The economic impact of building social housing

A Cebr report for Shelter and the National Housing Federation.

February 2024

Contents

Executive Summary

- It is widely acknowledged within the housing sector that there is a need to build a minimum of 90,000 social rented homes a year, over a span of ten years, in England.[1] This commitment is considered crucial for clearing social housing waitlists and effectively combatting homelessness.

- The Centre for Economics and Business Research (Cebr) has been commissioned by Shelter and the National Housing Federation (NHF) to assess the economic and social impacts of building 90,000 social homes – i.e. the level of delivery needed annually for a ten year period.

- Our report includes a comprehensive long-term assessment of how building social housing benefits the economy, the government, the people who will live in social homes and society at large. The specific scenario modelled within this report, is the construction of 90,000 new social homes once. This is intended to demonstrate the impact of one singular year of a scheme, which would be expected to continue over multiple years.

The combined socioeconomic value of building 90,000 social homes is estimated to be £51.2 billion

Net positive economic and social impact

£51.2 billion

(net present value)

Total benefits: £86.5 bn

Economic impact from construction and management	Direct benefits to the Exchequer	Indirect benefits to the Exchequer and wider society
£48.2 bn	£7.0 bn	£31.4 bn
		of which **£16.8bn** to the Exchequer

Total costs: £35.4 bn

Grant funding	Additional funding
£11.8 bn	£23.5 bn
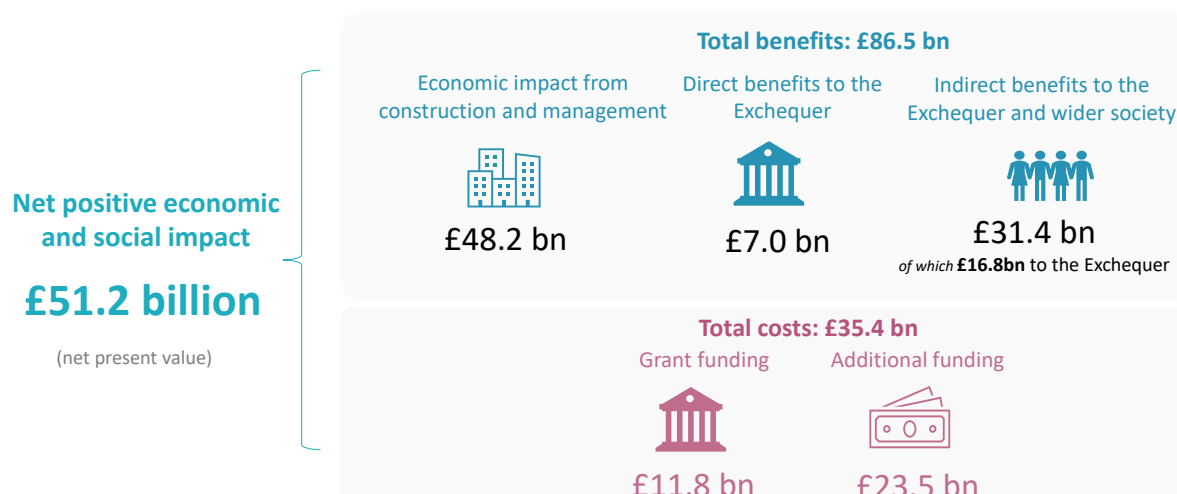
A large proportion of these impacts are realised immediately

- Within the first year following construction, the programme is projected to generate substantial benefits of £32.6 billion, driven by the economic impact of construction.

- Starting from the second year onwards, it is expected to generate recurring annual benefits, resulting from:
  → management of increased social housing stock.
  → savings on housing benefits.

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[1] Housing supply requirements across Great Britain for low-income households and homeless people: Research for Crisis and the National Housing Federation; Main Technical Report | Bramley, G (2019)

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- → wider indirect benefits including reduced homelessness, increased employment, and savings on healthcare, among others.

- These recurring benefits are projected to bring the programme to break even in the third year post-construction, achieving a positive net present value of £2.4 billion.

- We have assumed that the upfront cost of building 90,000 homes in a given year would be £35.4 billion, with one-third (£11.8 billion) funded by the government and the remaining portion covered by providers of social housing such as housing associations or local authorities. These figures serve as inputs in our models rather than findings of this report. Our analysis does not consider any potential reduction in costs that could be realised through land or planning reform, or changes in cost over time.

- The specific scope for evaluation within this report is the construction of the initial 90,000 new social homes.   This is intended to demonstrate the impact of one singular year of a scheme which would be long-term. The above costs and benefits are based on the construction of the initial 90,000 social homes in the current context. Any subsequent construction phases may be subject to changes in the operating landscape, leading to potential adjustments in the underlying assumptions of our model. As such, the economic impact of successive additions of 90,000 homes may vary with evolving economic and social conditions.

The most significant impact would arise from the construction and management of these homes

- The construction and ongoing management of 90,000 social homes is expected to generate £48.2 billion in economic activity. This represents 56% of the total benefits, making it the greatest impact channel.

- Of this, £27.4 billion is attributed to the economic impact during construction. £20.8 billion represents the impact of managing more social housing.

Total economic impact (GVA)
net present value
£48.2 bn

FTE jobs	Construction £27.4 bn		Management £20.8 bn	FTE jobs (annual)
139,212 direct	£10.4 bn	direct	£8.1 bn	**4,792** direct
353,029 total	£17.0 bn	indirect +induced	£12.7 bn	**10,158** total
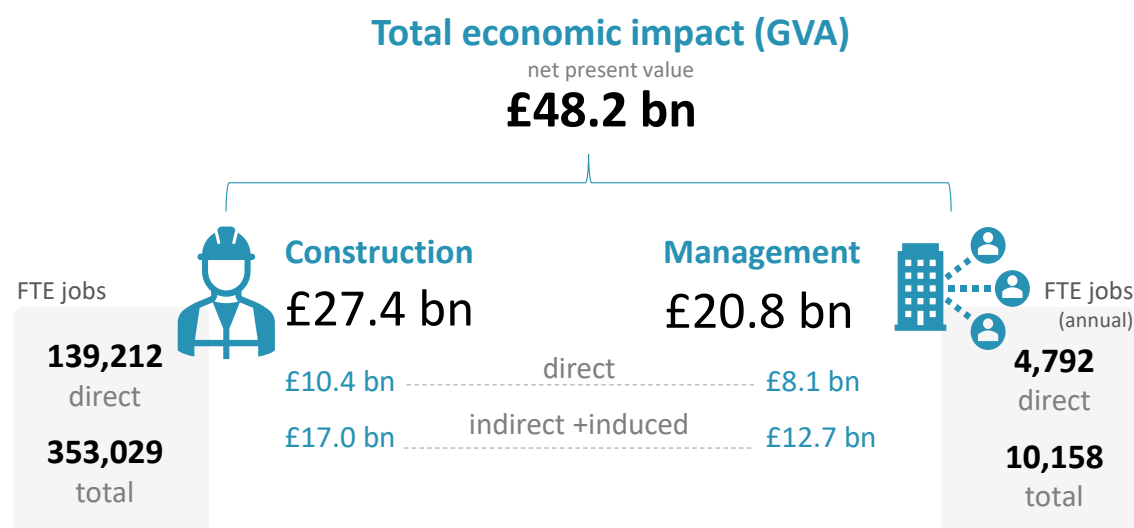
- **The construction phase is expected to directly generate £10.4 billion in Gross Value Added (GVA)**. This represents the direct economic activity supported during construction, which contributes to GDP.

- **A further £17.0 billion in GVA is expected to be supported along the supply chains, as:**

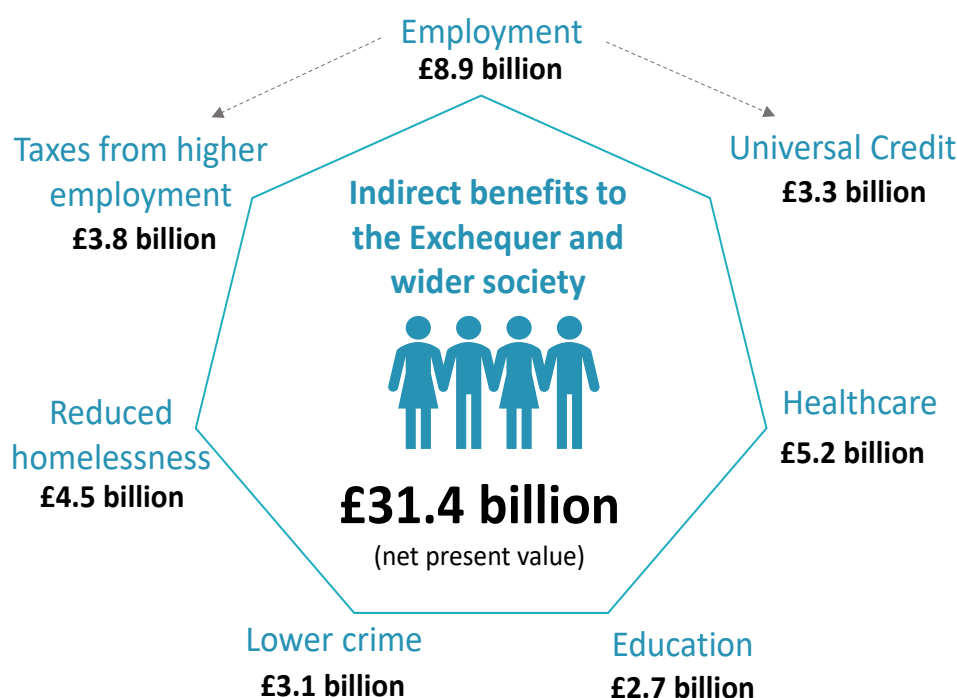- → construction firms purchase goods and services for their operations.

- → employees directly and indirectly involved during the construction stage spend their earnings in the wider economy.

- **Unlike the one-off impact of construction, the economic impact from the management of these social homes is recurring throughout the project's lifetime.**

- Agents involved in the management of social homes would directly generate £441 million in nominal GVA each year, resulting in a cumulative present value of **£8.1 billion** over 30 years. Along their supply chains and through employee spending in the wider economy, a further £691 million would be annually supported, summing up to a present value of **£12.7 billion**.

- The analysis also highlights the role of grant funding for social housing in **boosting and stabilising the construction industry overall, especially in times of recession**.

Building 90,000 social rent homes would support more than 350,000 jobs

- Building 90,000 social homes would **directly support over 139,000 jobs, resulting in £4.8 billion in wages and benefits** paid to individuals directly involved in construction (nominal employee compensation).

- **The construction stage has the potential to sustain over 353,000 jobs** when considering the multiplier effects along supply chains and employee spending in the wider economy. This translates to £13.6 billion in total employee compensation.

- Similarly, **the management of these homes is expected to directly support 4,792 jobs annually**. Extending the analysis to include supply chain impacts and employee spending, this figure could rise to **10,158 jobs annually**. These represent an annual employee compensation of £247 million and £560 million in nominal terms, respectively.

Moving households to social homes would generate £31.4 billion in indirect economic benefits to the Exchequer and wider society

Employment
£8.9 billion

Taxes from higher employment
£3.8 billion

Universal Credit
£3.3 billion

Indirect benefits to the Exchequer and wider society

£31.4 billion
(net present value)

Reduced homelessness
£4.5 billion

Healthcare
£5.2 billion

Lower crime
£3.1 billion

Education
£2.7 billion

- Social rented housing, with rents tied to local incomes, is the most affordable housing option. On average, rents are typically about 50% of market rents. It is also more stable than the private rented sector, as people in social housing usually have secure tenancies, giving them stronger rights and greater protection from eviction. This stable foundation leads to numerous benefits for tenants and wider society, which often translate to fiscal benefits for the Exchequer. The addition of 90,000 social rent homes is anticipated to generate indirect benefits across the following areas:

Employment
- A stable home increases people's access to employment and their productivity. The cumulative value of this channel is estimated at **8.9 billion** with a further benefit of **£3.8 billion** to the Exchequer through increased tax revenue.

Universal Credit
- Due to higher employment, yearly UC claims would be cut by £1,218 per household, adding up to a saving of **£3.3 billion** for the Exchequer over the long term.

Healthcare
- Social housing tends to have fewer health hazards like damp and mould than private rented properties. A stable home is also linked to better wellbeing. Introducing 90,000 new social homes could save **the NHS £5.2 billion.**

Homelessness
- There would be fewer people living in temporary accommodation and requiring homelessness assistance, leading to cumulative savings of **£4.5 billion** for local authorities.
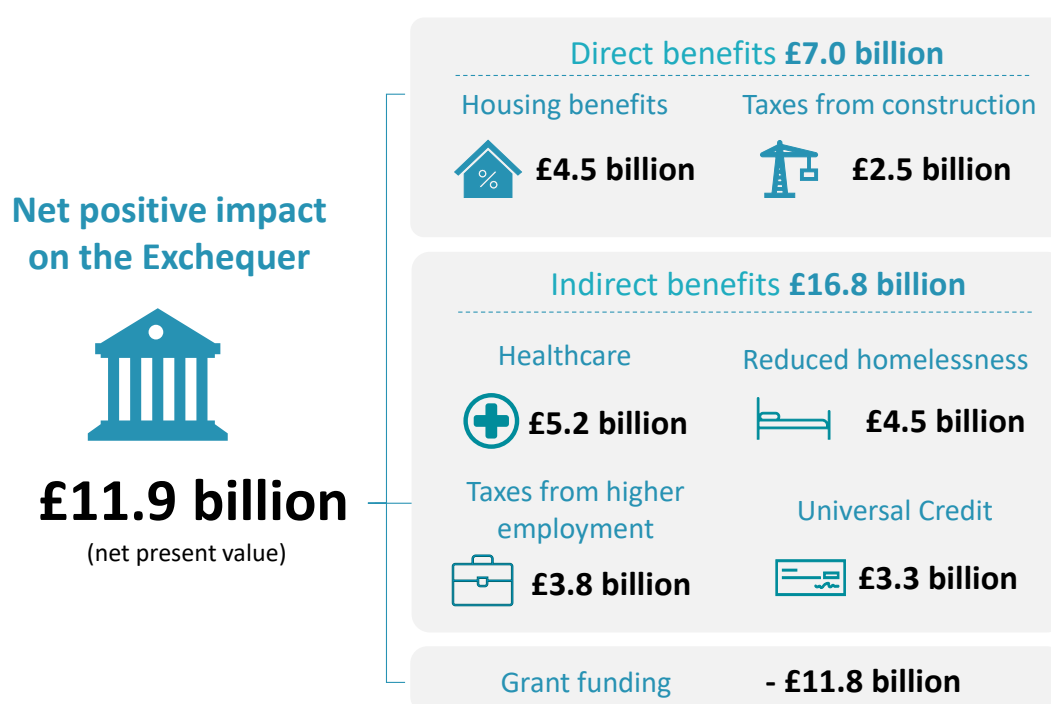
Lower crime

- Research shows social housing leads to fewer police callouts and tenants experiencing less crime. Introducing 90,000 new social homes could save **£3.1 billion**.

Education

- Unfit housing harms children by disrupting their education, which leads to lower economic contributions, increased crime, and greater use of public services. 90,000 new social homes would reduce such disruptions and lead to overall savings of **£2.7 billion**.

Funding the programme would generate a net positive value of almost £12 billion to the government over 30 years

Net positive impact on the Exchequer

£11.9 billion
(net present value)

Direct benefits **£7.0 billion**

Housing benefits	Taxes from construction
£4.5 billion	**£2.5 billion**

Indirect benefits **£16.8 billion**

Healthcare	Reduced homelessness
£5.2 billion	**£4.5 billion**
Taxes from higher employment	Universal Credit
£3.8 billion	**£3.3 billion**

Grant funding   **- £11.8 billion**

- Shifting households from the private rented sector to social housing is estimated to lead to **direct annual savings of £243.8 million to the Exchequer in housing benefits**. Over 30 years, this would lead to **total savings of £4.5 billion** in present value.

- Additionally, increased economic activity in the construction sector is projected to yield **£2.5 billion in tax revenue**.

- Adding these to the indirect benefits described above results in **total benefits of £23.7 billion** for the Exchequer. This is twice the cost of the estimated grant funding, which is assumed to be £11.8 billion in capital grants, based on no land or planning reform to reduce costs.

- From the Exchequer's perspective, the project is anticipated to reach a break-even point in 11 years following construction, thereafter yielding a positive net present value.

- Over 30 years, the **net impact for the Exchequer of funding 90,000 social homes is expected to be positive, with a net benefit of £11.9 billion.**

1. Introduction

1.1 Background

There is a housing emergency in England with the highest levels of homelessness since records began.[2] This issue has attracted considerable attention from the media, government, industry, and organisations alike. The NHF recently published a report[3] examining the consequences of not addressing this crisis.

This report will not explore the potential causes of this under-supply, nor estimate the amount of housing needed to meet the current demand. Rather, we aim to assess the impact of building 90,000 new social rent homes – the commonly accepted level required annually for 10 years to meet housing need.[4] This is assessed in terms of economic and social impacts.

The specific scope for evaluation within this report is the construction of the initial 90,000 new social homes.[5] This is intended to demonstrate the impact of one singular year of a scheme which would be long-term.[6]

We also acknowledge that increasing housebuilding capacity to facilitate the construction of 90,000 social rent homes per year would take time. This is unlikely to be achievable, even with political will, within the next year. Our analysis models the benefit of 90,000 new social homes, agnostic to the period required to increase capacity.

Social rent homes are built using grant funding from central government and rented by housing associations or local councils to individuals in need. The rent paid by tenants is lower and pegged to local incomes – but typically about 50% of the local market rate.

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[2] Homelessness in England 2023 - Shelter England.

[3] 'The housing crisis: what will happen if we don't act?' | NHF (2023)

[4] 'Housing supply requirements: low-income households & homeless people' | Crisis & NHF (2018)

[5] Note that the terms social homes or social housing are used interchangeably throughout this report to denote social rent.

[6] Note that any subsequent batches beyond the initial 90,000 may be subject to changes in the operating landscape, leading to potential adjustments in the underlying assumptions of our model. As such, the financial considerations and outcomes for the subsequent phases may vary with evolving economic and social conditions.

Figure 1 shows how the 90,000 new social rent homes needed annually are distributed across England (according to the 2018 Crisis & NHF report referenced above). This regional distribution forms the basis for our analysis.

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Figure 1: Regional distribution of social rent home requirements
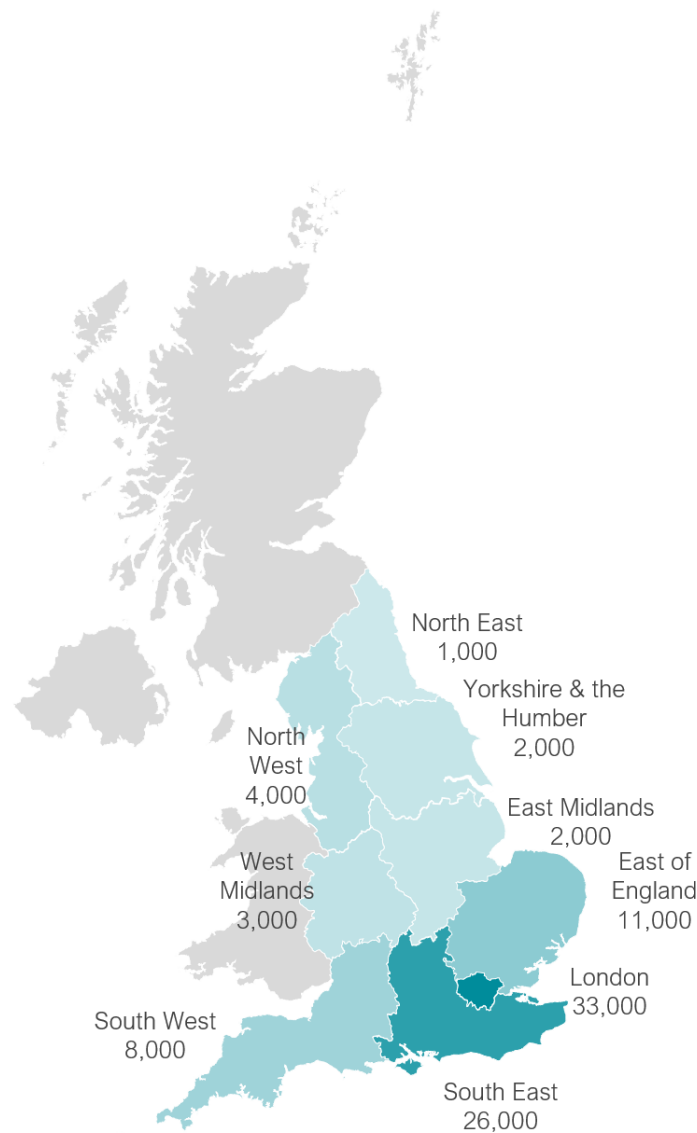
Source: Crisis & NHF report (2018)

1.2   Scope of the report

This is a report by the Centre for Economics and Business Research (Cebr), on behalf of the National Housing Federation (NHF) and Shelter, assessing the economic and social impacts of social housing.

Our report focuses exclusively on the construction and management of 90,000 new social rent homes and the resulting economic and social benefits. Part of the analysis considers the impacts over a 30-year timeline of the construction of 90,000 homes at the start of the assessed period. This is because some benefits, such as increased economic activity supported by the management of more social housing, would recur over the period and are not exclusively felt in the short term.

Determining the precise moment in time when these benefits are realised is not the aim of this research. Although certain assumptions are made about when some impacts would occur, this is only used as an input for the net present value analysis.

Given the different areas of the analysis considered within our study, we have relied upon a range of sources, from official government statistics to industry reports and internal data shared by Shelter and NHF. These sources are discussed in more detail in the next section, alongside the wider assumptions and methodologies employed.

1.3   Report overview

The remainder of the report is structured as follows:

- **Section 2: The economic impact of building 90,000 social homes**

  Estimating the aggregate economic impact of building and managing 90,000 social homes.

- **Section 3: Indirect benefits to the Exchequer and wider society**

  Assessing the second-order effects of tenure shifts and resulting socioeconomic benefits across areas such as homelessness, crime, education, employment, healthcare etc.

- **Section 4: Overall impact on the Exchequer**

  Estimating the overall cost of funding this programme to the Exchequer. This includes an assessment of cost savings from the relocation of benefit-receiving households from the private rented sector (PRS) to social housing.

- **Section 5: Combined socioeconomic value**

  Aggregating the impacts calculated across sections 2-4 to estimate the net present social and economic value of building 90,000 social homes.

2. The economic impact of building 90,000 social homes

Total economic impact (GVA)

£48.2 bn

Construction
£27.4 bn

Management
£20.8 bn

FTE jobs

139,212
direct

353,029
total

£10.4 bn — direct — £8.1 bn

£17.0 bn — indirect +induced — £12.7 bn

FTE jobs
(annual)

4,792
direct

10,158
total
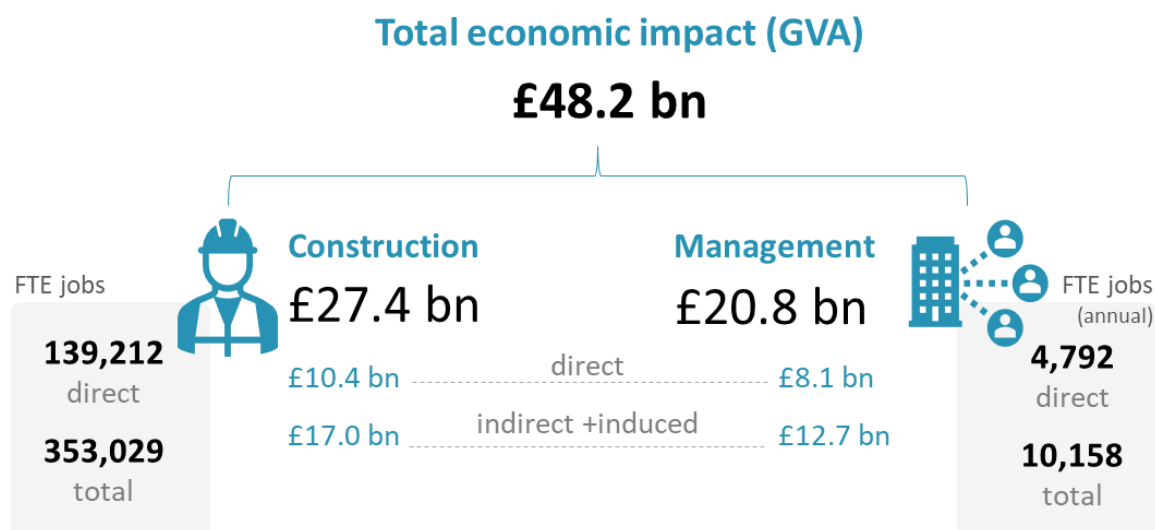
Note: figures may not add up due to rounding

In this section, we discuss the economic impact of building 90,000 new social rent homes. The impacts we consider here are in nominal terms, as opposed to net present values like those presented in the executive summary and the infographic above. The economic impacts in Sections 2.2 and 2.3 are presented for the first 90,000 social homes built, and they are later embedded in the overall net present value analysis by summing up the yearly impacts of managing the first 90,000 homes along with a discount factor.

2.1 Methodology

The economic impact analysis is made up of two complementary sections. Initially, we evaluate the impact of building these 90,000 homes and then we estimate the impact of managing more social housing.

These sections consider different areas of economic activity generated and supported throughout the wider economy. As such, the methodology employed to calculate these impacts is not the same – e.g. some of the inputs, outputs, and assumptions are different. However, the same core economic principle underpins the analysis.

Below we define the economic indicators used to measure the economic impact of social housing. Then we explain the concept of an industry's (or organisation's) economic footprint, in terms of the impact layers that make up the contribution of new social housing. Lastly, we outline the assumptions made and inputs used with regard to the construction and management of new social housing.

Direct impacts

Our analysis considers several key economic indicators, summarised below:

- **Turnover:** this is only used for the analysis presented in Section 2.3. It represents the revenues, or income, generated by housing associations and local councils who manage social housing.

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- **Gross Value Added (GVA):** GVA contributions represent the 'value-added' to the economy. For this report, we take the income approach to estimating GVA and define it as the total compensation paid to employees + total operating profit. It is often used as a proxy for estimating the contribution of an organisation or industry to GDP.

- **Employment:** the number of workers employed in the construction and management of social housing. The employment presented for the construction impact is on a full-time equivalent (FTE) basis. FTE refers to the hours worked by one employee who is employed on a full-time basis and is used to standardise the hours worked by several part-time employees to one full-time worker. This is important for comparisons across industries or organisations, where the share of employees who work full-time varies. The employment presented for the management impacts is in terms of headcount employment, i.e. the total number of workers employed at a given point in time. Therefore, the employment impacts for these two areas of the analysis are not comparable.

- **Employee Compensation** (or Compensation of Employees): the total compensation paid to employees in return for work done. This includes wages, benefits, and employer pension and tax liabilities.
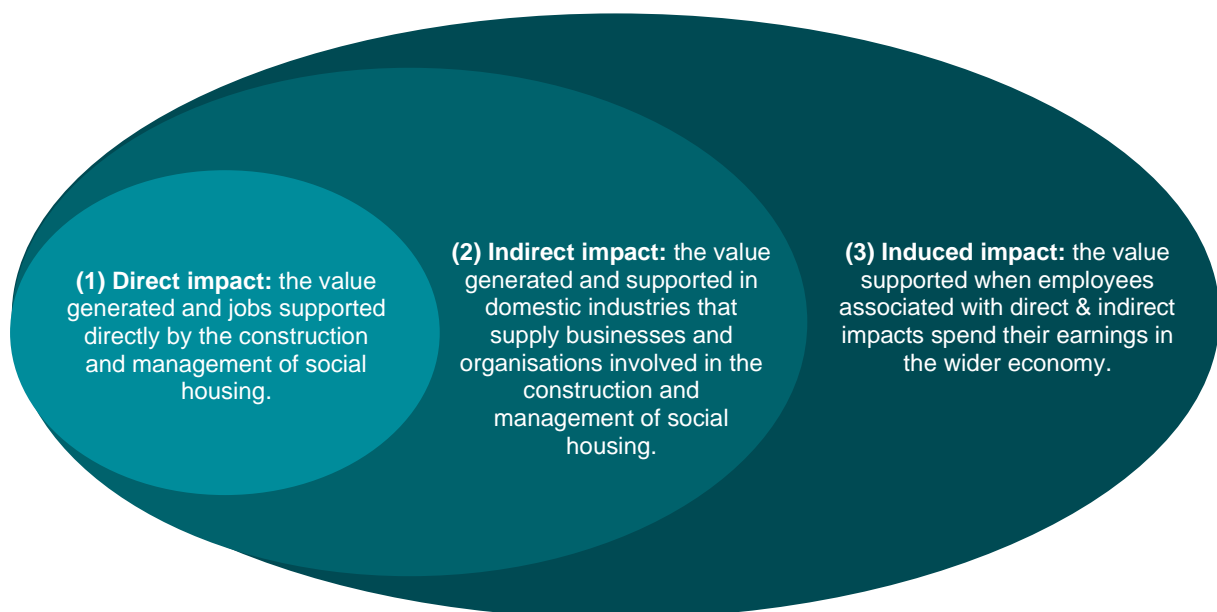
Aggregate impacts

The wider footprint supported by the construction and management of social housing is comprised of three economic impact layers:

1. **Direct impacts:** the economic impact directly generated by investment in building new social homes. This constitutes the direct dependency of economic activity and jobs on new housebuilding, primarily in the construction sector and constituent industries.

2. **Indirect impacts:** activity supported through the **supply chains** that feed into the day-to-day of this construction. This focuses on the economic activity (including GVA and other key metrics) **supported when construction sector organisations purchase goods and services from suppliers**. This impact layer examines the knock-on impact of **upstream** activity to show the impact of housebuilding on the wider **economy in England**.

3. **Induced impacts:** economic activity supported when direct and indirect (supply chain) employees spend their earnings on goods and services in the wider economy in England, thus facilitating induced impacts that provide further layers of support.

Summing these direct, indirect, and induced impact layers allows us to estimate the **aggregate footprint** supported by investment in social housing in England. Our approach is summarised in

Figure 2 below.

Figure 2: Summary of economic impact layers

(1) Direct impact: the value generated and jobs supported directly by the construction and management of social housing.

(2) Indirect impact: the value generated and supported in domestic industries that supply businesses and organisations involved in the construction and management of social housing.

(3) Induced impact: the value supported when employees associated with direct & indirect impacts spend their earnings in the wider economy.

Source: Cebr

To model the relationships that exist between these impact layers, we use bespoke input-output models. These models examine the structure of an organisation or industry's supply chain and quantify the economic activity it supports. In addition, by considering the typical distribution of household spending, the model allows us to calculate the output and employment associated with the induced impact layer.

Our modelling produces multipliers, which calculate the total footprint supported for a given level of direct contributions. For example, a GVA multiplier of 2.5 would be interpreted as "for every £1 directly generated by the construction or management of social housing, a further £1.50 is supported elsewhere in the economy, producing an aggregate GVA supported of £2.50".

By combining these multipliers with the calculated direct impacts, we form our estimates for the aggregate footprint supported by the investment in social housing across England.

Regional impacts

A key aspect of our analysis is that it is based on a bottom-up approach. We estimate the economic impact at a regional level and then aggregate these figures at a national level. Crucially, this allows us to account for any regional differences which results in more granular and accurate estimates.

Investment costs

Before estimating the economic impact associated with building and managing new social housing, we need to establish the level of investment that would be associated with 90,000 new social homes.

One of the key inputs used to estimate the impact of building these homes is the per-home cost of social rent housing. We refer to data from a 2019 NHF report [7] which gives the total cost per home,[8] subsidy gap per home, and the grant funding required per home, broken down by type of affordable housing. The figures from this report are converted to 2023 prices for our analysis.

The NHF report only provides data at this level for London and for the rest of England. Therefore, to account for regional variations outside of London, we rely on data from the Shared Ownership and Affordable Homes Programme (SOAHP) [9] which ended in 2021. We use the costs for social rent homes across regions to adjust for the figures outside of London.

The results from this are shown below.

Table 1: Social rent investment costs per home, 2023 prices

Region	Grant funding per home	Total cost per home
North East	149,242	297,562
Yorkshire and the Humber	165,764	330,505
North West	156,468	311,970
East Midlands	130,039	259,276
West Midlands	141,948	283,019
South West	181,154	361,190
East of England	181,829	362,536
South East	159,953	318,918
London	252,646	503,732

Source: NHF, Homes England, Cebr analysis

The respective costs per home are then combined with the number of social homes to be built across each region, thus establishing the overall costs for all the regions. Despite these adjustments and calculations, the figures do not represent any new analysis and are only used as inputs for our analysis of economic activity supported as a result of this investment.

We consider the costs of social housing investment in terms of the total funding needed to build 90,000 new social rent homes once. Crucially, we assume that the government does not provide grant funding for all these homes. Per conversations with Shelter and the NHF, we

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[7] 'Capital grant required to meet social housing need in England 2021-2031' | NHF (2019).

[8] Total cost per home here refers to the overall scheme costs per home, in other words, the average cost to build a single home.

[9] Shared Ownership and Affordable Homes Programme 2016 to 2021 summary | Homes England (2022)

assume that two-thirds of the 90,000 homes are at least partially funded through government grant funding, with the remaining third funded through cross-subsidy such as S106. These shares are assumed to be consistent across regions, with the resulting regional breakdown presented below.

Table 2: Social rent homes per region

Region	Homes	Homes (grant funded)	Associated Government funding (£m)
North East	1,000	667	99
Yorkshire and the Humber	2,000	1,333	221
North West	4,000	2,667	417
East Midlands	2,000	1,333	173
West Midlands	3,000	2,000	284
South West	8,000	5,333	966
East of England	11,000	7,333	1,333
South East	26,000	17,333	2,773
London	33,000	22,000	5,558

Source: Crisis & NHF report (2018), Cebr analysis

Based on current grant rates and estimates of regional housing need, updated to 2023 prices, the total cost of building 90,000 social rent homes would be £35.4bn. Of this, £11.8bn would be government funding, equivalent to approximately 33% of the total investment.

Construction impacts

For the calculation of the economic impact supported through the construction of social housing, we have leveraged an existing Cebr model – the Local Economic Impact Calculator (LEIC)[10] – developed for previous work for the NHF.

We adjust the relevant parts of the modelling to tailor it for social housing; we change some of the inputs from all affordable housing to social rent homes alone. Specifically, the key difference for this analysis is the per-home cost of social rent housing (covered in detail above).
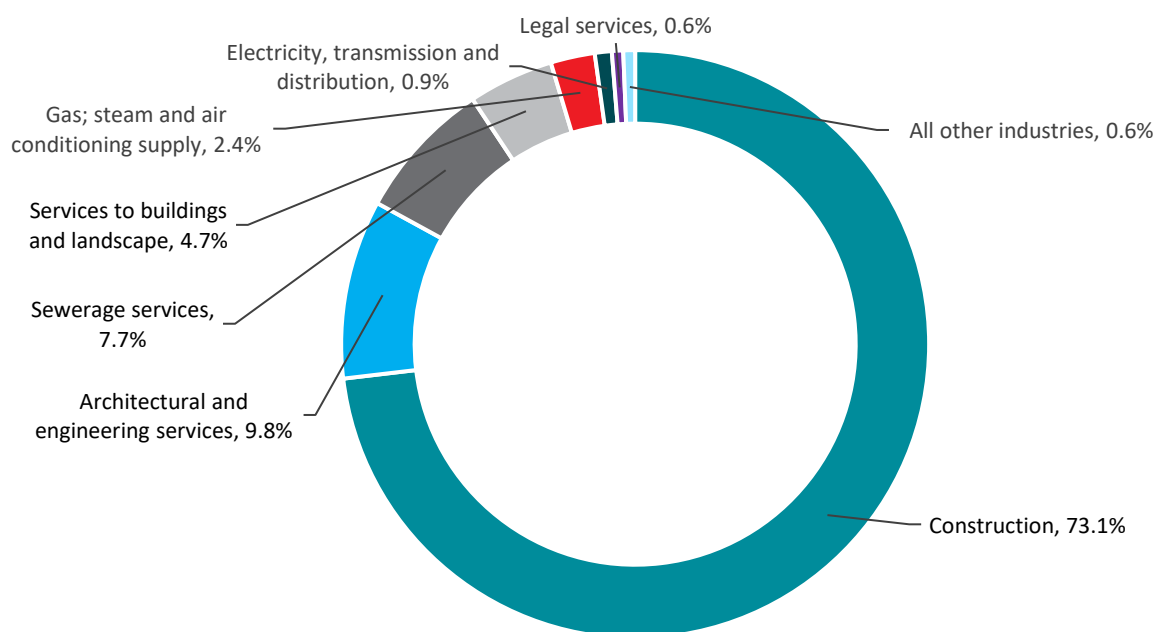
To estimate the level of economic activity supported, we rely on data from the supply-use tables published by the ONS to calculate the main ratios for the relationships between the key economic metrics (i.e. GVA, employment and employee compensation). This allows us to extrapolate and estimate the economic impacts associated with the construction of these social homes.

The input-output modelling which underpins the calculation of the aggregate impacts is based in part on data previously shared by the NHF. This data allows us to map procurement spending by organisations involved in housebuilding projects to Standard Industrial Classification (SIC) codes. We can then use the national accounts framework to understand the linkages between housebuilding activities and the related industries that supply goods and services.

Figure 3 below shows the industries supplying goods/services to organisations and businesses involved in the construction of social homes.

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[10] Local Economic Impact Calculator | NHF (2022)

Figure 3: The main industries that supply goods and services to housebuilding businesses

Legal services, 0.6%

Electricity, transmission and distribution, 0.9%

Gas; steam and air conditioning supply, 2.4%

Services to buildings and landscape, 4.7%

Sewerage services, 7.7%

Architectural and engineering services, 9.8%

All other industries, 0.6%

Construction, 73.1%

Source: NHF, Cebr analysis

Economic impact of managing social housing stock

Much like the construction impacts, the modelling for the management of social housing stock is based on the existing LEIC framework. However, the methodology relies less on wider industry data and is more specific to the activities of housing associations (HAs). Data provided by the NHF on employment, turnover, and the housing stock managed by HAs which are NHF members is central to the analysis.

This data allows us to calculate per-home turnover and employment metrics, which is then the key input used to extrapolate for the overall turnover impacts per region. However, the turnover and employment data shared by the NHF is not exclusively related to social rent and includes other types of tenures. To our knowledge, a more granular dataset does not exist.

The data discussed above is likely to overstate the revenues per social rent home and thus represent an overestimate of the overall turnover impacts. However, in the absence of better data, it is the best input for our analysis. The GVA and employee compensation metrics are then estimated based on data from wider supply-use tables.

Once the direct impacts are estimated, we use further data supplied by the NHF from members through which we can map their supply-chain spending. From this data, we can calculate the multipliers and therefore the aggregate impacts.

2.2 Economic impact of building social housing

2.2.1 Direct impacts

This section details the direct impact of construction at a national level. Our results are presented for a single year in terms of three of the key economic indicators discussed earlier: Gross Value Added (GVA), employment, and employee compensation.

Building new social homes supports economic activity among businesses and organisations involved in the construction and their wider supply chain. As shown in this section, the impact of the construction represents a significant boost to the economy in England.

GVA through construction

In the context of this analysis, GVA represents the value added by the organisations that would build the 90,000 social homes when they purchase construction materials (or other goods and services) from other firms or industries and use them to build these homes GVA is typically used to consider the contribution of an organisation or industry to GDP.

Figure 4 below illustrates the GVA generated by the housebuilding activities associated with the level of social housing discussed. **For a single year, the GVA associated with the total cost of building 90,000 social rent homes is £10.8bn across England.** Unsurprisingly, the biggest GVA impact is generated in London (£4.7bn). This is primarily because a third of the total homes are assumed to be built in the capital, more than any other region in England.

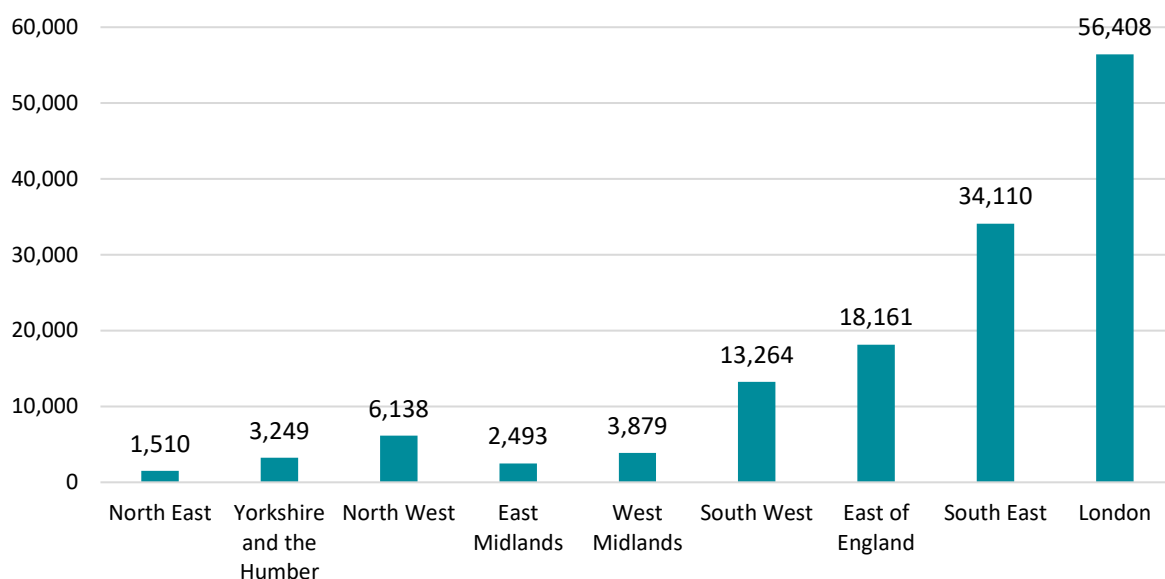Figure 4: GVA supported by the construction of 90,000 social rent homes, £m
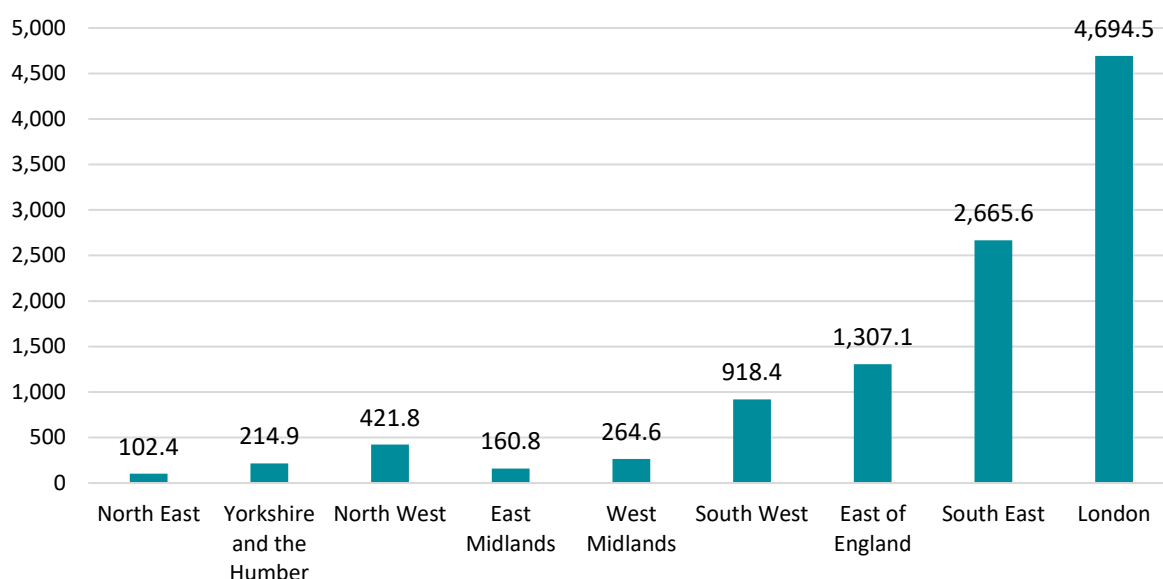
Source: NHF, ONS, Cebr analysis

Employment through construction

Figure 5 presents the estimated employment supported through social housing construction, in terms of the number of jobs created during the construction period. **Almost 140,000 jobs are directly generated by the housing programme across England.**

Figure 5: Employment supported by the construction of 90,000 social rent homes, FTE jobs

Employee compensation

Employee compensation, or compensation of employees (COE) refers to the total remuneration or compensation paid to employees in return for their labour. **We estimate that a total of £4.8bn in wages, benefits, employer pension and tax liabilities is supported in England.** Figure 6 below shows this breakdown by region, showing a similar distribution as the other economic indicators considered.

Figure 6: Employee compensation supported by the construction of 90,000 social rent homes, £m
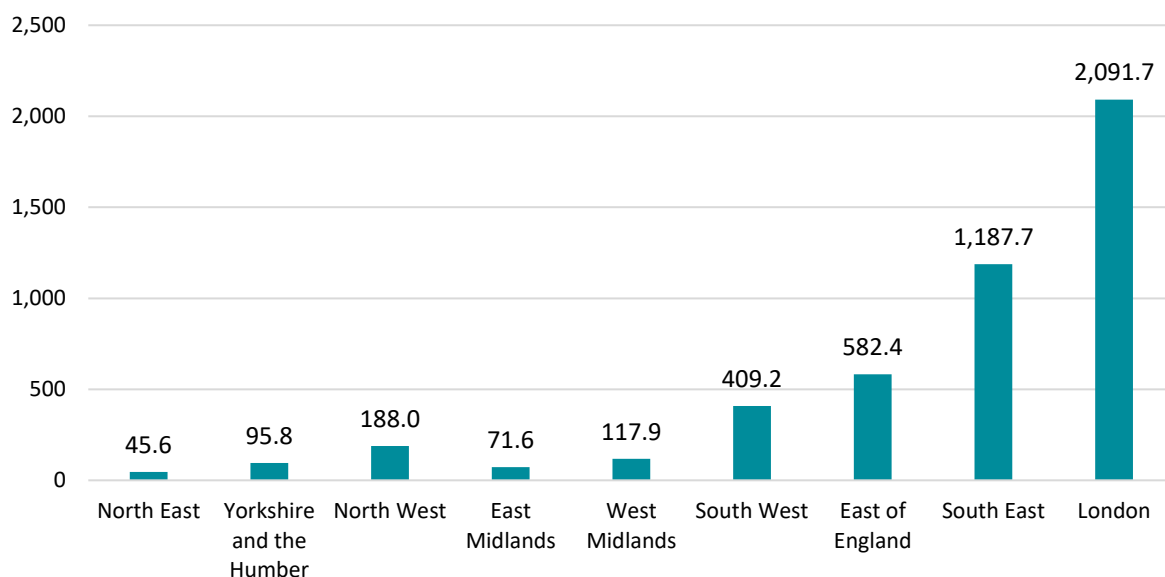
2.2.2 Aggregate impacts

The wider economic footprint of construction goes beyond the direct impacts discussed in the prior section. This subsection identifies the aggregate footprint supported by considering two further impact layers:

- **Indirect impacts:** the construction of social homes places demands on upstream supply chains, where construction firms purchase goods and services. The indirect impact captures the GVA, employment, and employee compensation supported along the supply chains of these operations.

- **Induced impacts:** the workers who receive income and employment benefits through the direct and indirect channels spend their increased earnings in the wider economy. This supports additional economic activity in the impacted sectors.

Summing these direct, indirect, and induced impact layers allows us to estimate the **aggregate footprint** supported.

GVA

As shown in the previous subsection, the direct GVA generated stands at £10.8bn. Our modelling suggests that a further £10.4bn worth of GVA contributions are supported along the supply chains (indirect effect). An additional £6.4bn is supported when employees from the construction sector (and employees along their supply chains) spend their earnings in the wider economy. Combining these three impact layers, **we estimate that the construction of 90,000 social rent homes would support an aggregate economic footprint of £28.3bn, as measured by GVA.**

Figure 7: Gross Value Added multiplier results, 2023 prices
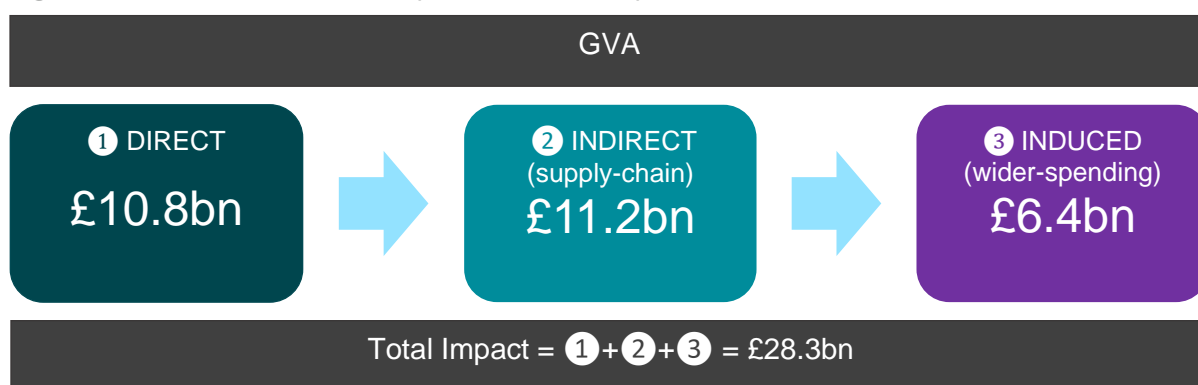
Source: NHF, ONS, Cebr analysis

Alternatively, this can be interpreted as: **for every £1 in GVA directly generated, a further £1.63 is supported through the indirect and induced impact channels, producing a total GVA multiplier of £2.63.**

We also present the aggregate GVA supported in each region, broken down in terms of the three impact layers, in

Table 3 below. These multipliers should be interpreted at a regional level. Multipliers measure the extent to which an organisation or industry relies on external suppliers to produce the goods and services they sell.

At a regional level, multipliers focus exclusively on the *in-region* supply chain and associated wider economic activity supported through the induced layer. If the supply chain extends beyond the geographical boundaries of a region, this would not be captured within the regional multiplier (although it would be at a national level). In other words, the England multiplier captures the supply chain linkages between regions, which the regional multipliers do not. Therefore, the simple summation of the regional aggregate figures will be lower than the aggregate impacts for England.
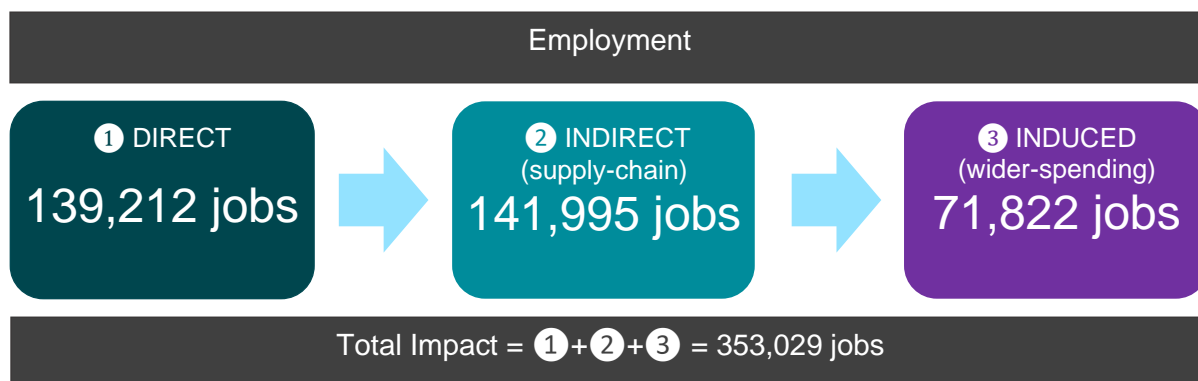
Table 3: Regional aggregate GVA impacts, £m

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	102	90	49	242
Yorkshire & the Humber	215	198	122	534
North West	422	389	236	1,047
East Midlands	161	140	91	392
West Midlands	265	235	135	635
South West	918	828	523	2,270
East of England	1,307	1,102	696	3,106
South East	2,666	2,421	1,398	6,484
London	4,694	4,343	3,274	12,311
England	**10,750**	**11,155**	**6,408**	**28,313**

Source: NHF, ONS, Cebr analysis

Employment

We can also consider the same outputs in terms of the employment impacts. Figure 8 illustrates the employment multipliers and associated aggregate employment impacts for the construction of social housing. **Building 90,000 new social rent homes supports an aggregate, or total, employment contribution of over 350,000 jobs.**

Figure 8: Employment multiplier results, 2023 prices

Employment		
❶ DIRECT 139,212 jobs	❷ INDIRECT (supply-chain) 141,995 jobs	❸ INDUCED (wider-spending) 71,822 jobs

Total Impact = ❶+❷+❸ = 353,029 jobs

Source: NHF, ONS, Cebr analysis

For every job directly generated, a further 1.02 jobs are supported along the supply chains. An additional 0.52 are supported when employees associated with the direct and indirect impact layers spend their earnings in the wider economy. This means that, **for every job directly generated by the social housing investment, a further 1.54 jobs are supported in the wider economy in England.**

We present the aggregate employment supported in each region, broken down in terms of the three impact layers, in Table 4 below.

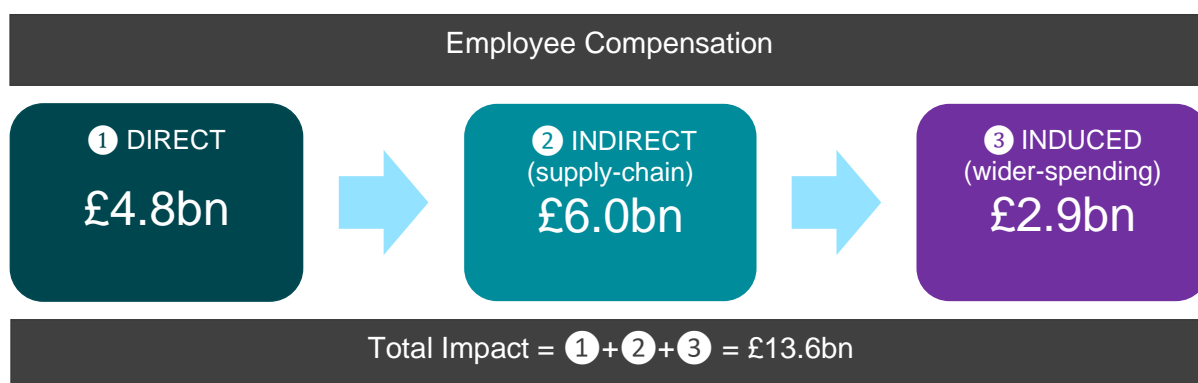Table 4: Regional aggregate employment impacts, FTE jobs

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	1,510	1,299	621	3,431
Yorkshire & the Humber	3,249	2,956	1,589	7,793
North West	6,138	5,650	2,977	14,765
East Midlands	2,493	2,170	1,228	5,891
West Midlands	3,879	3,407	1,713	8,999
South West	13,264	11,804	6,521	31,589
East of England	18,161	15,470	8,431	42,063
South East	34,110	30,937	15,493	80,541
London	56,408	51,585	33,650	141,643
England	**139,212**	**141,995**	**71,822**	**353,029**

Source: NHF, ONS, Cebr analysis

Employee compensation

Finally, we consider the aggregate employee compensation supported by construction activities associated with the investment discussed. Below we present the wider employee compensation impacts, broken down into the indirect and induced impacts layers. Combining these three impact layers, **we estimate that an aggregate economic footprint of £10.9bn as measured by employee compensation is supported through the construction of 90,000 social rent homes.**

Figure 9: Employee compensation multiplier results, 2023 prices

Employee Compensation		
❶ DIRECT £4.8bn	❷ INDIRECT (supply-chain) £6.0bn	❸ INDUCED (wider-spending) £2.9bn
Total Impact = ❶+❷+❸ = £13.6bn		

Source: NHF, ONS, Cebr analysis

This can also be interpreted in the following way: **for every £1 in employee compensation directly generated, a further £1.24 of compensation is supported through the indirect impact channel.** (i.e., through the supply chain). **An additional £0.60 of compensation is supported through the induced impact channel** (i.e., when employees from direct and indirect impact channels spend their earnings across the wider economy).

We present the aggregate employee compensation supported in each region, broken down in terms of the three impact layers, in Table 5 below.

Table 5: Regional aggregate employee compensation impacts, £m

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	46	48	22	115
Yorkshire & the Humber	96	105	54	255
North West	188	208	105	501
East Midlands	72	74	40	186
West Midlands	118	125	60	302
South West	409	439	231	1,079
East of England	582	589	309	1,481
South East	1,188	1,286	618	3,092
London	2,092	2,315	1,435	5,842
England	**4,790**	**5,952**	**2,864**	**13,606**

Source: NHF, ONS, Cebr analysis

Cebr

2.3   Economic impact of managing social housing

This section discusses the direct economic footprint of managing the *additional* stock of social housing at a national and regional level. Furthermore, we present the aggregate economic footprint, as measured by its direct, indirect, and induced impact layers. Building new social homes supports economic activity among organisations involved in their management and operation.

This analysis extrapolates estimates for the economic impact of managing the *existing* stock of social housing. These impacts are presented in the Appendix.

2.3.1. Direct impacts

Turnover

We estimate that the management of 90,000 new social rent homes would directly generate almost £1bn in turnover across England (£904m) for housing associations and local councils. Figure 10 below shows this direct turnover broken down by region. Not surprisingly, London is the biggest contributor to turnover, with almost £400m generated there alone. The distribution is the same as for the previous section and is primarily driven by *where* these homes are being built, rather than the relative output generated by each region.

Figure 10: Direct turnover of managing increased social housing by region, £m, 2023 prices
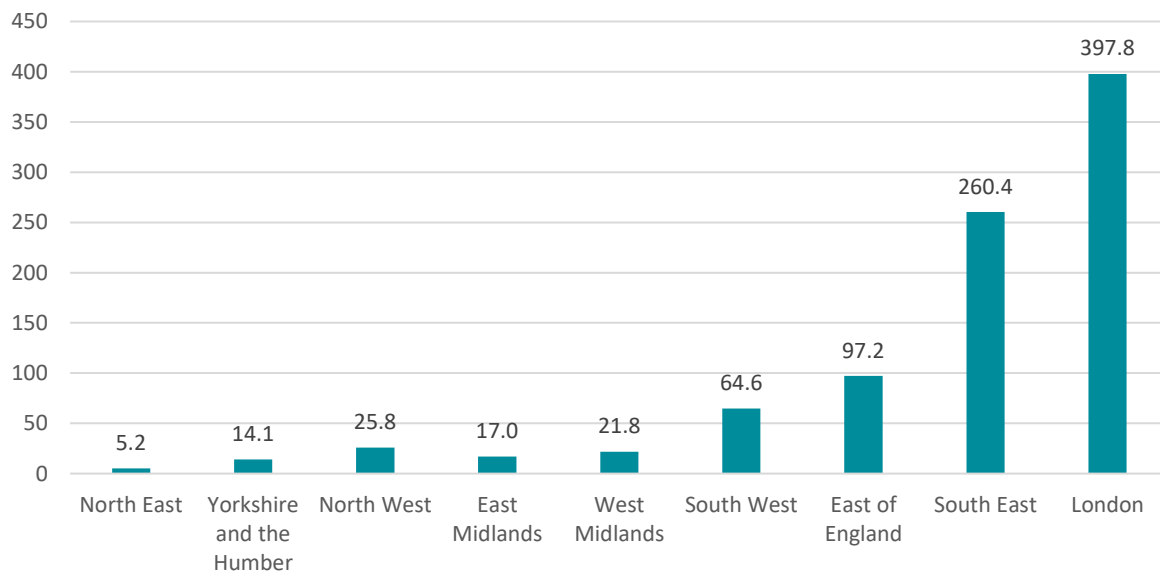
Source: NHF, ONS, Cebr analysis

GVA

The economic impact of managing the additional 90,000 social homes, in terms of GVA, stands at £441m annually. Figure 11 shows the distribution of the value added by region.

Figure 11: Direct GVA of managing increased social housing by region, £m, 2023 prices
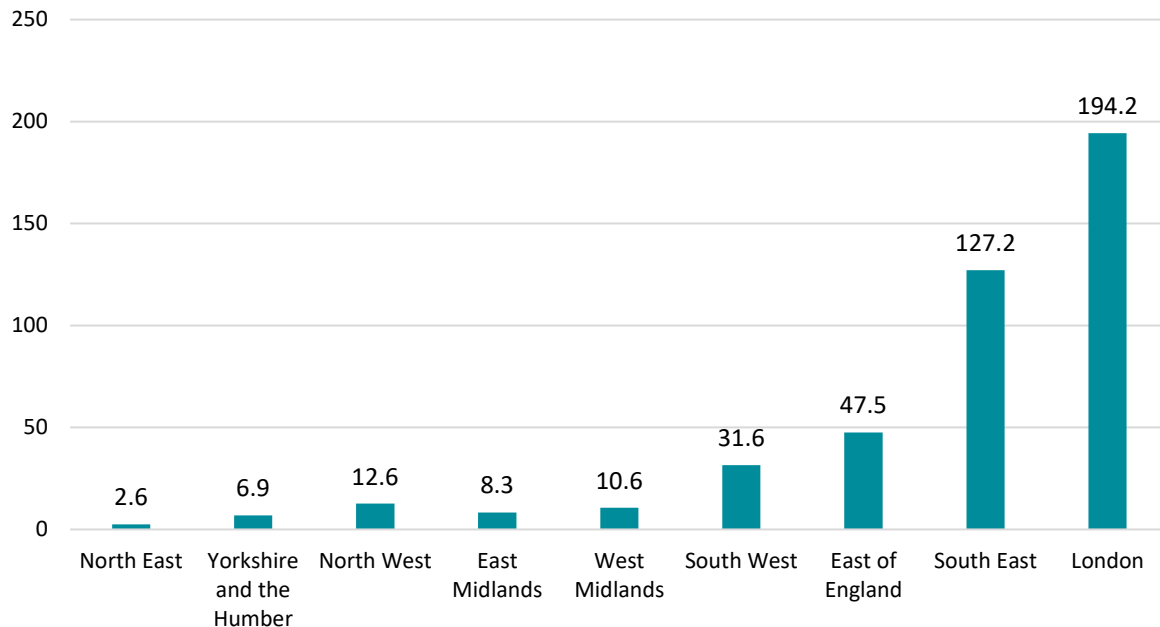
Source: Sage, Cebr analysis

Employment

Across England, we estimate that **almost 4,800 jobs are directly generated through the management of more social homes.** Figure 12 shows this employment impact by region.

Figure 12: Direct employment of managing increased social housing by region, number of jobs
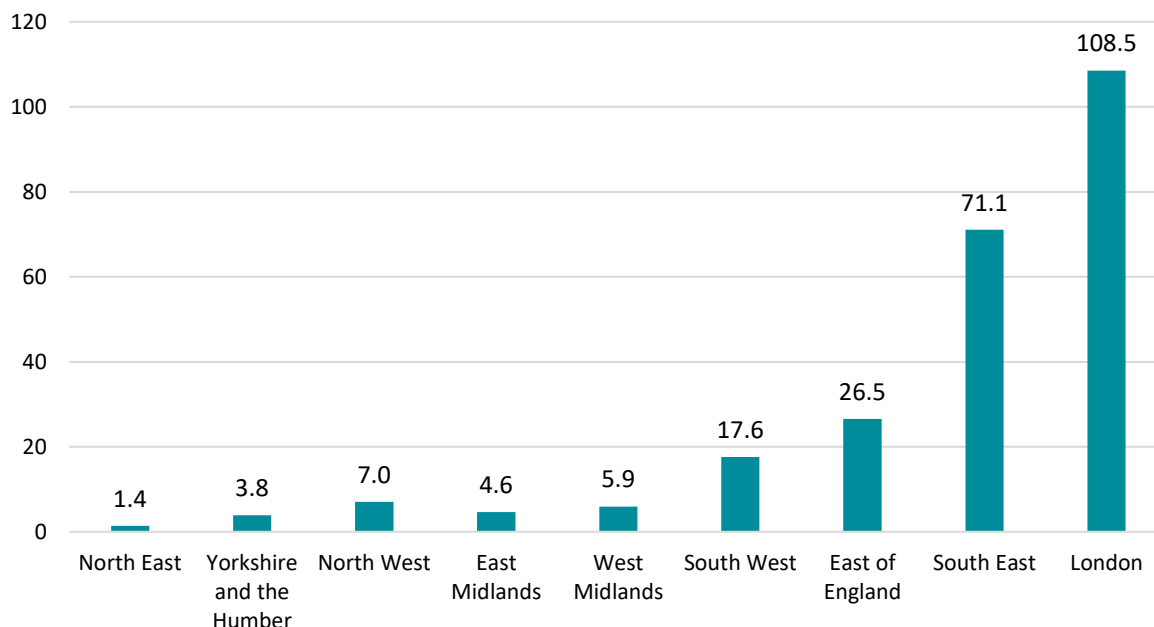

Source: NHF, ONS, Cebr analysis

Employee compensation

Lastly, we present the equivalent regional distribution for employee compensation. **The direct impact associated with this metric across England is £247m.**

Figure 13: Direct employee compensation of managing social housing by region, £m, 2023 prices

2.3.2. Aggregate impacts

Next, we present the wider economic contribution made by the housing associations (HAs) and local councils who would manage the increased social housing. This captures the economic output directly generated, illustrated above, as well as the indirect and induced impact layers associated with it.

The results presented in this subsection should be interpreted in the same way as those from Section 2.2.2. The indirect impacts consider the economic contribution supported through the supply chain. The induced impact layer considers the economic activity supported when workers who receive income and employment benefits from the direct and indirect impact layers spend their earnings in the wider economy.

Turnover

Using our regional input-output models and the respective multipliers derived from this, we estimate that the direct turnover of £904m supports an additional £872m worth of turnover throughout the supply chains. Furthermore, when the HA and local council employees (and the employees along the supply chains) spend their earnings in the wider economy, this supports an estimated additional £417m.

If we combine these direct, indirect, and induced impact layers, **it is estimated that the day-to-day operations of managing more social homes support an aggregate (or total) footprint of £2.2bn in turnover across England.**

Figure 14: Turnover multiplier results for England

Turnover		
① DIRECT £904m	**② INDIRECT (supply-chain)** £872m	**③ INDUCED (wider-spending)** £417m
Total Impact = ① + ② + ③ = £2,193m		
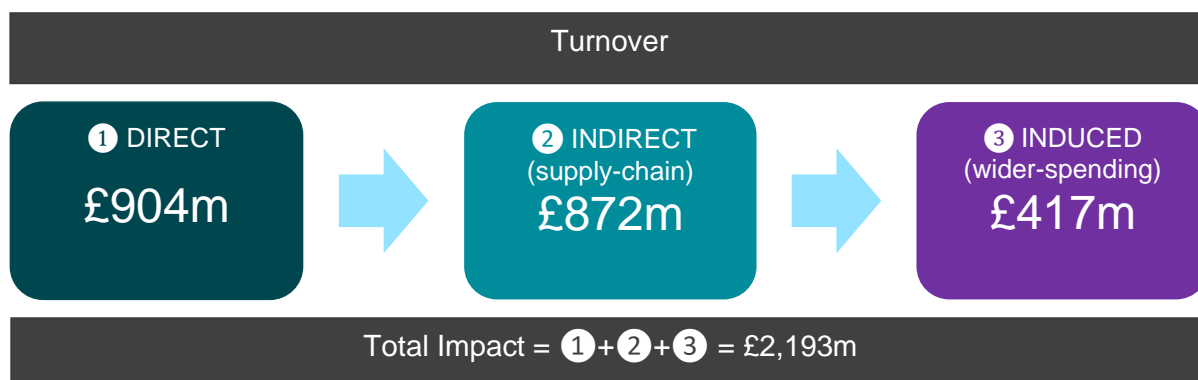
Source: NHF, ONS, Cebr analysis

As in Section 2.2.2, we can interpret the multiplier results above in an alternative way: for every £1 in turnover directly generated, a further £0.96 of turnover is supported along their supply chain. Furthermore, an additional £0.46 of turnover is supported when individuals associated with the direct and indirect impact layers spend their earnings in the wider economy. So, **for every £1 of turnover directly generated by the management of social housing, a further £1.43 worth of turnover is supported in the wider economy, producing an aggregate turnover multiplier of £2.43.**

Table 6: Regional aggregate turnover impacts, £m, 2023 prices

Turnover	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	5.2	2.8	1.6	9.7
Yorkshire and the Humber	14.1	11.2	5.8	31.1
North West	25.8	12.1	8.7	46.6
East Midlands	17.0	14.7	7.4	39.2
West Midlands	21.8	15.6	7.9	45.3
South West	64.6	57.5	28.3	150.4
East of England	97.2	83.2	40.4	220.8
South East	260.4	232.9	105.4	598.7
London	397.8	340.5	204.8	943.0
England	**904.0**	**871.9**	**416.9**	**2,192.8**

Source: NHF, ONS, Cebr analysis

Table 6 above shows how this aggregate turnover impact is distributed throughout England. It's important to remember how multipliers should be interpreted at a regional level. As discussed in Section 2.1, the supply chain linkages between regions are only captured at the national level. This means that the regional aggregate figures do not sum to the aggregate impacts for England.

GVA

In terms of aggregate GVA, our modelling suggests that, in addition to the direct GVA of £441m, a further £426m worth of GVA contributions are supported along the supply chains (indirect effect). An additional £264m is supported when the employees from the direct and indirect impact layers spend their earnings in the wider economy. **Combining these three impact layers, we estimate that the management of 90,000 social homes would support an**

aggregate annual economic footprint of £1.1bn, as measured by GVA across England. As shown in Section 5, this would amount to a total of £20.8bn in net present value over 30 years.

Figure 15: Gross Value Added multiplier results for England
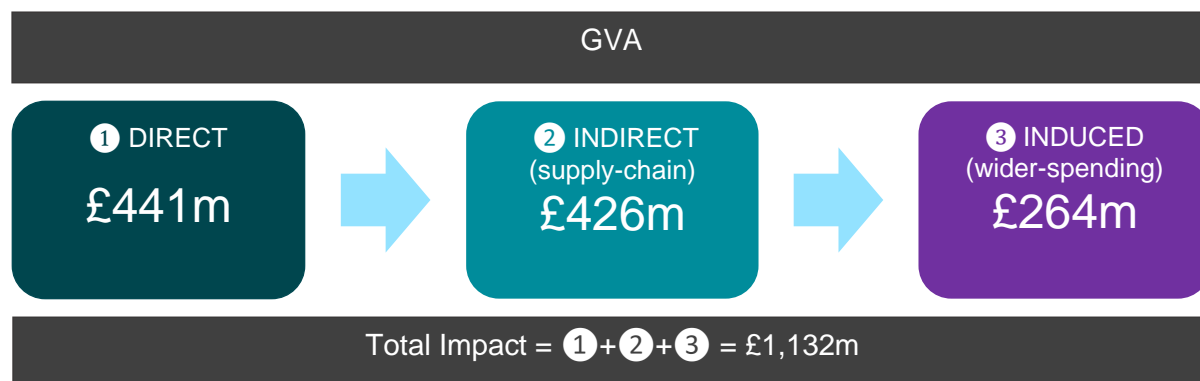
Source: NHF, ONS, Cebr analysis

Alternatively, this can be interpreted as: **for every £1 in GVA directly generated, a further £1.56 is supported through the indirect and induced impact channels, producing a total GVA multiplier of £2.56.**

We present the regional breakdown of the aggregate GVA impacts in Table 7 below.

Table 7: Regional aggregate GVA impacts, £m, 2023 prices

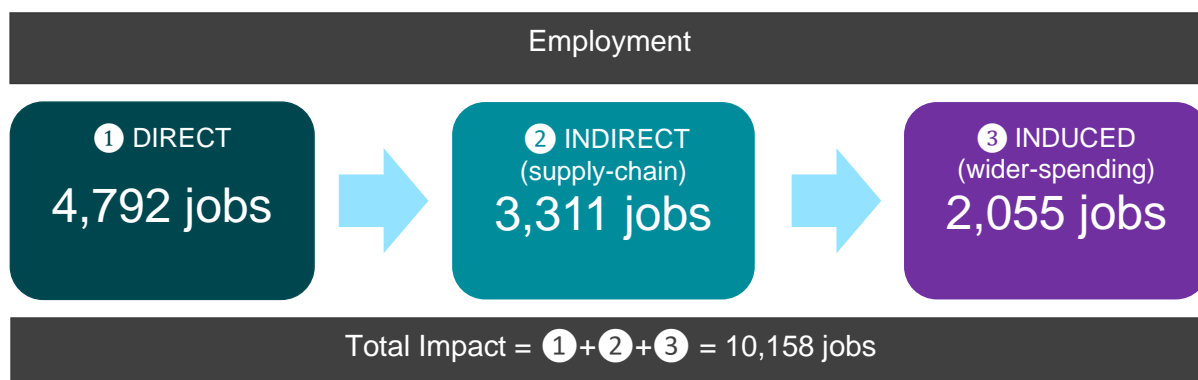| GVA	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	2.6	1.3	1.0	4.9
Yorkshire and the Humber	6.9	5.4	3.7	16.0
North West	12.6	5.9	5.5	24.0
East Midlands	8.3	7.0	4.7	20.1
West Midlands	10.6	7.4	5.0	23.1
South West	31.6	27.7	18.0	77.2
East of England	47.5	40.0	25.8	113.4
South East	127.2	113.4	67.4	307.9
London	194.2	167.3	132.9	494.4
England	**441.4**	**426.4**	**264.3**	**1,132.2**

Source: NHF, ONS, Cebr analysis

Employment

We can also consider the same outputs in terms of the employment footprint in England.

Figure 16 below illustrates the employment multipliers and associated aggregate employment impacts for England.

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Figure 16: Employment multiplier results for England

Employment		
① DIRECT 4,792 jobs	**②** INDIRECT (supply-chain) 3,311 jobs	**③** INDUCED (wider-spending) 2,055 jobs

Total Impact = ① + ② + ③ = 10,158 jobs

Source: NHF, ONS, Cebr analysis

For every job directly generated, a further 0.69 jobs are supported along the supply chain. Additionally, 0.43 jobs are supported when employees associated with the direct and indirect impact layers spend their earnings in the wider economy in England. This is equivalent to the following: **for every job directly generated, a further 1.12 jobs are supported in the wider economy in England.**

Table 8 illustrates the regional breakdown of the aggregate employment, as measured in terms of headcount.

Table 8: Regional aggregate employment impacts, number of jobs

Employment	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	43	16	12	71
Yorkshire and the Humber	131	74	50	254
North West	205	69	64	337
East Midlands	119	72	49	240
West Midlands	132	67	45	244
South West	390	244	159	793
East of England	600	367	235	1,203
South East	1,349	863	512	2,725
London	1,823	1,107	882	3,811
Total	**4,792**	**3,311**	**2,055**	**10,158**

Source: NHF, ONS, Cebr analysis

Employee compensation

Finally, we consider the aggregate employee compensation which would be supported by the management of new social housing. **Managing 90,000 new social rent homes would result in an aggregate employee compensation of £560m**. Below we present the wider employee compensation impacts, broken down into the indirect and induced impact layers.

Figure 17: Employee compensation multiplier results for England

Employee Compensation		
1 DIRECT £247m	**2 INDIRECT** (supply-chain) £197m	**3 INDUCED** (wider-spending) £116m
Total Impact = 1 + 2 + 3 = £560m		
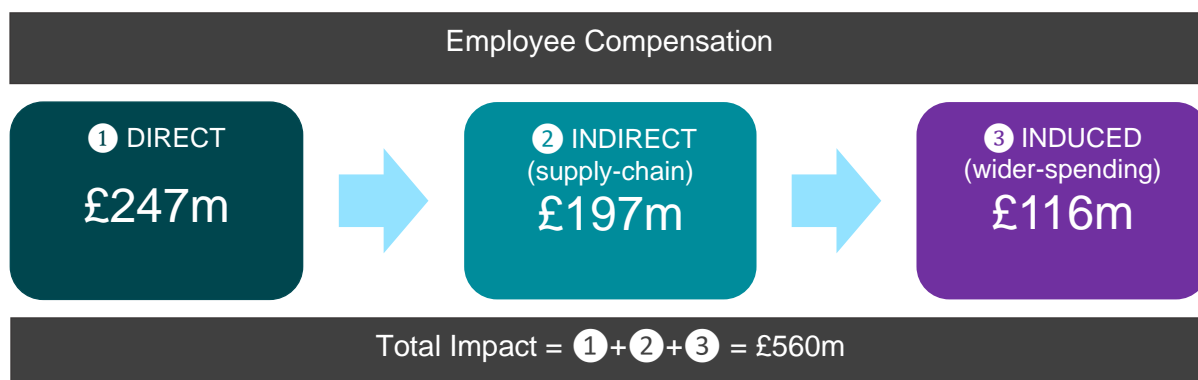
Source: NHF, ONS, Cebr analysis

This can be interpreted in the following way: **for every £1 in employee compensation directly generated, a further £0.80 of compensation is supported through the indirect impact channel (i.e., through the supply chain) and an additional £0.47 of compensation is supported through the induced impact channel.**

The regional breakdown of this aggregate employee compensation is shown in Table 9 below.

Table 9: Regional aggregate employee compensation impacts, £m, 2023 prices

Employee compensation	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	1.4	0.6	0.4	2.5
Yorkshire and the Humber	3.8	2.5	1.6	7.9
North West	7.0	2.7	2.4	12.2
East Midlands	4.6	3.2	2.1	9.9
West Midlands	5.9	3.4	2.2	11.5
South West	17.6	12.5	7.8	38.0
East of England	26.5	18.3	11.3	56.1
South East	71.1	51.6	29.3	152.0
London	108.5	75.1	57.2	240.9
England	**246.7**	**197.1**	**116.1**	**559.9**

Source: NHF, ONS, Cebr analysis

2.4   Social housing as a countervailing stabiliser in housing construction

In this section, we assess the evidence base for the notion that investment in social housing stabilises construction demand and preserves the economy's housebuilding capacity during economic downturns. It does this in three stages:

(1) Demonstrating that housebuilding by the private sector is procyclical in that housebuilding activity moves with GDP growth with a lagged recovery time.

(2) Assessing evidence consistent with the hypothesis that social housing acts as a stable source of demand for construction.

(3) Assessing evidence that the introduction of 'cross-subsidy' of social housing from the private sector has reduced the capacity for social housebuilding to stabilise the industry.

Data on housebuilding in this section refers to housebuilding in England.

Housebuilding by the private sector in England is procyclical

Private housebuilding in England is procyclical in that housebuilding increases during periods of economic expansion (positive GDP growth) and decreases when the economy is contracting. This relationship is particularly stark in recessions. The last five major UK recessions have been accompanied by slowdowns in the new-builds by private enterprises.

Notably, there is a persistence in the housebuilding slowdowns relative to the faster recovery of GDP growth. This observation aligns with research carried out by Savills on behalf of Shelter [11] that showed that housebuilding slowdowns have negative longer-term consequences for the capacity of the industry to build in the future.

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[11] [Impact of Covid-19 on social housing supply and residential construction](#) | Savills Research Report for Shelter (2020)

Figure 18: GDP growth and private-sector new-builds time series
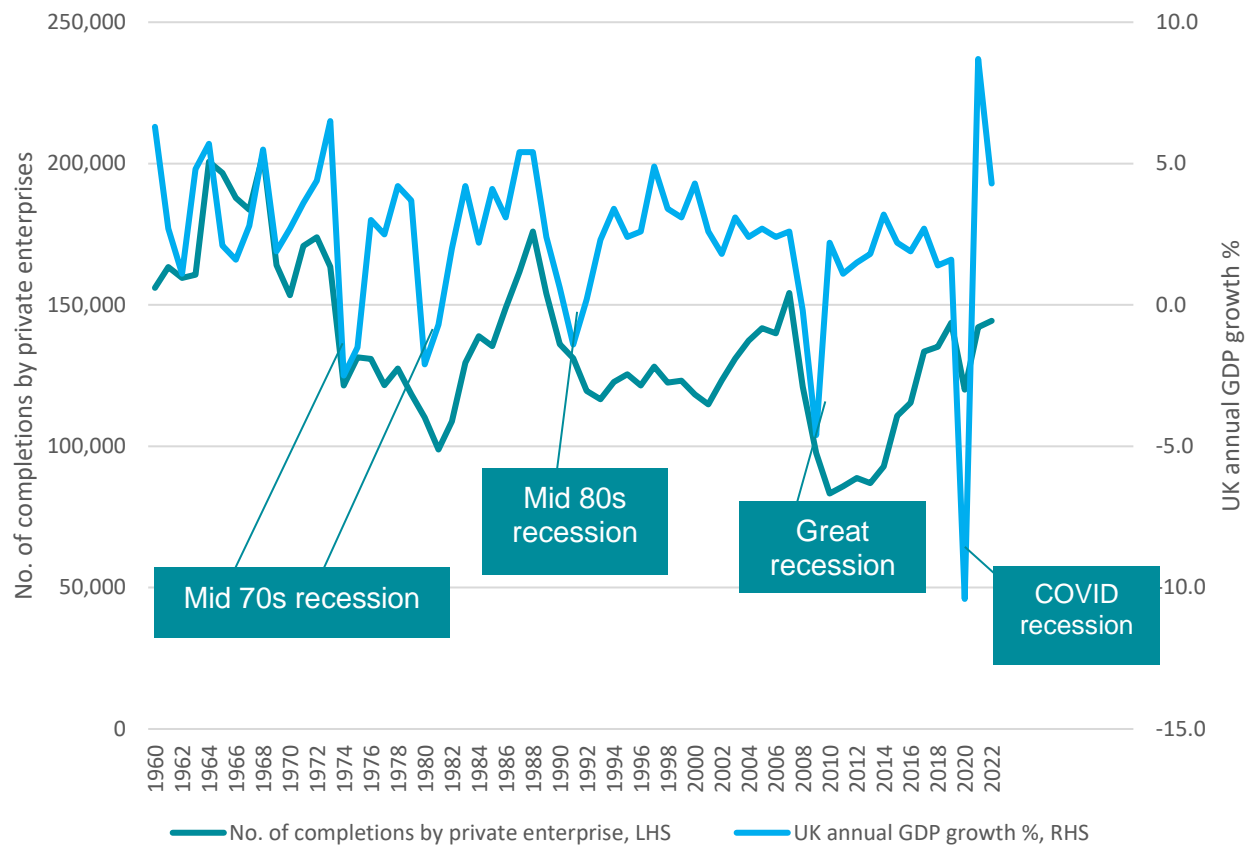
Source: ONS Housing supply, ONS GDP

This narrative can be complemented by using a rolling 20-year correlation coefficient. This statistic measures the correlation, or co-movement, of the private sector new-builds in England and UK GDP growth in a rolling 20-year period. The correlation coefficient lies within a [-1,1] range. A correlation coefficient of one implies perfect co-movement, while a correlation coefficient of minus one implies perfect inverse movement.

As Figure 20 shows, the coefficient is usually positive over the period of data availability, which is evidence for the general procyclicality of private housebuilding. Over the period 1970-1990, the data suggests positive co-movement, with a coefficient of 0.6 for 1980. Since the coefficient is broadly positive it indicates that private housebuilding was indeed typically procyclical over the period.

Figure 19: 20-year rolling GDP growth and private sector new-build correlation coefficient
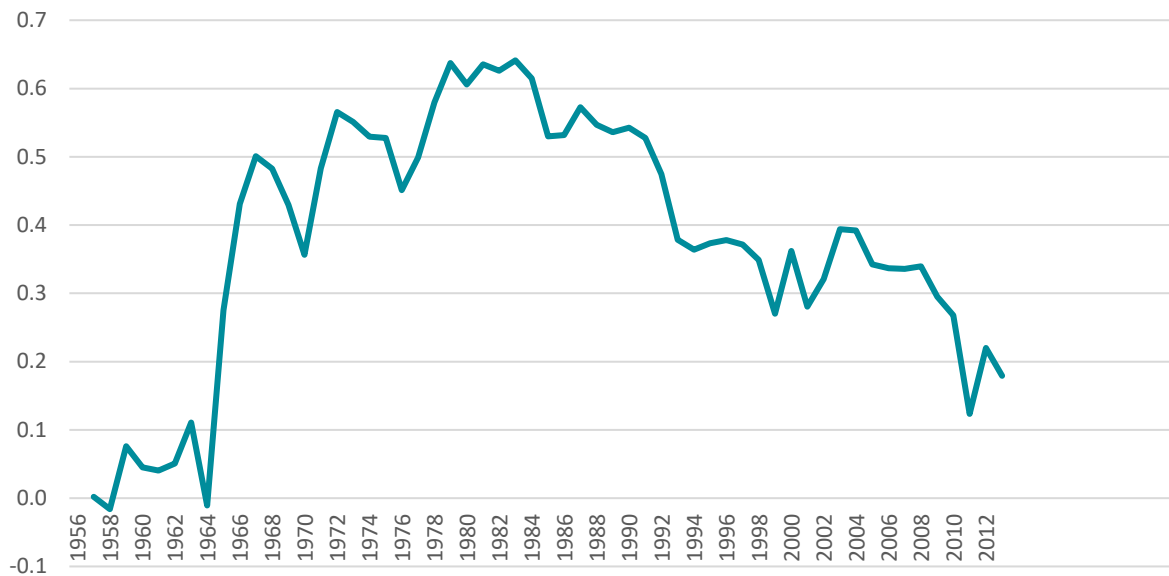
Source: Cebr Analysis, ONS Housing supply, ONS GDP

Social housing can protect the construction industry from volatility

Since the 1980s, social housing new-builds have been a stable source of demand for the construction industry. Social housing can act as a countervailing force, shielding the wider industry from market volatility to some extent. This contrasts with the procyclical volatility seen in private sector new-builds.

Figure 20: Annual new-builds time series by developer type

No. of completions by private enterprise   No. of completions by social housing developers
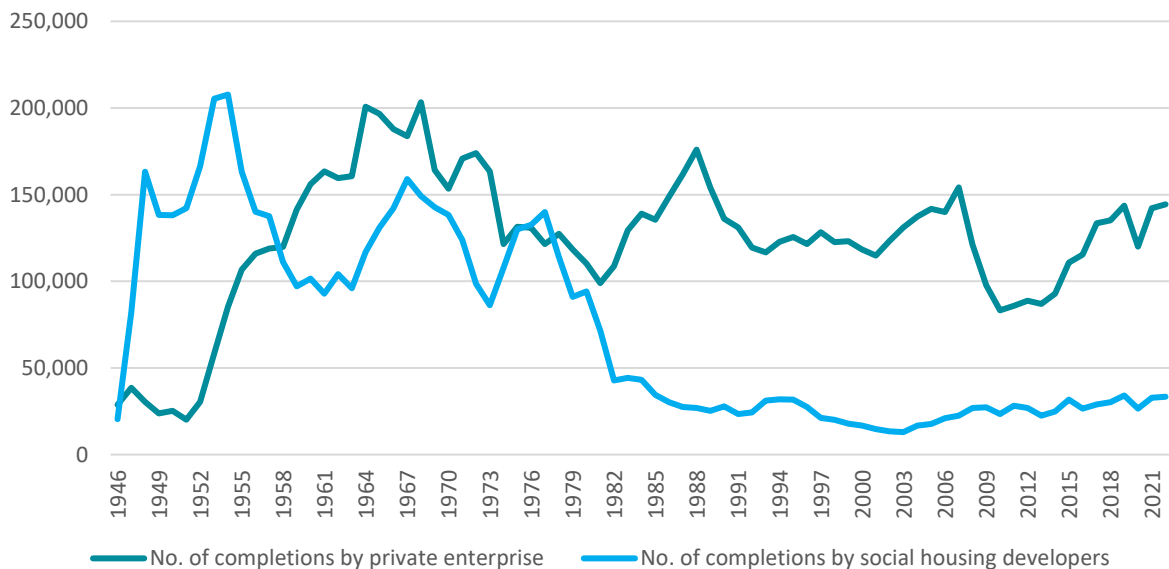
Source: ONS Housing Supply

Our analysis finds that social housing new-builds supported total housebuilding during the private sector slowdown induced by the Great Recession of 2008. This is seen in the negative correlation between social housing new-builds and private sector new-builds over the period,

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meaning that the two variables moved in opposite directions. Even as private sector new-builds dropped, the rate of social housing new-builds increased.

So, the evidence suggests that social housing acted as a countervailing stabiliser in the aftermath of the Great Recession of 2008. Not only were more social houses built in periods of economic hardship, but also that this cushioned the private sector demand drop faced by the construction industry. The Savills and Shelter report identified this as an important mechanism that protects housebuilding capacity, enabling a stronger recovery from economic downturns.[12]

The effect of social housebuilding to stabilise the wider sector can be anecdotally corroborated by a statement from an ex-senior civil servant that "demand from the social sector stood between the housebuilding sector and near-oblivion" during the Great Recession of 2008.[13]

Figure 21: Private sector vs social housing new-builds in a 10-year period around 2008
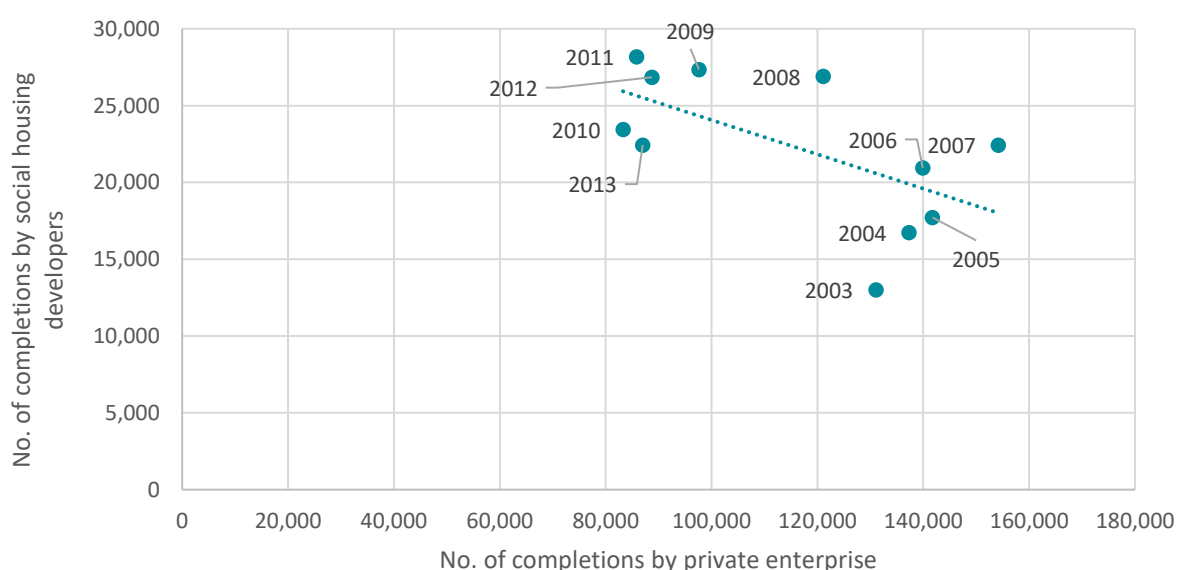
Source: Cebr Analysis, ONS Housing Supply

Evidence that cross-subsidy may have threatened this dynamic

Since 2011, funding for new social housing has become increasingly reliant on a cross-subsidy model because of a cut in capital subsidy of more than 60%.[14] This has threatened the stabilising effect of social house building. In response, housing associations have made up the shortfall through a combination of higher levels of borrowing, cross-subsidy from homes built for market sale and rent, and using up existing financial capacity. Notably, this exposes social housebuilding to the same cyclical pressures as the private sector.

Our analysis sees this borne out in the data. Social housebuilding begins to correlate with private-sector new-builds, undermining its ability to provide a countervailing stabilising force to the wider industry. This is consistent with the hypothesis that moving away from grant funding to a cross-subsidy model makes housebuilding less resilient to economic downturns.

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[12] Impact of Covid-19 on social housing supply and residential construction | Savills Research Report for Shelter (2020)
[13] Can housing associations keep building as the rest of the market slows? | Building.co.uk
[14] Increasing social housing supply | Parliamentary Inquiry

Figure 22: Private sector vs social housing new-builds in 2012-2022
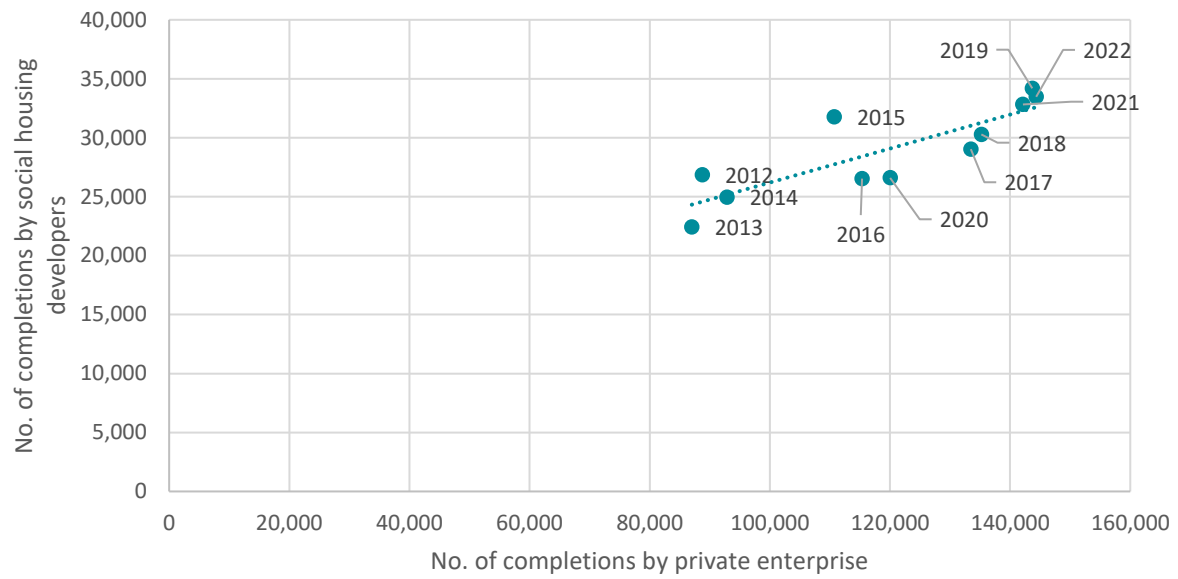
Source: Cebr Analysis, ONS Housing Supply

3. Indirect benefits to the Exchequer and wider society

Employment
£8.9 billion

Taxes from higher
employment
£3.8 billion

Universal Credit
£3.3 billion

Indirect benefits to
the Exchequer and
wider society

Reduced
homelessness
£4.5 billion

Healthcare
£5.2 billion

£31.4 billion
(net present value)

Lower crime
£3.1 billion

Education
£2.7 billion
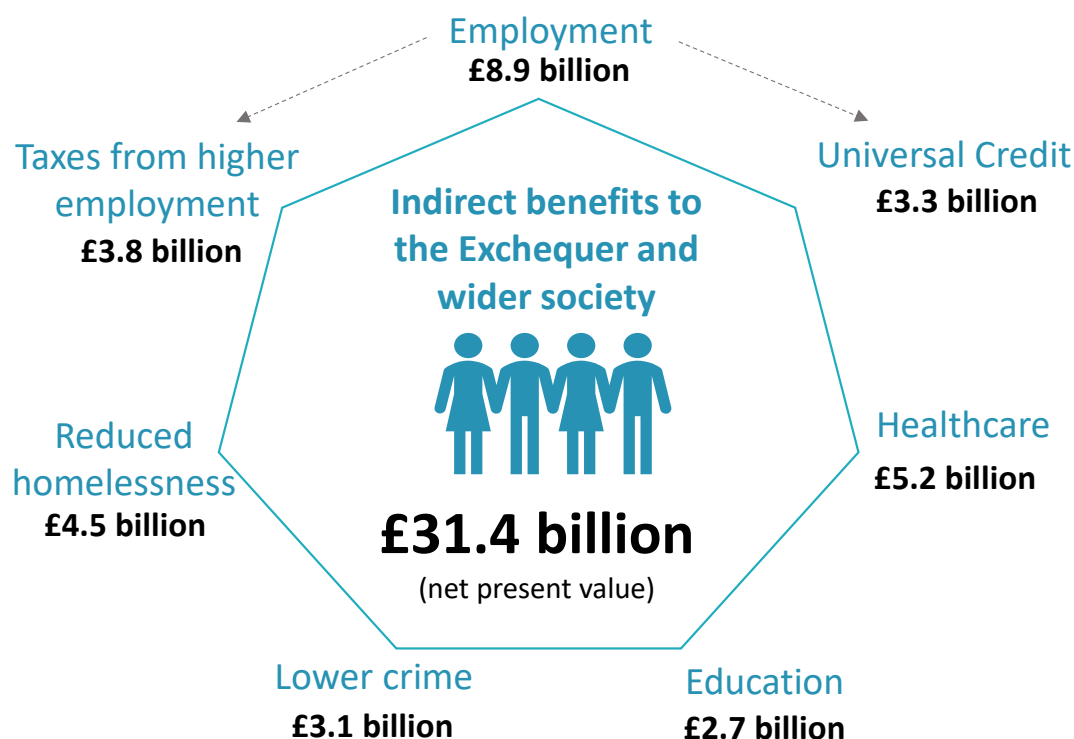
Note: figures may not add up due to rounding

Social rented housing, with rents tied to local incomes, is the most affordable housing tenure. It is also more stable than the private rented sector, as people in social housing usually have secure tenancies, giving them stronger rights and greater protection from eviction. Social homes also tend to be better quality than both private rented and owner-occupied housing. This stable and quality foundation leads to numerous benefits for tenants and wider society, which often translate to fiscal benefits for the Exchequer.

3.1 Methodology

The figures derived as part of this analysis are based on two previously published pieces of research:

1. Cebr's research for Centrepoint assessing the costs of youth homelessness.[15]

2. The Hyde Group's research evaluating the social benefit of their social housing provision.[16]

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[15] The Cost of Youth Homelessness | Centrepoint (2023)

[16] The Value of a Social Tenancy | The Hyde Group (2018)

The methodology of both pieces of research centres on a 'counterfactual' examination. This entails modelling the life path of a specific group in the absence of a particular condition or intervention. Then, this trajectory is compared to the scenario in which the condition or intervention is applied.

In the Hyde Group analysis, this means looking at a scenario where the Hyde Group does not provide social housing. Similarly, in the Centrepoint analysis, the focus was initially on mitigating homelessness for vulnerable youths. However, we have adjusted the data to shift the focus from young homeless people to the broader demographic of those moving into social housing.

Our analysis assumes that the observed differences in outcomes between those not currently in social housing (but potentially eligible, proxied by the profile of those who moved into social housing in 2021/22 as per CORE data) and those in social housing primarily result from the greater availability of such social homes.

We also assume a uniform distribution of residents across the 90,000 residences throughout the 30-year duration, considering both inflows and outflows. Despite potential changes in tenancy during this period, we expect the demographic attributes of individuals entering social housing to remain consistent.

To accurately account for the 30-year timeline, we adjusted the annual nominal benefits associated with each component with a discount factor of 3.5% to calculate the net present value of benefits, aligned with the Green Book's recommendation.

While we refer to 'Wider benefits to society' in this section, these benefits will be realised by various stakeholders (including individuals, public services, and the Exchequer). Where data from the Hyde Group was used, such as the lower crime and education elements, disentangling the specific stakeholder who will benefit has not always been possible. Although certain benefits unquestionably fall under the category of 'indirect benefits to the Exchequer,' some are less clear-cut. Consequently, the 'indirect benefits to the Exchequer' figure posed currently should be regarded as a conservative estimate.

Labour market benefits

Our analysis focuses on working-age individuals who face challenges accessing social housing. We compare scenarios where access to social housing improves employment prospects with counterfactual situations where individuals face prolonged housing challenges. This comparative approach allows us to estimate the potential impact of social housing on employment probability.

We focus on working-age individuals employed before entering social housing (based on CORE data) and consider the employment rate among those in social housing tenures, from the English Housing Survey. We also examine three main scenarios: a single year without social housing, two years without social housing, and three years without social housing.

We model the potential economic gain associated with each scenario. This is done by using data on the median worker salary for each age range and applying an average ratio of GVA to compensation of employees (COE) figures.

Furthermore, we explore the longer-term effects of inactive/unemployed working-age adults, resulting in a lag in productivity due to skills gaps. Our scenarios project this cohort lagging in productivity equivalent to the years spent out of work.

For instance, in a five-year unemployment scenario, a 39-year-old worker would produce the same as a 34-year-old who has not experienced homelessness. This approach helps assess not only the short-term cost of foregone economic output but also the long-term impact of the initial unemployed period.

Decrease in Universal Credit claims

Higher employment reduces dependency on welfare by providing individuals with earned income, lowering the likelihood of Universal Credit (UC) claims. Our estimates on UC expenditure thus build on our labour market benefits analysis above.

Initially, we segment the cohort of households eligible for social housing based on age and household type, using data from the CORE database. We then assign a UC allowance to each household based on these characteristics, using figures from the government's guidelines.

Comparing this cohort with households already in social housing, we focus on the difference in the employment shares for each representative household. We assume that in a counterfactual scenario where the lead household reference person is in social housing, they would exhibit characteristics similar to those already in social housing. This comparison allows us to estimate how the provision of 90,000 new social homes could benefit HM Treasury in terms of reduced UC claims.

We explored ways to include the effect of employed individuals who still meet UC eligibility criteria. Transitioning to social housing could offer an avenue to enhance their income, reducing reliance on UC. Mapping this phenomenon is challenging due to limited granular wage-related data. So, our estimates on savings from a drop in UC claims are conservative, likely understating the true benefit of additional social housing.

Reduced cost of homelessness

Building 90,000 social homes would reduce the number of homeless individuals and those in temporary accommodation, resulting in cost savings for local authorities who provide and administer homelessness services.

To quantify these savings, we investigate the Department for Levelling Up, Housing, and Communities' (DLUHC) outturn data, specifically local authority expenditure related to housing services. The detailed demographic breakdown from CORE data, categorised by homelessness condition and previous housing situation, guides our estimation of potential cost savings. We focus on two distinct channels: reduced administration costs for homelessness services and lower expenses related to temporary accommodation.

Although there is overlap between these channels, it is important to analyse them separately to precisely assess the actual cost savings from homelessness reduction. For each channel, the estimation of cost savings involves a scaling exercise, where we examine the proportion of individuals moving into social housing relative to the total caseload. Data on overall caseloads in England is from the Department for Levelling Up, Housing, and Communities' (DLUHC) tables on homelessness.

Given that the data on individuals in temporary accommodation is a snapshot at a specific point in time, it is supplemented using dynamic flows based on the DLUHC's flow analysis. The latter provides an overview of the flows of households initially assessed as owed a duty based on all cases within a financial year. This gives an estimate of the total caseload of those in temporary accommodation throughout 2022/23. Subsequently, we scale the expenditure figures for each channel based on their respective shares (assuming a uniform distribution of expenditure across all households) and aggregate the resulting cost savings.

Fewer disruptions to education

We consider the impact of unstable housing situations on the education of young people and assess the potential advantages of a more stable living environment provided by social homes.

Cebr's analysis for Centrepoint, while comprehensive, did not cover the advantages associated with minimising disruptions caused by youth homelessness. To address this gap, we build on the Hyde Group's foundational figures. We examine the benefits linked to reduced disruptions in social housing for a projected cohort of children set to live in the new 90,000 social homes. Using CORE data, we estimate the percentage of school-age children expected to transition into social housing.

The Hyde Group's analysis reveals a noteworthy cost associated with children being out of education – approximately £10,000 per child per year, extended over the eight years of mainstream schooling post-seven years of age.[17] To estimate the long-term impact of disruptions to mandatory schooling due to insufficient social housing, we segment the cohort of children aged 0 to 15. We then calculate the remaining years of mandatory schooling for each age and apply unit costs specified in the Hyde Group's report.

Benefits from lower crime

To assess this impact, we rely on research by the Hyde Group due to limited data on offending rates and the absence of crime data in the CORE database. Unfortunately, comparing different offending rates and estimating the benefits of reduced crime, as in our examination of the costs of youth homelessness, is not feasible.

The Hyde Group's research focuses on the cost of being a victim and reduced police callouts, emphasising that individuals in their sample mostly experience victimhood. However, this observation may not entirely apply to the broader group expected to move into social housing. Relying on the Hyde Group's figures assumes alignment between the analysed cohort and the broader group.

Savings to health services

Our analysis of the effects on public health services, similar to our examination of reduced crime rates, relies on insights from the Hyde Group. This decision is driven by limitations in

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[17] The data presented by the Hyde Group concerning disrupted education encompasses reduced earning capacity, impacts on public services, and expenses associated with anti-social behaviour and increased crime rates. The stated unit cost of around £10,000 per child annually does not account for the expenses incurred when a child is completely disengaged from education. Instead, it reflects a range of scenarios derived from their sample, which is more reflective of cohort characteristics.

data granularity on the use of health services and the absence of relevant data in the CORE dataset.

The aspects covered in the Hyde Group's analysis include reduced use of NHS services (such as GP attendance, A&E visits, and substance misuse). These align closely with elements explored in Cebr's research for Centrepoint. Moreover, the Hyde Group's study goes beyond Centrepoint's scope, addressing issues like falls among the elderly and various health conditions linked to inadequate housing such as respiratory illnesses. We are confident that the Hyde Group's estimates provide a robust indication of the health service benefits resulting from enhanced social housing provision.

3.2   Overall socioeconomic benefits

Table 10: Breakdown of wider socioeconomic benefits by type

Benefit type	Annual benefit per-household	Annual benefits, nominal (£ million)	Total cumulative benefits, present value (£ million)
Labour market benefits	£3,290	£296*	£8,882
Increase in tax receipts	£1,405	£126*	£3,793
Decrease in Universal Credit claims	£1,218	£179	£3,289
Savings to health services	£1,914	£281	£5,170
Reduced homelessness services expenditure	£1,671	£245	£4,512
Savings from lower crime	£1,133	£166	£3,058
Fewer disruptions to education	£1,003	£147	£2,709
Total:	**£11,634**	**£1,441**	**£31,413**

*The approach for assessing these benefits involves converting inputs to present value at the outset, rendering nominal figures unavailable. Therefore, these are net present value figures averaged across 30 years.

Sources: The Hyde Group, DLUHC, English Housing Survey, Annual Business Survey, MHCLG, ASHE, Cebr analysis

3.3 Labour market benefits

Social housing offers stability often absent in the private rented sector and could yield substantial economic benefits through higher employment and productivity.

The cumulative value of labour market benefits from building 90,000 social homes is estimated at £8.9 billion. A further benefit of £3.8 billion is available to the Exchequer through increased tax revenue.

Social housing provides a greater level of stability and security than the private rented sector.[18] People living in stable, quality homes are more likely to be able to find and keep jobs. They are also more likely to be productive while at work. Conversely, insecure tenancies, frequent moves and poor conditions (all of which are more common in the PRS) harm people's work . Moving people from the PRS and temporary accommodation into social housing will therefore lead to labour market benefits.

Our assessment of these benefits focus on the increase in economic output resulting from higher employment, considering both immediate gains and longer-term productivity impacts.

We estimate that the **increased employment resulting from social housing contributes on average £3,290 per household** per year to economic output. This leads to a **cumulative impact of £8.9 billion** in present value over 30 years.

Furthermore, increased employment and productivity are projected to yield tax revenue (specifically income tax and National Insurance contributions) to the Exchequer. We anticipate a resulting increase in **annual tax revenue of £1,405 per household**. Summing this up over a 30-year period yields **a cumulative benefit of £3.8 billion** in present value to the Exchequer.

3.4 Decrease in Universal Credit claims

Building 90,000 new social homes could cut yearly Universal Credit claims by £1,218 per household. This adds up to a saving of £3.3 billion for the government over the long term.

Higher employment resulting from stable and good-quality social housing would reduce dependency on welfare. People with earned income are less likely to make UC claims.

Our estimates indicate that providing 90,000 new social homes could reduce annual UC claims by £1,218 per household. This translates to cumulative savings of £3.3 billion for the Exchequer over 30 years.

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[18] Home for Good: The role of social housing in ending rough sleeping | St. Mungo's

3.5   Savings to health services

Social housing can lower health risks and reduce the demand for healthcare services. 90,000 new social homes could lead to cost savings of £5.2 billion for the NHS.

Social housing provides better-quality living conditions compared to private accommodation and can reduce the risk of harm from issues like damp or trip hazards.[19] This means individuals living in social housing may experience fewer health problems, leading to a decreased need for healthcare services and, consequently, cost savings for the NHS.

Our analysis of the effects on public health services relies on insights from research by the Hyde Group. The research considers reduced use of NHS services (such as GP attendance, A&E visits, and substance misuse) while addressing issues like falls among the elderly and health conditions linked to inadequate housing conditions such as respiratory illness.

Building 90,000 new social homes could lead to a **substantial reduction in annual health services usage of £1,914 per household**, resulting in cumulative savings of **£5.2 billion for the NHS** over 30 years.

3.6   Reduced homelessness services expenditure
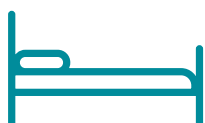
Building 90,000 social homes would reduce the number of people living in temporary accommodation and requiring homelessness assistance. This would lead to savings of £4.5 billion for local authorities over the long term.

Building more social homes would reduce the number of people who are homeless and those living in temporary accommodation, resulting in cost savings for local authorities who provide and administer homelessness services. Notably, 17% of households transitioning to social housing, as per CORE data, were formally classified as statutory homeless. Within the broader cohort, 14% originated from temporary accommodation.

We estimate that 90,000 new social homes would reduce local authorities' **annual spending on homelessness services by £245 million every year.** This represents a tenth (10%) of total expenditure by English local authorities on homelessness services (£2.5 billion) in 2022/23. The main factor contributing to the total is the allocation and management of temporary housing. This accounts for £219 million, 12% of the overall expenditure by English local authorities on addressing homelessness in 2022/23.

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[19] [Housing conditions in the private rented sector (England)](#) | House of Commons Library

Over the long term, this would translate to **cumulative cost savings of £4.5 billion**. The majority of savings, notably £4.0 billion, are attributed to a reduction in the cost of temporary accommodation while administrative expenses (£493 million) make up the remainder.

3.7   Savings from lower crime

Inadequate housing increases individuals' vulnerability to crime, resulting in substantial costs in terms of resources (property damage, impact on physical and mental health) and public finances (expenses related to law enforcement and the criminal justice system). Our analysis reveals a cumulative benefit of £3.1 billion from lower crime due to the construction of 90,000 social homes.

Here we rely on research by the Hyde Group on the lower likelihood of being a victim and calling the police for social housing tenants. The research argues that tenants in a crisis are more likely to be the victims of crime and therefore we see reduced costs to both public services, such as to police services through callouts, and resources, including that of personal property.

Our findings suggest that constructing 90,000 new social homes could lead to an annual **reduction of £1,133 in crime-related costs for the average household, accumulating to £3.1 billion in present value over 30 years.**

3.8   Fewer disruptions to education

Insecure housing adversely affects children's wellbeing, impacting their education through absenteeism, sleep problems, and academic stress. Our study suggests that introducing 90,000 new social homes could save £2.7 billion, by reducing the number of children who end up not in employment, education or training (NEET).

A large proportion, around 30%, of individuals moving into social housing in 2021/22 were aged 0 to 15. Insecure housing and homelessness negatively affects children's mental and physical wellbeing, leading to school absenteeism and poor educational outcomes. [20] Additionally, overcrowded and substandard homes contribute to issues such as sleep deprivation, academic failure, and stress, as highlighted in previous research by Shelter. This research points out challenges like missed school days, long commutes, limited space for homework, and mental health issues that disrupt children's education. [21]

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[20] The impact of homelessness on a child's education | Shelter (2020); Housing: an Under-Explored Influence on Children's Well-Being and Becoming | Clair (2018)

[21] Relations between housing characteristics and the well-being of low-income children and adolescents | Coley et al. (2012); Still Living in Limbo | Shelter (2023)

Here we consider the impact of insecure and poor-quality housing on young people's education. Such scenarios increase the chances of a child becoming NEET, which accrue significant resource and public finance costs. Accordingly, we assess the potential advantages of offering stable social homes.

90,000 new social homes could reduce the yearly costs associated with disruptions in children's education by £1,003 per household. Over a 30-year horizon, this represents a cumulative saving of £2.7 billion in present value.

3.9 Evaluating the impact of new social housing on labour market mobility

In addition to the outlined socioeconomic advantages, the potential of social housing to enhance labour market mobility has become a crucial area of interest. Our investigation did not measure this, as there is a lack of existing quantifiable evidence to draw from. Nevertheless, recognising the extensive literature on this subject, we have qualitatively assessed its potential benefits.

The core proposition is that facilitating access to social housing near job opportunities increases individuals' mobility within the labour market. This in turn fosters a more dynamic and inclusive economic environment.

A seminal contribution to this discourse comes from Hsieh and Moretti (2019). Their study argues that constraints on new housing supply in major US cities have impeded workers from relocating to urban centres with higher productivity and wages.[22] This inability to move to urban areas lowered aggregate US GDP by more than a third (36%). The authors propose that policies addressing these housing supply constraints could be pivotal in unlocking economic growth and enhancing labour market efficiency.

Expanding on this, Maclennan et al. investigate the specific role of affordable and well-maintained housing (comparable to social housing) in facilitating labour market mobility in Australia.[23] Their research suggests that affordable housing can reduce commuting times and costs for low-income workers, bringing them closer to job opportunities. This proximity positively influences labour market matching opportunities, indicating that social housing can enhance overall labour force mobility.

Examining the relationship between housing and labour market mobility during economic crises offers key insights. Palomares-Linares and van Ham's research in Spain highlights a shift towards homeownership during economic downturns, underscoring its increased importance in influencing internal migration.[24] While this study explores the stability derived from homeownership in general, similar advantages are offered by permanent social housing.

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[22] Housing Constraints and Spatial Misallocation | Hsieh and Moretti (2019)

[23] Housing and Productivity: all or nothing at all | Maclennan et al. (2018)

[24] Understanding the effects of homeownership and regional unemployment levels on internal migration during the economic crisis in Spain | Palomares-Linares and van Ham (2018)

Such housing provides people with a stable foundation and the ability to withstand economic uncertainties. During volatile economic periods marked by elevated interest rates and escalating mortgage burdens, social housing emerges as a more secure and resilient option, particularly for households struggling to pay higher mortgage repayments. Consequently, social housing facilitates the movement and retention of residents in areas they might otherwise be unable to afford, particularly during periods of constrained financial conditions.

Nevertheless, several papers cast doubt on the original hypothesis that affordable housing uniformly promotes labour mobility. Instead, these studies reveal nuanced interactions between housing markets and labour movements. Research on immigration patterns in Germany and the impact of the housing market on internal migration in Spain suggests that factors beyond housing affordability, such as social networks and regional unemployment levels, also influence labour mobility [25,26].

These insights indicate that a straightforward correlation between affordable housing and increased labour mobility may not hold under the complex dynamics of the broader socioeconomic sphere. A more comprehensive understanding of the multifaceted influences on residential and employment choices is needed.

In conclusion, while substantial evidence supports the hypothesis that providing social housing closer to employment opportunities can enhance labour market mobility, the relationship is intricate and multifaceted. Policy interventions in this domain need careful design, considering not only the location and availability of social housing but also the broader socioeconomic context.

[25] ibid

[26] Regional distribution and location choices of immigrants in Germany | Tanis (2018)

4. Overall impact on the Exchequer

Net positive impact on the Exchequer

£11.9 billion
(net present value)

Direct benefits £7.0 billion

Housing benefits	Taxes from construction
£4.5 billion	**£2.5 billion**

Indirect benefits £16.8 billion

Healthcare	Reduced homelessness
£5.1 billion	**£4.5 billion**

Taxes from higher employment	Universal Credit
£3.8 billion	**£3.3 billion**

Grant funding	**- £11.8 billion**
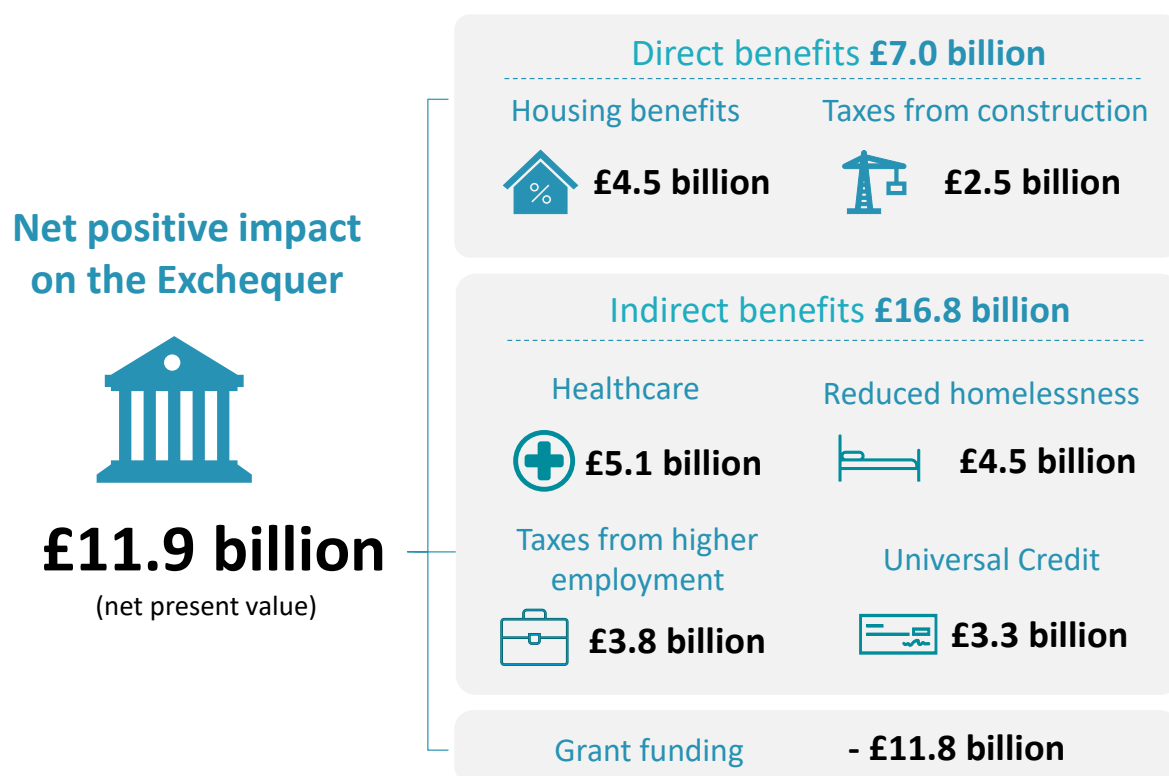
Note: figures may not add up due to rounding

4.1 Methodology

To estimate the potential cost savings to the Exchequer from moving households on benefits from PRS into social housing, we assume that the 90,000 homes would be categorised as social rent homes. The rent for these homes is typically far lower than equivalent market rents.[27]

Recognising that not all the social homes will be occupied by tenants transitioning from the PRS, we account for movements within the existing social rented sector (SRS). Each year, tenants within the SRS relocate to other social homes, mostly freeing up their prior residences.

However, certain moves, typically around 2.8% of cases, do not lead to the release of their last social homes. We derive this percentage from an analysis by the NHF of relocation motives based on data published by the Department for Levelling Up, Housing, and Communities (DLUHC). Instances include permanent decanting due to property earmarking for demolition, relationship breakdown (where the other partner remains in the previous home), and cases where residents were asked to vacate by family or friends. Consequently, our analysis assumes that approximately 97.2% of the 90,000 social homes would ultimately be available to households currently in the PRS.

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[27] Rents for properties let at 'social rent' are based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property.

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We also estimate the number of households in these new social homes that receive housing support payments, including both housing benefits and the housing element of Universal Credit. The Continuous Recording (CORE) database by DLUHC shows that, on average, 75% of households contracting new social lettings receive benefits.[28] By applying these proportions, we estimate that 65,292 of the 90,000 households would originate from the PRS and would be receiving lower benefits. We apply a regional distribution to these homes mirroring the projected distribution of the 90,000 homes in Section 2.

To compare the level of support between the PRS and the social rented sector, we use figures provided by the NHF based on their analysis of the English Housing Survey[29]. These figures show the average weekly benefits in each sector by region. We extrapolate the difference in the weekly support awarded in each region over the whole year to estimate the annual savings to the Exchequer from moving a claimant from the PRS to social rent.

4.2   Savings on benefits from tenure shifts

The government subsidises the housing costs of those on low incomes by helping them pay their rent through the benefits system. In this section, we evaluate potential savings to the Exchequer on housing benefits by shifting households to the social rented sector through the construction of 90,000 social homes.

Given the scarcity of social housing in England, a growing number of low-income households are forced to live in the PRS. Over the past 3 years, the number of claimants for housing support payments[30] in the social rented sector increased by 7%, while those in the PRS saw a greater rise of 20%.[31] Not only is the number of claimants higher in the PRS, but the higher rents in this sector also increase benefit requirements compared to the social rents.

→ There is significant variation in the annual savings per household across regions, ranging from £807 in the North East to £5,315 in London.

→ Overall, we estimate that the tenure shifts from the PRS could lead to **direct savings of £243.8 million** to the Exchequer every year.

→ Over 30 years, the government would **save a total of £4.5 billion on housing benefits** in present value from the 90,000 social homes alone.[32]

The breakdown of the annual savings to the Exchequer by region is shown in **Error! Reference source not found.** below.

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[28] Average 2019/20 – 2021/22.
[29] Based on payments in 2021. Scaled up to 2023 prices by applying increase in HB from 2021 to 2023.
[30] The government supports low-income households in paying their rent either through housing benefits (HB) or through the housing element of Universal Credit. These benefits are available to people in both the private and social rented sectors.
[31] Includes housing benefits and housing element of Universal Credit. DWP Autumn Statement 2023 Expenditure and Caseload forecast.
[32] Assuming a discount rate of 3.5% as per the Green Book recommendation and that the impacts are consistent annually over the assessed period.

Table 11: Annual savings to the Exchequer from projected tenure shifts by region

Region	Social rent homes	Households from PRS on benefits	Annual savings on benefits per household (£)	Total annual savings (£)
North East	1,000	725	807	584,859
North West	4,000	2,902	1,905	5,527,236
Yorkshire and The Humber	2,000	1,451	860	1,247,750
East Midlands	2,000	1,451	855	1,240,808
West Midlands	3,000	2,176	1,188	2,585,580
East of England	11,000	7,980	2,227	17,771,077
London	33,000	23,941	5,315	127,246,990
South East	26,000	18,862	4,148	78,245,725
South West	8,000	5,804	1,616	9,381,551
England	**90,000**	**65,292**		**243,831,575**

Sources: DLUHC, English Housing Survey, DWP, NHF, Cebr analysis

4.3   Tax revenue from construction

Another direct benefit is that the increased economic activity in the construction sector is projected to yield additional tax receipts for the Exchequer. Our analysis indicates that for every £100 of output generated in the construction industry, the government receives approximately £7 in tax revenue across VAT, Corporation Tax, Income Tax, and National Insurance contributions.[33] We therefore estimate the **total tax revenue directly generated from the construction of the social homes to be £2.5 billion**.

4.4   Indirect impacts

As highlighted in Section 3, several indirect socioeconomic impacts contribute to fiscal benefits for the Exchequer. These include:

* £5.2 billion in healthcare service savings by the NHS
* £4.5 billion in reduced spending on temporary accommodation and homelessness services

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[33] We use the tax receipts-to-output ratio in the construction industry for each tax head to estimate this. VAT and Corporation Tax statistics by sector are provided by HMRC, while our in-house income tax model estimates Income Tax and NICs for the construction industry. This considers average employee pay and job numbers supported during the construction of the 90,000 social homes. These tax heads have been identified as the most relevant for the construction industry, and generally account for around 75% of the total tax revenue to the central government.

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- £3.8 billion in increased tax revenue from higher employment and productivity
- £3.3 billion in decreased Universal Credit claims

Summing these figures, we estimate the **total indirect benefits to the Exchequer at £16.8 billion.**

The benefits from lower crime and improved education are not included in this calculation. We use an extension of the Hyde Group's methodology for estimating these benefits and, as a result, lack visibility on the proportion attributable to the Exchequer. Therefore, the above figure of £16.8 billion for indirect benefits should be regarded as a conservative estimate.

4.5   Overall impact on the Exchequer

The overall impact on the Exchequer is estimated to be positive, with a net long-term benefit of £11.9 billion.

In terms of costs to the Exchequer, as discussed in Section **The economic impact of building 90,000 social homes**2, the construction of 90,000 social rent homes would need government support in the form of grant funding, which is estimated at £11.8 billion.

However, this figure is based on the in findings of a 2019 NHF report[34] which assumes that a portion of the homes will not require grant funding, as they are funded through Section 106— a form of planning gain. While our analysis assumes no further planning interventions, this could be subject to changes as **there is a possibility of enhancing or restructuring this system to extract more value and therefore reduce the capital grant needed.**

In terms of benefits, combining the direct and indirect benefits described in the previous sections results in **total benefits of £23.7 billion for the Exchequer**, which is twice the estimated grant required to fund the programme. Overall, the long-term net impact for the Exchequer of funding 90,000 social homes is expected to be positive, with a **net benefit of £11.9 billion.**

In terms of timing, the project is anticipated to reach a break-even point from the Exchequer's perspective in 11 years following construction, yielding a positive net present value from that point onwards.

The year-on-year distribution of these costs, broken down by category, can be seen below. Data specifically for the eleventh year after construction occurs is included, to show the cumulative present value changing from negative to positive in this year.

[34] Capital grant required to meet social housing need in England 2021 – 2031, NHF

Table 12: Timeline of Exchequer impacts, including break-even point, £ million, net present value

Impacts	Base year	Year 1	Year 2	...	Year 10	Year 11	...	Total
Government grant	-11,825			...			...	-11,825
Savings on Housing Benefits		236	228	...	173	167	...	4,485
Tax benefits from construction[35]		2,473		...			...	2,473
Savings on Universal Credit		173	167	...	127	122	...	3,289
Savings on Health Services		272	262	...	199	193	...	5,170
Savings on Homelessness Services		237	229	...	174	168	...	4,512
Income Tax Increase[36]		126	126	...	126	126	...	3,793
Cumulative present value	-11,825	-8,309	-7,297	...	-195	**582**	...	11,896

Source: Cebr analysis

[35] To be conservative, it is assumed that there is a one-year lag between the full receipt of these and the construction activity. In practice, some of this revenue is likely to be received in the base year.

[36] The approach for assessing these benefits involved converting inputs to present value at the outset, rendering nominal figures unavailable. Therefore, these are net present value figures averaged across 30 years.

5. Combined socioeconomic value of building 90,000 social homes

The programme yields a net positive social and economic impact, with an estimated aggregate net benefit of £51.2 billion.

Aggregating the calculated impacts across the previous sections allows us to gauge the cumulative socioeconomic value of constructing 90,000 social homes. Given the recurrent nature of many benefits, we sum these up over a 30-year horizon, while factoring in the total funding cost and applying a discount factor of 3.5%. This provides an estimate for the net present value of the aggregate impact over the long term. Therefore, all the costs and benefits referred to in this section are expressed in present value terms.

Timeline of impacts

→ We assume that the total expenditure of £35.4 billion for building 90,000 homes is incurred in the base year, with benefits starting to accrue from the subsequent year.

→ In the first year post-construction, we expect total benefits of £32.6 billion. This would primarily be driven by the direct, indirect, and induced GVA contributions from the construction impact outlined in Section 2.

→ From the second year onwards, it is expected to generate recurring annual benefits. These result from the management of more social housing, savings on housing benefits, and wider indirect benefits (such as reduced homelessness, increased employment, and savings on healthcare).

→ The recurring benefits are projected to bring the programme to break even in **the third year post-construction**, **achieving a positive net present value thereafter** as shown in the table below**.**

Table 13: Timeline of impacts for the first 4 years following construction, £ million, net present value

Impacts	Base year	Year 1	Year 2	Year 3	Year 4	...	Total
Construction costs	-35,367					...	-35,367
Economic impact of construction		27,356				...	27,356
Tax revenue from construction		2,473				...	2,473
Economic impact of management		1,094	1,057	1,021	987	...	20,823
Savings on housing benefits		236	228	220	212	...	4,485
Indirect benefits to Exchequer and society		1,407	1,374	1,341	1,310	...	31,413
Total annual impact	-35,367	32,565	2,658	2,582	2,509	...	
Cumulative present value	**-35,367**	**-2,801**	**-143**	**2,439**	**4,949**	**...**	**51,183**

Source: Cebr analysis

Overall, our analysis indicates that the programme yields a net positive social and economic impact, with an estimated aggregate net benefit of £51.2 billion. A detailed breakdown of the total costs and benefits across the 30 years is presented in Table 14 below.

Table 14: Aggregate benefits, £ million, net present value

	Benefit stream	Net impact
Economic impact from construction and management	Direct GVA from construction	10,387
	Indirect and induced GVA from construction	16,969
	Aggregate GVA from managing housing stock	20,823
Direct benefits to the Exchequer	Savings on Housing Benefits	4,485
	Tax revenue from construction	2,473
Indirect benefits to the Exchequer and wider society	Direct GVA from increased employment	8,882
	Healthcare - savings to the NHS	5,170
	Savings on Homelessness services	4,512
	Income tax and NI from increased employment	3,793
	Savings on Universal credit	3,289
	Fewer disruptions to education	2,709
	Benefits from lower crime	3,058
Cost	Cost of construction	-35,367
Net present value		**51,183**

Source: Cebr analysis

Cebr

Appendix

Supplementary tables for the economic impact of managing the existing stock of social housing

The figures presented below use the same framework discussed in Section 2, but simply change the input for the number of homes to consider the economic impact of managing the existing social housing stock. Figures are presented for one year only, expressed in 2023 prices but based on the stock of social rent homes in 2022. There is no publicly available dataset which estimates the stock of Social Rent homes in England broken down by region. Therefore, we illustrate the impact of the existing stock based on the number of homes in the wider social rented sector, which consists of all dwellings provided by local authorities and Private Registered Providers (PRPs), rather than those in the Social Rent tenure exclusively.

Table 15: Number of social housing dwellings, 2022 [37]

Region	Social rented sector
North East	271,593
Yorkshire and the Humber	425,030
North West	591,053
East Midlands	271,923
West Midlands	451,743
South West	342,017
East of England	405,472
South East	537,821
London	811,438
England	4,194,782

Source: Department for Levelling Up, Housing and Communities (Table 100)

Table 16: Regional aggregate turnover impacts for existing social homes managed, £m, 2023 prices

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	1,423.3	766.6	436.0	2,625.9
Yorkshire and the Humber	2,996.0	2,382.9	1,237.4	6,616.4
North West	3,817.0	1,793.7	1,280.3	6,891.0
East Midlands	2,316.2	1,996.3	1,012.6	5,325.1
West Midlands	3,276.7	2,355.1	1,190.3	6,822.1

[37] Includes dwellings by local authorities and private registered providers

South West	2,762.3	2,456.9	1,210.4	6,429.7
East of England	3,584.4	3,065.7	1,489.0	8,139.2
South East	5,386.6	4,817.3	2,180.5	12,384.3
London	9,780.8	8,373.0	5,034.6	23,188.5
England	**35,343.3**	**34,088.7**	**16,298.3**	**85,730.3**

Source: MHCLG, NHF, ONS, Cebr analysis

Table 17: Regional aggregate GVA impacts for existing social homes managed, £m, 2023 prices

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	695.0	365.6	277.8	1,338.4
Yorkshire and the Humber	1,463.0	1,140.4	786.9	3,390.3
North West	1,863.9	865.1	817.6	3,546.6
East Midlands	1,131.0	950.1	645.5	2,726.6
West Midlands	1,600.0	1,117.0	757.5	3,474.5
South West	1,348.9	1,182.4	771.3	3,302.5
East of England	1,750.3	1,476.0	952.7	4,179.0
South East	2,630.4	2,345.9	1,393.8	6,370.0
London	4,776.2	4,112.6	3,267.2	12,155.9
England	**17,258.8**	**16,671.5**	**10,334.3**	**44,264.5**

Source: MHCLG, NHF, ONS, Cebr analysis

Table 18: Regional aggregate employment impacts for existing social homes managed, number of jobs

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	11,672	4,382	3,319	19,373
Yorkshire and the Humber	27,800	15,622	10,658	54,081
North West	30,221	10,155	9,488	49,865
East Midlands	16,148	9,815	6,601	32,564
West Midlands	19,943	10,114	6,742	36,799
South West	16,669	10,432	6,807	33,908
East of England	22,118	13,529	8,680	44,326
South East	27,912	17,862	10,593	56,367
London	44,829	27,210	21,679	93,718
Total	**217,314**	**150,166**	**93,175**	**460,654**

Source: MHCLG, NHF, ONS, Cebr analysis

Cebr

Table 19: Regional aggregate employee compensation impacts for existing social homes managed, £m, 2023 prices

Region	Direct impacts	Indirect impacts	Induced impacts	Aggregate impacts
North East	388.4	166.7	120.3	675.4
Yorkshire and the Humber	817.5	522.5	341.7	1,681.7
North West	1,041.6	398.7	356.0	1,796.2
East Midlands	632.0	430.6	279.1	1,341.7
West Midlands	894.1	514.0	328.8	1,737.0
South West	753.8	535.8	334.7	1,624.2
East of England	978.1	673.2	416.0	2,067.3
South East	1,469.8	1,068.4	605.8	3,144.0
London	2,668.9	1,847.1	1,406.3	5,922.3
England	**9,644.2**	**7,705.7**	**4,540.5**	**21,890.5**

Source: MHCLG, NHF, ONS, Cebr analysis