



## Level up the country with social housing

We are losing social homes faster than we build them, which is accelerating the housing emergency and holding communities back across the country. The Queen's Speech and the upcoming levelling up bill offer a unique opportunity to reverse this trend by putting social housing at the heart of government's plans. Shelter is calling on the government to:

- Make homes for social rent the priority tenure for Affordable Homes Programme grants
- Reform the land market to make it cheaper and easier to build social housing
- Ensure planning reforms maximise the delivery of social housing from new developments

### Build social housing

For decades, social housing has been disappearing at an alarming rate. **In the last year alone, there was a net loss of over 22,000 social homes across England.** Meanwhile, since the early 2000s, **the private rented sector has more than doubled** as millions of families have been pushed into insecure private rentals.

**Delivering genuinely affordable, quality homes must be at the heart of the government's levelling up agenda.** Social housing is affordable by design, because rents are linked to local incomes – not the local housing market – which mean rents stay affordable to local people over time. Only social housing will anchor families on low incomes in their communities and ensure that everyone can share in the benefits of investment in their neighbourhoods.

**The government must get the Affordable Homes Programme building social homes, by making social housing the priority tenure for grants** and scrapping geographical restrictions that make it difficult to build social housing in left behind areas.

**SHELTER**

## Reform the land market

An artificially high price of land underpins the high cost of housing: **without land reform, it will always be difficult to build social housing on the scale we need.** An outdated piece of legislation enshrines something called 'hope value' in law. This is the value that land would have with planning permission to build luxury private homes and is paid as compensation to landowners if their land is subject to a Compulsory Purchase Order.

'Hope value' pushes up the price of land, encourages landowners to hold on to their land speculatively, and makes it exorbitantly expensive for local authorities to purchase land at a fair value – which in turn makes it unviable to build social housing at scale.

**Reforming the 1961 Land Compensation Act and removing reference to hope value will enable councils to pay a fair price for land and get many more social homes built on the scale we need.**

## Make private developers contribute more

The planning system does not deliver enough social housing and that's because the incentives are wrong. Instead of helping unlock good quality and genuinely affordable social homes for local people, the planning system prioritises the delivery of as many units as possible regardless of whether they are the homes an area needs.

This system sees developers' benefit from the subsidising of developments that provide mistitled 'affordable' homes that in reality few can afford. Social homes are not only deprioritised to these other tenures, but developers are able to negotiate away from even these requirements.

**We need a planning system that puts the need for quality, affordable social housing at its heart. Planning permission should require an ironclad guarantee of a significant proportion of social homes in any area where there's a waiting list.**

