

The cost of inaction

A Cebr report for Shelter

September 2025

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London, May 2025

At a glance

- Failing to deliver 90,000 new social rent homes per year would lead to significant and sustained fiscal and economic consequences. The longer the government fails to deliver 90,000 social rent homes, the greater the consequences.
- Using a counterfactual framework based on foregone lets, we modelled where households would end up in the absence of social housing and estimated the downstream costs across public services and the wider economy.
- Annual cost of not delivering 90,000 new social rent homes (1-year scenario): **£3.3 billion**, including:
 - **£1.6 billion** in fiscal costs
 - **£1.6 billion** in economic costs
- Total cost of not delivering 90,000 new social rent homes increases over time:
 - **£19.1 billion** over the first five years
 - **£40.3 billion** over the first ten years
- Failing to ramp up to deliver 90,000 social rent homes would lead to significant annual costs:
 - **£7.9 billion** under the 5-year scenario
 - **£18.5 billion** under the 10-year scenario
- Cumulative costs over 30 years:
 - **£556 billion** (10-year scenario)
 - **£237 billion** (5-year scenario)
 - **£98 billion** (1-year scenario)

Glossary of key terms

Inaction / Cost of Inaction

Refers to the consequences of not building enough new social rent homes. These include higher public spending (e.g., on temporary accommodation or health services) and missed economic opportunities. The 'cost of inaction' quantifies the total negative impact this has on public finances and the wider economy.

Foregone Lets

Foregone lets is the total number of households that miss out on a social home because new social housing was not built. In other words, it is the gap between the availability of lettings that would be available under Shelter's scenarios and the availability of lettings under the inaction scenario. This includes both first-time tenancies and future re-lets that would have become available if more homes were added to the social housing stock.

Cost Horizon

The period of time over which costs and benefits are measured, typically 1 year, 5 years, 10 years, or 30 years in this report. It allows us to understand both the short-term and long-term implications of inaction or delivery.

Delivery Scenario

A modelling pathway where new social homes are built according to different timelines, such as delivering 90,000 homes in one year, 275,000 homes over five years, or 731,000 homes over ten years. Each scenario helps assess how the timing and scale of construction influence outcomes.

Counterfactual Framework

A modelling approach that compares two hypothetical futures: one where social homes are delivered in line with Shelter's proposed targets, and another where current levels of delivery continue. The difference between the two scenarios shows the costs that are foregone if action is not taken.

Fiscal Costs

The additional strain on public finances from inaction. For example, this would include higher housing benefit payments or increased NHS spending due to poor housing conditions. These are direct costs borne by the government.

Economic Costs

The wider impact on the economy from not delivering social housing. This includes lost productivity, and opportunity costs, including people being unable to take up job opportunities, or contribute fully to the economy, due to inadequate housing. These are indirect costs that affect society and the economy more broadly, beyond just government budgets.

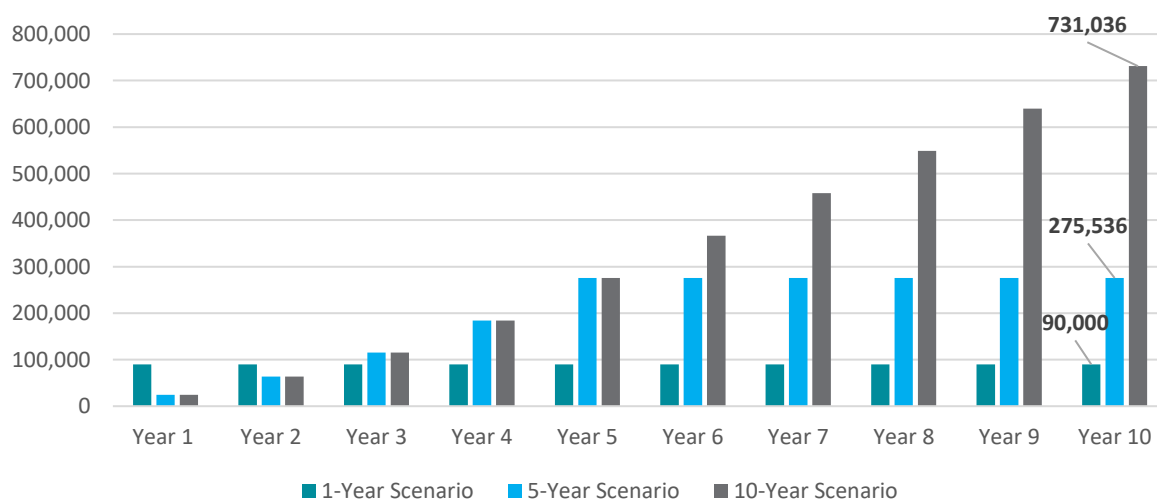
Methodology

Our analytical framework for this report compares outcomes under three Shelter scenarios for increasing social housing provision against a baseline inaction scenario, in which no additional homes are built beyond current levels. It quantifies the number of foregone lets due to inaction, maps displaced households into alternative housing situations and attaches socioeconomic costs to these outcomes.

The model compares four scenarios:

1. **1-Year scenario:** delivery of 90,000 general needs (social rent) homes in one year. This is based on sector-wide consensus that ending the housing emergency in England will require the delivery of 90,000 new social rent homes per year over the next decade.¹
2. **5-Year scenario:** delivery of roughly 275,000 general needs (social rent) homes in five years, representing a gradual scale-up in social housing construction to reach the 90,000 homes per year target by year five. This pathway models a more transitional route to achieving the sector's long-term goal.² Following this, completions are assumed to return to recent trend levels, defined as the annual average number of completions over the three financial years leading up to 2023/24.
3. **10-Year scenario:** delivery of approximately 731,000 general needs (social rent) homes in ten years, comprising the same scale-up seen in the 5-year scenario, followed by the sustained delivery of 90,000 homes per year for the remainder of the decade, before falling back to recent trend levels.³
4. **Inaction scenario:** assumes no growth in social housing supply beyond recent trend levels.

Figure 1: Cumulative delivery of general needs social rent homes under Shelter scenarios, by year and scenario



Source: Shelter

¹ Shelter (2024) – [Brick-by-brick: a plan to deliver the social homes we need](#)

² ibid

³ ibid

Each scenario tracks future lets, which consist of:

1. First lets: a property being rented out for the first time, usually driven by additional social housing completions.
2. Relets: a property is being rented out again after a previous tenant has vacated.

Notably, all scenarios incorporate internal mobility effects. The delivery of new homes increases not only the number of first lets, but also enhances system-wide capacity, facilitating more relets. This reflects real-world allocation patterns and the way in which added supply enables churn.

The key analytical step thereafter is estimating the number of **foregone lets** due to inaction, i.e., the gap between what could have happened under Shelter's scenarios and what occurs under the inaction scenario. These represent households who are unable to access social housing because the additional homes are not built.

To generate robust projections of future lets, we employed time series econometric modelling. This approach accounts for the persistence effect, wherein the delivery of new social housing has lasting impacts on the sector by increasing the availability of social homes not just in the year of delivery, but in subsequent years via enhanced relet activity.

Modelling this dynamically allows us to reflect how housing systems adjust over time. A static approach would underestimate this cumulative impact, failing to capture the way that newly built homes free up others (via moves and transfers) and improve the long-term availability of social homes. Econometric modelling ensures that these path-dependent effects are properly incorporated into our estimates of foregone lets.

Our modelling explicitly highlights how increasing social housing provision enhances system-wide capacity. Directly, it increases the total number of lets within each scenario's respective delivery timelines. Longer term, it has the effect of facilitating more relets many years after the new social homes are completed.

Following the calculation of foregone lets for each Shelter scenario relative to the inaction scenario, we apply a tenancy pathway model to estimate where these households are likely to end up in the absence of new social housing supply.

Table 1: Proposed new tenancy situations under foregone lets

| Proposed tenancy situation for lets foregone | Share |
|------------------------------------------------|-------------|
| General Needs social tenancy | 34% |
| Supported housing | 3% |
| Owner occupation (private or shared ownership) | 2% |
| Private sector tenancy | 17% |
| Living with family / friends | 23% |
| Temporary accommodation | 11% |
| Rough sleeping | 1% |
| Other | 10% |
| Total | 100% |

Sources: MHCLG, Cebr analysis

The proposed pathways in Table 1 are based on the average of previous tenancy situations recorded for new general needs (social rent) tenants between 2004/05 and 2023/24, using

Ministry of Housing, Communities and Local Government (MHCLG) Continuous Recording of Social Housing Lettings (CORE) data. This approach assumes that in a period of policy inaction, the structural patterns observed in recent years, including the types of housing situations from which people typically enter social housing, will broadly continue into the future.

The pathways capture both external demand (e.g. individuals moving from temporary accommodation or living with family), and also internal housing dynamics, where many new social homes would have been allocated to households already living within the social rented sector. This includes all existing social tenants, though in practice, moves will be prioritised for households living in overcrowded conditions (8.9% of all social housing households in 2023/24) and those residing in homes affected by damp problems (6.9% of all social dwellings in 2023/24).^{4,5}

Considering the following example:

- A couple with two dependent children, currently living in an overcrowded one-bedroom council flat, is allocated a newly built three-bedroom home. Their move frees up the original flat, which is then reallocated to a pensioner currently living in a two-bedroom property unsuitable for their mobility needs. That vacated home is subsequently used to accommodate a household moving out of temporary accommodation. Without the addition of the new build, this sequence of moves would not have occurred, leaving all households in their original, unsuitable housing situations.
- A single parent in temporary accommodation could have accessed a relet, made available by a household transferring into a new build. But without that new build, the relet never becomes available, and the parent remains in temporary accommodation.

This example shows how even a single new social home can unlock multiple reallocations within the system, increasing efficiency and better matching households to suitable housing. In the absence of new supply, the housing system becomes more static. As such, our foregone lets include both individuals unable to enter social housing, and those already in the system who are left unable move.

By applying this pathway model to the foregone lets, we estimate the scale remaining in alternative tenures such as the private rented sector, supported housing, living with family or friends, and temporary accommodation, while also recognising that a portion of households will remain in the social rented sector, albeit in overcrowded, inaccessible, or otherwise unsuitable homes.

Once allocated to their alternative tenures, households impacted by our foregone lets under our counterfactual framework are assigned tenure-specific cost estimates. The counterfactual assumes a continuation of current housing system dynamics, namely, a low level of new social housing delivery supplemented by limited other affordable housing contributions, falling well short of the sector's stated target of 90,000 new social rent homes per year. Under this scenario, many households are diverted into more expensive tenures such as private rented

⁴ English Housing Survey (2023/24)

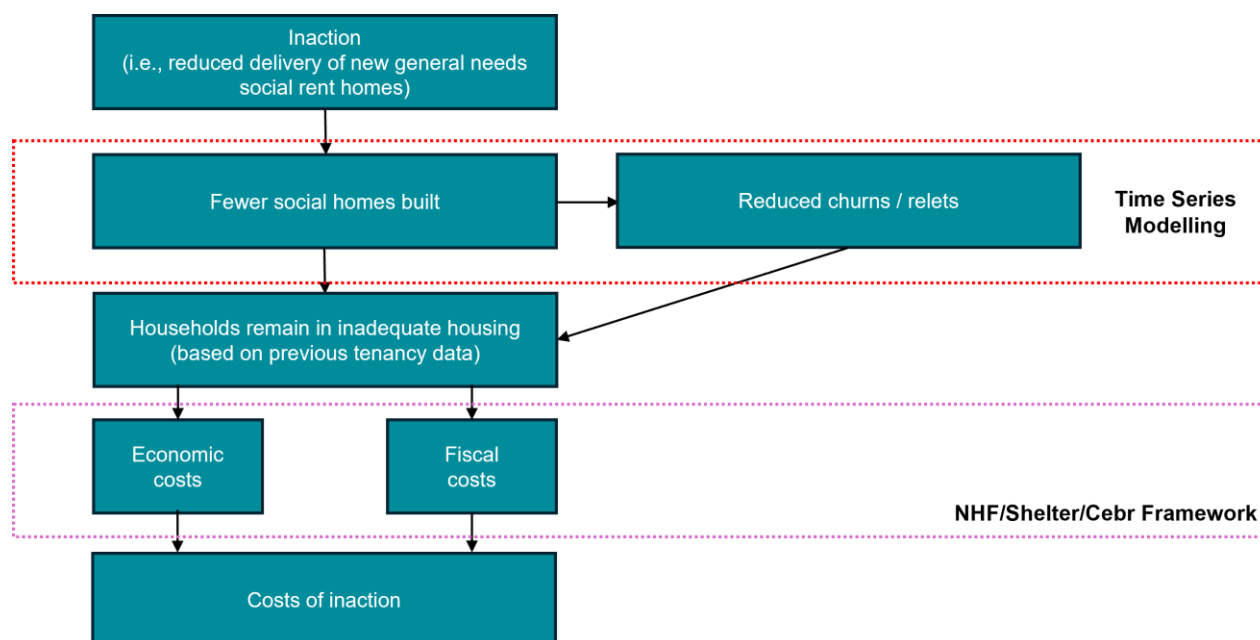
⁵ Shelter (2024) – [Local authority duties on preference in housing allocation](#)

housing or remain in temporary or unsuitable accommodation. As a result, the government bears a range of additional costs, including:

- Higher benefit provision costs (including housing benefit and universal credit), due to households being housed in more expensive private rented accommodation rather than lower-cost social housing.
- Local authority expenditure on temporary accommodation and supported housing, which remains elevated in the absence of sufficient social housing supply.
- Broader public costs associated with homelessness and hidden homelessness (e.g., justice system, social services, emergency health services).
- Costs associated with remaining in hazardous homes (e.g., overcrowding) specifically within social homes and private-rented homes, where households cannot be suitably rehoused due to limited stock availability.⁶

These are aggregated to estimate the fiscal burden of inaction over time, i.e., the avoidable costs borne by the state due to a failure to build new social homes. In addition to these direct fiscal costs, the research recognises the missed longer-term opportunities (i.e., the associated economic costs) that stable social housing can bring. These refer to the wider, long-term economic gains that are foregone when stable social housing is not provided, including improved educational attainment, higher employment and productivity, and increased income tax contributions. By capturing both categories, the analysis provides a more comprehensive picture of the societal and economic impact of inaction.

Figure 2: Diagram of modelling framework and assumptions



⁶ Private rented homes (21%) are twice as likely to fail the Decent Homes Standard as social homes (10%) – from English Housing Survey (2023/24): headline findings on housing quality and energy efficiency, Annex Table 1.4

Counterfactual Framework

- All figures are based on a comparison between different delivery scenarios and an inaction scenario. This research estimates the costs associated with *not* delivering additional general needs social rent homes.

Fixed Internal Transfers

- Internal transfers within the social housing sector are incorporated across all scenarios, though it is assumed that these are not materially different under scenarios with or without new housing construction.

Pathway Mapping

- The destinations of households unable to access social housing are allocated using the tenure distribution of *previous social housing* tenants, based on *MHCLG CORE and EHS data between 2004/05 and 2023/24*.

No Additional Social Housing Under Inaction Scenario

- It is assumed that the inaction scenario maintains average social housing completions at recent trend levels.

Relets Accumulate Over Time

- Despite social housing being a long-term tenure, the model assumes elevated relets as a result of earlier construction. This is supported by evidence from CORE showing high volumes of churn due to reasons like transfers, death or moving into care.

Unit Costs and Outcomes are Static

- Unit costs for fiscal and economic impacts are treated as constant over time but are adjusted for inflation.

Household Size and Property Matching Not Considered

- Due to data constraints, the model does not account for the suitability of property size for household needs.

Deadweight Not Explicitly Adjusted For

- The model assumes full additionality, i.e., all households unable to access social housing would otherwise face poor outcomes. While in reality some may find alternative solutions, no deadweight adjustment is applied, making the estimates conservative in modelling pathways but potentially optimistic in magnitude.

Our modelling framework for this leverages Cebr's prior research with Centrepont on the cost of youth homelessness, the National Housing Federation (NHF) and Shelter on the economic impact of building social housing, along with updated figures released by the Hyde Group on the value of a social tenancy.^{7,8,9}

On the latter research, while this analysis builds on our previous collaboration with the NHF and Shelter, it must be noted that there is a difference in the scope of research, making the outputs incomparable. Our 2024 research focused solely on the one-time benefit of building 90,000 new homes, particularly the economic return on investment, without accounting for the impact on wider lettings dynamics.

In contrast, this research focuses on the long-term cost of inaction, including both the homes that are not built and the knock-on effect on future available lettings. This research shows that failing to build social rent homes increases the number of lets foregone and places pressure on other housing options.

While the modelling provides a robust and comprehensive estimate of the fiscal and economic costs associated with under-delivery of social housing, there are several limitations and exclusions worth noting:

⁷ Centrepont and Cebr (2023) – [The cost of youth homelessness](#)

⁸ Shelter, NHF and Cebr (2024) – [The economic impact of building social housing](#)

⁹ Hyde Group (2024) – [The value of a social tenancy](#)

First, our approach focuses exclusively on the benefits to occupants and wider societal outcomes of delivering general needs social rent homes. It does not account for the direct economic benefits arising from the construction and ongoing management of these homes. These include employment generated in construction, local procurement benefits, and longer-term employment in housing management and maintenance. As such, the broader economic value of delivering new homes is likely underestimated.

Second, while we do include some estimates tied to poor housing conditions via Category 1 hazards, these do not extend to all tenure types (e.g., temporary accommodation). Indeed, previous Shelter research has highlighted the substandard conditions often found in temporary accommodation, and while we acknowledge the importance of this, our estimates do not account for poor housing conditions outside of the social and private-rented sectors due to data constraints.¹⁰ As such, our estimates for this item specifically are likely to be conservative.

Third, our model focuses only on general needs social rent housing. Specialist housing types such as supported housing or homes for older people are not covered, which may overlook some groups with distinct and acute housing needs.

Fourth, we acknowledge a limitation in our modelling around household size and the dynamics of new lets. While social housing is typically a stable and long-term tenure, a high number of relets still occur. This is partly driven by overcrowding and household formation, i.e., as households grow or split, new housing needs emerge. In practice, there are over 1.33 million households on social housing waiting lists as of March 2024, highlighting significant unmet need.¹¹ However, the available data (e.g. CORE and EHS) do not provide sufficiently granular insight into household size for new lets on the case-by-case level, limiting our ability to model churn or suitability by bedroom requirements. This constraint may slightly limit the precision of our analysis, particularly in relation to potential ceilings on total relets over time.

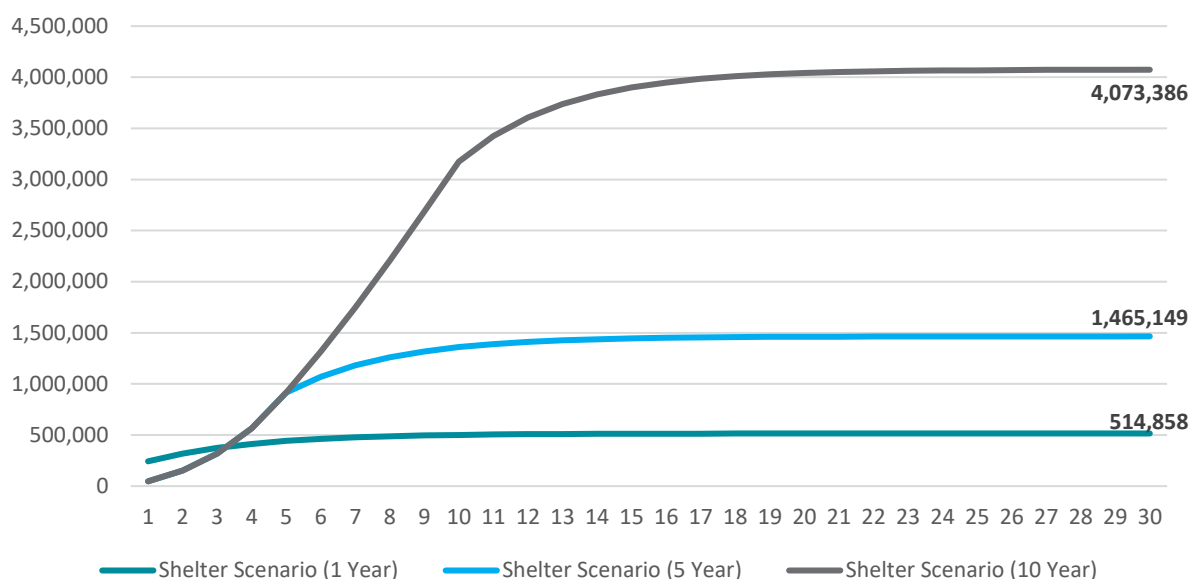
Finally, and importantly, we acknowledge that our model does not explicitly adjust for deadweight or partial additionality. In practice, not every household who misses out on a new social home would remain in housing need indefinitely. Some may find alternative adequate housing over time, whether through the private sector, informal arrangements, or by transferring within the existing social housing stock. This introduces an element of deadweight, meaning that a proportion of households modelled as 'losing out' under the inaction scenario may have eventually had their needs met without intervention. While the scale of this effect is uncertain, assuming full additionality i.e., where every social home delivered supports a household whose need would otherwise may go unmet, may lead to an overestimation of the net impact. Nonetheless, given the persistence and depth of housing need, particularly among those eligible for social housing, the risks of underestimating the scale and urgency of unmet need would outweigh the effect of any deadweight in most scenarios.

¹⁰ Shelter (2023) – [Still Living in Limbo](#)

¹¹ MHCLG (2025) – [Social housing lettings in England, tenants: April 2023 to March 2024](#)

Findings

Figure 3: Cumulative foregone lets, by Shelter scenario



Sources: MHCLG, Shelter, Cebr analysis

Figure 3 illustrates the cumulative number of foregone social housing lettings under three different Shelter scenarios compared to a baseline of inaction. The longer the delivery programme is sustained, the greater the number of social housing lettings foregone. Under the 10-year delivery scenario, over 4 million lets would be foregone by Year 30, nearly eight times more than under the 1-year programme (515,000) and almost three times more than under the 5-year programme (1.5 million). This reflects not only the scale of new completions forgone, but also the compounding impact on relet activity, reinforcing the long-term systemic consequences of delaying or discontinuing social housing investment.

Within this, it is important to recognise that social housing is not a static system. Social housing is a stable tenure with 91% of new social rent (general needs) homes let as lifetime tenancies.¹² However, there is natural turnover within the stock due to a range of life events and household transitions. CORE data from 2023/24 highlights this. More than 90% of all new social lettings were relets, not first lets. The most common reasons for a property being relet include the death of a previous tenant (21% of total lets), moves to the private sector or other housing (25% of total lets), and internal transfers (19% of total lets). These patterns reflect not just unmet housing need but the regular movement of households responding to changes in their circumstances, such as ageing, downsizing, or seeking better-quality housing.

Following our foregone lets calculations, we sought to quantify the broader cost of inaction by applying a suite of cost frameworks developed through prior Cebr analysis. The foregone lets were first split into alternative tenure outcomes using our pre-determined pathway model,

¹² MHCLG (2024) – Core Social Housing Lettings Tenancies 2023/24, Table 2ai: New social housing lettings by tenancy type

reflecting the housing situations households would likely face in the absence of new social homes.

We then applied relevant cost assumptions developed through prior Cebr analysis across each tenure to retrieve the associated fiscal costs and longer-term economic opportunity costs.

These include:

- **Fiscal costs**, including:
 - **Housing benefit and Universal Credit** costs, due to higher rents in the private-rented sector and lower access to employment due to an unstable housing situation.
 - **Temporary accommodation** expenditure by local authorities.
 - **Criminal justice** costs associated with housing instability and homelessness.
 - **Health service** costs from increased A&E visits, mental health issues and substance abuse amongst homeless and hidden homeless, and lower wellbeing due to presence of health hazards like damp, mould and overcrowding.¹³
 - **Supported housing** maintenance costs for households displaced into these services
 - **Homelessness services** and outreach provision for those statutory homeless.
 - **Overcrowding in the social rented sector**, leading to downstream health impacts.
- **Economic costs (or missed opportunities)**, including:
 - Lower **employment participation** and **productivity**
 - Reduced **income tax receipts**¹⁴
 - **Educational** disruption affecting long-term earnings potential

Table 2: Total costs (£ millions), by cost horizon and Shelter delivery scenario

| Scenario/Cost horizon | Component | 1-Year | 5-Year | 10-Year |
|-----------------------|-------------|---------|----------|----------|
| Annually | Total costs | £3,256 | £7,891 | £18,537 |
| Over First 5 Years | | £19,087 | £20,587 | £20,587 |
| Over First 10 Years | | £40,357 | £74,768 | £116,840 |
| Over 30 Years | | £97,686 | £236,720 | £556,110 |

Sources: Various, Cebr analysis

The total cost, incorporating both fiscal and economic costs, of not delivering social housing in line with Shelter's 5-year trajectory is substantial, reaching **£7.9 billion per year** and **£74.8**

¹³ Part of this cost item specifically estimates the health service burden associated with lower wellbeing due to the presence of Category 1 (CAT 1) health hazards in both social and private-rented homes. The underlying cost figures are sourced from the [Building Research Establishment's 2023 report The Cost of Poor Housing in England by Tenure](#). Segmentation was undertaken using historical CORE and EHS data, focusing on the number of tenants who moved into new social housing due to poor conditions and/or overcrowding, as well as the prevalence of CAT 1 hazards.

¹⁴ Missed income tax receipts, while affecting public finances, are classified as economic costs to reflect their nature as opportunity costs rather than direct state spending.

billion cumulatively over the first ten years. Under the 10-year delivery scenario, these costs rise significantly, amounting to **£18.5 billion annually** and **£117 billion over the first ten years**. Notably, the costs over the first five years are identical across the 5- and 10-year scenarios, as each assumes the same pace of social housing delivery during that initial period, with the differences emerging in the second half of the decade.

More detail on the individual cost items can be found in the Appendix. Table 3 presents a high-level breakdown of total costs. Tables 5-9 offer a more detailed view, disaggregating these cost components across different cost horizons for the 1-year, 5-year, and 10-year scenarios, respectively.

Table 3: Total costs per delivered social home, by cost horizon and Shelter scenario

| Scenario / Cost per social home | Component | 1-Year | 5-Year | 10-Year |
|---------------------------------|-----------|------------|----------|----------|
| Annually | Total | £36,180 | £28,637 | £25,357 |
| Over First 5 Years | | £212,078 | £74,716 | £28,161 |
| Over First 10 Years | | £448,416 | £271,356 | £159,828 |
| Over 30 Years | | £1,085,399 | £859,125 | £760,715 |

Sources: Various, Cebr analysis

To complement the total cost estimates, we next examined the cost of inaction per delivered social home. This provides a useful lens on the cost-effectiveness of social housing investment, by linking system-wide economic pressures to individual social homes. This involves dividing the total cost of inaction by the additional homes that would have been delivered under the Shelter scenario. While these homes are not physically delivered under the inaction scenario, the calculation serves to illustrate the magnitude of the cost associated with each undelivered social home.

The total cost, incorporating both fiscal and economic costs, of not delivering one social home under Shelter's 5-year trajectory is estimated at **£28,600** per year, rising to **£271,400** over the first ten years. In comparison, the 10-year trajectory, which delivers homes more gradually, sees a slightly lower annual cost of **£25,400** per home, but this still accumulates to **£159,800** over the first decade.

Notably, the cost per home decreases under the longer projection periods. This is because, in the 1-year scenario, all 90,000 homes are assumed to be delivered upfront, enabling a greater number of re-lets and internal transfers to take place earlier in the projection window. This results in a higher total number of foregone lets and therefore proportionately higher cumulative costs being attributed to a smaller number of homes. In contrast, the 5-year and 10-year scenarios phase in delivery more gradually, which reduces the re-let potential per existing home within the modelling period, lowering the average cost per home.

More detail on the individual cost items per delivered social home can be found in the Appendix. Table 3 presents a high-level breakdown of total costs. Tables 5-9 offer a more detailed view, disaggregating these cost components across different cost horizons for the 1-year, 5-year, and 10-year scenarios, respectively.

Incorporating Spending Review 2025 announcements

In July 2025, building on the announcements from the June Spending Review 2025, the Government set out its plan for social and affordable housing: a £39 billion, ten-year programme (2026 to 2036) to deliver new homes at scale. The programme targets up to 300,000 additional homes, of which at least 180,000 will be grant-funded social rent homes. The Government also anticipates further delivery of social rent homes through other mechanisms, though the scale of this additional provision is not yet clear.

In light of this announcement, we updated our analysis to examine how the costs outlined above would change when comparing the Shelter trajectories to a revised 'inaction' scenario that incorporates these new commitments. This update involved:

- 1) Adjusting the 'inaction' scenario to reflect the planned increase in grant-funded social rent homes under the programme.
- 2) Maintaining the assumed delivery of other social rent homes (e.g. via Right to Buy receipts, Section 106 agreements) at current levels, given the absence of clear estimates for their expected contribution.

Table 4: Total costs (£ millions), by cost horizon and for 5-year and 10-year Shelter delivery scenario following Spending Review 2025 announcements

| Scenario/Cost horizon | Component | 5-Year | 10-Year |
|-----------------------|-------------|----------|----------|
| Annually | Total costs | £3,738 | £14,384 |
| Over First 5 Years | | £16,429 | £16,429 |
| Over First 10 Years | | £49,087 | £91,158 |
| Over 30 Years | | £112,131 | £431,521 |

Sources: Various, Cebr analysis

Under the updated 'inaction' scenario, which incorporates the latest Government announcements, projected costs fall substantially. This reduction reflects both the significant addition to the social rent housing stock and the wider increase in re-lets enabled by the expansion of the stock.

Under Shelter's 5-year delivery trajectory, annual costs are now estimated at **£3.7 billion** and cumulative costs at **£49.1 billion** over the first ten years, falling by **£4.2 billion** and **£25 billion**, respectively, compared to the original 'inaction' scenario. Under the 10-year delivery trajectory, costs are now projected at **£14.4 billion** per year and **£91 billion** over the first decade, representing a similar decrease.

Appendix

Table 5: Total costs and missed opportunities, by cost horizon and Shelter delivery scenario

| Scenario / Cost horizon | Component | 1-Year | 5-Year | 10-Year |
|----------------------------------|-----------|---------|----------|----------|
| Annually (£ millions) | Fiscal | £1,639 | £3,864 | £8,849 |
| | Economic | £1,618 | £4,027 | £9,688 |
| | Total | £3,256 | £7,891 | £18,537 |
| Over First 5 Years (£ millions) | Fiscal | £11,158 | £11,907 | £11,907 |
| | Economic | £7,929 | £8,680 | £8,680 |
| | Total | £19,087 | £20,587 | £20,587 |
| Over First 10 Years (£ millions) | Fiscal | £22,825 | £41,592 | £64,415 |
| | Economic | £17,533 | £33,176 | £52,425 |
| | Total | £40,357 | £74,768 | £116,840 |
| Over 30 Years (£ millions) | Fiscal | £49,155 | £115,918 | £265,479 |
| | Economic | £48,531 | £120,802 | £290,631 |
| | Total | £97,686 | £236,720 | £556,110 |

Sources: Various, Cebr analysis

Table 6: Total costs and missed opportunities per delivered social home, by cost horizon and Shelter scenario

| Scenario / Cost per social home | Component | 1-Year | 5-Year | 10-Year |
|---------------------------------|--------------|------------|----------|----------|
| Annually | Costs | £18,206 | £14,023 | £12,105 |
| | Missed Opps. | £17,974 | £14,614 | £13,252 |
| | Total | £36,180 | £28,637 | £25,357 |
| Over First 5 Years | Costs | £123,980 | £43,214 | £16,288 |
| | Missed Opps. | £88,097 | £31,502 | £11,873 |
| | Total | £212,078 | £74,716 | £28,161 |
| Over First 10 Years | Costs | £253,606 | £150,950 | £88,115 |
| | Missed Opps. | £194,810 | £120,406 | £71,713 |
| | Total | £448,416 | £271,356 | £159,828 |
| Over 30 Years | Costs | £546,169 | £420,700 | £363,154 |
| | Missed Opps. | £539,230 | £438,425 | £397,561 |
| | Total | £1,085,399 | £859,125 | £760,715 |

Sources: Various, Cebr analysis

Table 7: Detailed costs under Shelter's 1-year trajectory

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | £140 | £954 | £1,950 | £1,552 | £10,599 | £21,668 |
| | Universal Credit | £227 | £1,549 | £3,167 | £2,520 | £17,211 | £35,184 |
| | Temporary Accommodation | £81 | £554 | £1,133 | £901 | £6,156 | £12,584 |
| | Criminal Justice | £529 | £3,616 | £7,392 | £5,882 | £40,177 | £82,131 |
| | Health Services | £508 | £3,469 | £7,092 | £5,643 | £38,546 | £78,797 |
| | Supported Housing | £46 | £314 | £642 | £511 | £3,489 | £7,133 |
| | Homelessness Services | £91 | £625 | £1,277 | £1,017 | £6,943 | £14,194 |
| | CAT 1 Hazards | £16 | £77 | £172 | £181 | £859 | £1,915 |
| Economic Costs | Education | £117 | £802 | £1,639 | £1,304 | £8,911 | £18,215 |
| | Employment/Prod | £1,051 | £4,994 | £11,138 | £11,682 | £55,492 | £123,753 |
| | Income Tax Receipts | £449 | £2,133 | £4,756 | £4,988 | £23,695 | £52,842 |
| Total | Fiscal Costs | £1,639 | £11,158 | £22,825 | £18,206 | £123,980 | £253,606 |
| | Economic Costs | £1,618 | £7,929 | £17,533 | £17,974 | £88,097 | £194,810 |
| | Total | £3,256 | £19,087 | £40,357 | £36,180 | £212,078 | £448,416 |

Sources: Various, Cebr analysis

Table 8: Detailed costs under Shelter's 5-year trajectory

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | £329 | £1,018 | £3,552 | £1,195 | £3,694 | £12,893 |
| | Universal Credit | £534 | £1,653 | £5,768 | £1,940 | £5,998 | £20,935 |
| | Temporary Accommodation | £191 | £591 | £2,063 | £694 | £2,145 | £7,488 |
| | Criminal Justice | £1,248 | £3,858 | £13,465 | £4,528 | £14,001 | £48,870 |
| | Health Services | £1,197 | £3,701 | £12,919 | £4,344 | £13,433 | £46,886 |
| | Supported Housing | £108 | £335 | £1,169 | £393 | £1,216 | £4,244 |
| | Homelessness Services | £216 | £667 | £2,327 | £783 | £2,420 | £8,446 |
| | CAT 1 Hazards | £41 | £85 | £327 | £148 | £308 | £1,188 |
| Economic Costs | Education | £277 | £856 | £2,986 | £1,004 | £3,105 | £10,838 |
| | Employment/Prod | £2,628 | £5,483 | £21,156 | £9,537 | £19,900 | £76,782 |
| | Income Tax Receipts | £1,122 | £2,341 | £9,034 | £4,072 | £8,497 | £32,786 |
| Total | Fiscal Costs | £3,864 | £11,907 | £41,592 | £14,023 | £43,214 | £150,950 |
| | Economic Costs | £4,027 | £8,680 | £33,176 | £14,614 | £31,502 | £120,406 |
| | Total | £7,891 | £20,587 | £74,768 | £28,637 | £74,716 | £271,356 |

Sources: Various, Cebr analysis

Table 9: Detailed costs under Shelter's 10-year trajectory

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | £753 | £1,018 | £5,501 | £1,031 | £1,392 | £7,525 |
| | Universal Credit | £1,223 | £1,653 | £8,932 | £1,673 | £2,261 | £12,218 |
| | Temporary Accommodation | £438 | £591 | £3,195 | £599 | £809 | £4,370 |
| | Criminal Justice | £2,856 | £3,858 | £20,851 | £3,906 | £5,277 | £28,522 |
| | Health Services | £2,740 | £3,701 | £20,004 | £3,748 | £5,063 | £27,364 |
| | Supported Housing | £248 | £335 | £1,811 | £339 | £458 | £2,477 |
| | Homelessness Services | £494 | £667 | £3,603 | £675 | £912 | £4,929 |
| | CAT 1 Hazards | £98 | £85 | £518 | £134 | £116 | £709 |
| Economic Costs | Education | £633 | £856 | £4,624 | £866 | £1,170 | £6,326 |
| | Employment/Prod | £6,345 | £5,483 | £33,498 | £8,680 | £7,500 | £45,822 |
| | Income Tax Receipts | £2,709 | £2,341 | £14,303 | £3,706 | £3,203 | £19,566 |
| Total | Fiscal Costs | £8,849 | £11,907 | £64,415 | £12,105 | £16,288 | £88,115 |
| | Economic Costs | £9,688 | £8,680 | £52,425 | £13,252 | £11,873 | £71,713 |
| | Total | £18,537 | £20,587 | £116,840 | £25,357 | £28,161 | £159,828 |

Sources: Various, Cebr analysis

Appendix – incorporating Spending Review 2025 announcements

Table 10: Total costs (£ millions), by cost horizon and all Shelter delivery scenarios following Spending Review 2025 announcements

| Scenario/Cost horizon | Component | 1-Year | 5-Year | 10-Year |
|-----------------------|-------------|----------|----------|----------|
| Annually | Total costs | -£897 | £3,738 | £14,384 |
| Over First 5 Years | | £14,929 | £16,429 | £16,429 |
| Over First 10 Years | | £14,676 | £49,087 | £91,158 |
| Over 30 Years | | -£26,903 | £112,131 | £431,521 |

Sources: Various, Cebr analysis

For the 1-year trajectory, some results show a net cost relative to the updated 'inaction' scenario, driven largely by the much larger immediate increase in social housing stock assumed under the latter. However, the delivery profile is an important factor: the 1-year trajectory assumes an upfront addition of 90,000 homes, whereas the Government's programme is modelled to ramp up gradually over a ten-year period. This means the 1-year approach delivers greater benefits in the early years. Over the longer term, however, as the Government programme delivers more homes and re-let capacity increases, the cumulative benefits of the Government's plan overtake the 1-year trajectory, resulting in a negative net cost on average per year and over a 30-year horizon.

Table 11: Total costs and missed opportunities, by cost horizon and Shelter delivery scenario, under updated 'inaction' scenario

| Scenario / Cost horizon | Component | 1-Year | 5-Year | 10-Year |
|----------------------------------|-----------|----------|----------|----------|
| Annually (£ millions) | Fiscal | -£342 | £1,884 | £6,869 |
| | Economic | -£555 | £1,854 | £7,515 |
| | Total | -£897 | £3,738 | £14,384 |
| Over First 5 Years (£ millions) | Fiscal | £8,757 | £9,506 | £9,506 |
| | Economic | £6,172 | £6,923 | £6,923 |
| | Total | £14,929 | £16,429 | £16,429 |
| Over First 10 Years (£ millions) | Fiscal | £8,683 | £27,451 | £50,274 |
| | Economic | £5,993 | £21,636 | £40,885 |
| | Total | £14,676 | £49,087 | £91,158 |
| Over 30 Years (£ millions) | Fiscal | -£10,257 | £56,506 | £206,067 |
| | Economic | -£16,646 | £55,625 | £225,455 |
| | Total | -£26,903 | £112,131 | £431,521 |

Sources: Various, Cebr analysis

Table 12: Total costs and missed opportunities per delivered social home, by cost horizon and Shelter scenario, under updated 'inaction' scenario

| Scenario / Cost per social home | Component | 1-Year | 5-Year | 10-Year |
|---------------------------------|--------------|-----------|----------|----------|
| Annually | Costs | -£3,799 | £6,836 | £9,396 |
| | Missed Opps. | -£6,165 | £6,729 | £10,280 |
| | Total | -£9,964 | £13,565 | £19,676 |
| Over First 5 Years | Costs | £97,302 | £34,500 | £13,003 |
| | Missed Opps. | £68,574 | £25,125 | £9,470 |
| | Total | £165,876 | £59,625 | £22,473 |
| Over First 10 Years | Costs | £96,479 | £99,626 | £68,770 |
| | Missed Opps. | £66,584 | £78,523 | £55,927 |
| | Total | £163,063 | £178,149 | £124,697 |
| Over 30 Years | Costs | -£113,962 | £205,078 | £281,883 |
| | Missed Opps. | -£184,957 | £201,879 | £308,404 |
| | Total | -£298,920 | £406,957 | £590,287 |

Sources: Various, Cebr analysis

Table 13: Detailed costs under Shelter's 1-year trajectory, under updated 'inaction' scenario

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|--------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | -£29 | £749 | £743 | -£322 | £8,319 | £8,250 |
| | Universal Credit | -£47 | £1,216 | £1,206 | -£522 | £13,508 | £13,396 |
| | Temporary Accommodation | -£17 | £435 | £431 | -£187 | £4,831 | £4,791 |
| | Criminal Justice | -£110 | £2,838 | £2,814 | -£1,219 | £31,533 | £31,272 |
| | Health Services | -£105 | £2,723 | £2,700 | -£1,169 | £30,253 | £30,002 |

| | | | | | | | |
|----------------|-----------------------|-------|---------|---------|---------|----------|----------|
| | Supported Housing | -£10 | £246 | £244 | -£106 | £2,739 | £2,716 |
| | Homelessness Services | -£19 | £490 | £486 | -£211 | £5,450 | £5,404 |
| | CAT 1 Hazards | -£6 | £60 | £58 | -£64 | £668 | £647 |
| Economic Costs | Education | -£24 | £629 | £624 | -£270 | £6,994 | £6,936 |
| | Employment/Prod | -£372 | £3,884 | £3,762 | -£4,131 | £43,154 | £41,800 |
| | Income Tax Receipts | -£159 | £1,658 | £1,606 | -£1,764 | £18,426 | £17,848 |
| Total | Fiscal Costs | -£342 | £8,757 | £8,683 | -£3,799 | £97,302 | £96,479 |
| | Economic Costs | -£555 | £6,172 | £5,993 | -£6,165 | £68,574 | £66,584 |
| | Total | -£897 | £14,929 | £14,676 | -£9,964 | £165,876 | £163,063 |

Sources: Various, Cebr analysis

Table 14: Detailed costs under Shelter's 5-year trajectory, under updated 'inaction' scenario

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | £161 | £813 | £2,345 | £583 | £2,949 | £8,510 |
| | Universal Credit | £261 | £1,319 | £3,807 | £946 | £4,788 | £13,818 |
| | Temporary Accommodation | £93 | £472 | £1,362 | £338 | £1,713 | £4,942 |
| | Criminal Justice | £609 | £3,080 | £8,888 | £2,209 | £11,178 | £32,257 |
| | Health Services | £584 | £2,955 | £8,527 | £2,119 | £10,724 | £30,948 |
| | Supported Housing | £53 | £267 | £772 | £192 | £971 | £2,802 |
| | Homelessness Services | £105 | £532 | £1,536 | £382 | £1,932 | £5,575 |
| | CAT 1 Hazards | £19 | £68 | £213 | £68 | £246 | £774 |
| Economic Costs | Education | £135 | £683 | £1,971 | £490 | £2,479 | £7,154 |
| | Employment/Prod | £1,205 | £4,373 | £13,781 | £4,372 | £15,869 | £50,013 |
| | Income Tax Receipts | £514 | £1,867 | £5,884 | £1,867 | £6,776 | £21,355 |
| Total | Fiscal Costs | £1,884 | £9,506 | £27,451 | £6,836 | £34,500 | £99,626 |
| | Economic Costs | £1,854 | £6,923 | £21,636 | £6,729 | £25,125 | £78,523 |
| | Total | £3,738 | £16,429 | £49,087 | £13,565 | £59,625 | £178,149 |

Sources: Various, Cebr analysis

Table 15: Detailed costs under Shelter's 10-year trajectory, under updated 'inaction' scenario

| | Cost Item | Cumulative (£ millions) | | | Per delivered social home (£) | | |
|----------------|-------------------------|-------------------------|--------------------|---------------------|-------------------------------|--------------------|---------------------|
| | | Annual | Over First 5 Years | Over First 10 Years | Annual | Over First 5 Years | Over First 10 Years |
| Fiscal Costs | Housing Benefit | £585 | £813 | £4,293 | £800 | £1,111 | £5,873 |
| | Universal Credit | £950 | £1,319 | £6,971 | £1,299 | £1,805 | £9,536 |
| | Temporary Accommodation | £340 | £472 | £2,493 | £465 | £646 | £3,411 |
| | Criminal Justice | £2,217 | £3,080 | £16,273 | £3,032 | £4,213 | £22,260 |
| | Health Services | £2,127 | £2,955 | £15,613 | £2,909 | £4,042 | £21,357 |
| | Supported Housing | £193 | £267 | £1,413 | £263 | £366 | £1,933 |
| | Homelessness Services | £383 | £532 | £2,812 | £524 | £728 | £3,847 |
| | CAT 1 Hazards | £76 | £68 | £404 | £104 | £93 | £553 |
| Economic Costs | Education | £492 | £683 | £3,609 | £672 | £934 | £4,937 |
| | Employment/Prod | £4,922 | £4,373 | £26,122 | £6,733 | £5,981 | £35,733 |
| | Income Tax Receipts | £2,102 | £1,867 | £11,154 | £2,875 | £2,554 | £15,258 |
| Total | Fiscal Costs | £6,869 | £9,506 | £50,274 | £9,396 | £13,003 | £68,770 |
| | Economic Costs | £7,515 | £6,923 | £40,885 | £10,280 | £9,470 | £55,927 |
| | Total | £14,384 | £16,429 | £91,158 | £19,676 | £22,473 | £124,697 |

Sources: Various, Cebr analysis