is that output should rise to around 350,000 per annum, of which 90,000 should be for social rent.

In this sense, the new, updated analysis broadly confirms the results of the 2018-19 study. While output in England over the last five years has been far from sufficient, the target to be achieved remains the same.

### Contact details

Glen Bramley is Professor of Urban Studies at Heriot-Watt University (contact: [g.bramley@hw.ac.uk](mailto:g.bramley@hw.ac.uk)).

### Notes and references

- 1 See Bramley, G. (2019) *Housing Supply Requirements across Great Britain for Low Income Households and Homeless People*. London: Crisis and the National Housing Federation (main technical report: <https://doi.org/10.17861/bramley.2019.04>); see also Housing, Communities and Local Government Select Committee (2020) *Building more social housing*. Third Report of Session 2019-21, HC 173. London: HoC (see especially section 4, pp.24-27).

- 2 Bramley, G. (2024) *Housing Requirements in England Revisited*. Edinburgh: Heriot-Watt University (<https://doi.org/10.17861/c99k-4v55>).
- 3 See in particular Bramley, G. & Watkins, D. (2016) 'Housebuilding, demographic change and affordability as outcomes of local planning decisions: exploring interactions using a sub-regional model of housing markets in England', in *Progress in Planning*, 104, pp.1-35; Bramley (2019) *op.cit.* footnote 1, and Bramley, G. (2023) *Homelessness Monitor Research Programme: Technical Report on Updated Baseline Estimates and Scenario Projections for England 2023*. Edinburgh: I-SPHERE, Heriot-Watt University (10.17861/949n-am24).
- 4 Subsidy cost calculations are mainly reported for 2032, but also for 2027 in the Technical Report.
- 5 The 'Very Low' scenario reflects the pessimistic interpretation of current English planning policy set out in Lichfields (2023) *Making a bad situation worse: the impact on housing supply of proposed changes to the NPPF* (see <https://lichfields.uk/blog/2023/february/27/making-a-bad-situation-worse-the-impact-of-the-proposed-nppf-changes-on-housing-supply/>) and reflected in House of Commons Select Committee on Levelling Up, Housing and Communities (2023): *Seventh Report of Session 2022-23 'Reforms to national planning policy'* (<https://committees.parliament.uk/publications/40872/documents/199083/default/>). The 'Low' scenario reflects recent reported completion levels.
- 6 See Lichfields (2023) *op.cit.*
- 7 As in the 2019 study, this would use no more than 20 per cent of green belt land in the affected districts over 20 years.
- 8 See for example Gurran, N. & Bramley, G. (2017) *Urban Planning and the Housing Market: International perspectives for policy and practice*. London: Palgrave, chapters 5 & 11; Crook, T., Henneberry, J. & Whitehead, C. (2016) *Planning Gain: Providing Infrastructure and Affordable Housing*. London: Wiley Blackwell.
- 9 Lord, A., *et al* (2018) *The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England in 2016-17*. London: MHCLG.