

Let's End Homelessness Together

Policy briefing:

Addressing housing
affordability



Homeless Link

Addressing housing affordability

Everyone should have a safe, secure, suitable home in which to thrive

We are living through a housing crisis. There is a significant shortage of safe, affordable housing across England. This shortage is most concentrated for those on the lowest incomes. For many, this makes homelessness almost inevitable.

The shortage of truly affordable housing across the country also traps people in homelessness. Those who lose their homes due to affordability are often unable to secure new housing as their income continues to fall short of rent, and for many people in temporary or supported accommodation lack of affordable housing leaves them trapped in homelessness unable to move on from costly, unsuitable accommodation.

The trauma of homelessness resounds through lives, causing ill-health and worsening support needs. The longer someone remains homeless the greater the negative impacts. Homelessness can be prevented and ended, but for this to happen permanent, stable housing must be available to all.

A new generation of social homes.

For those on low incomes, social housing is often the only appropriate and sustainable housing solution long-term. High costs, poor quality and high levels of insecurity mean that the private rental sector (PRS) can perpetuate, rather than relieve, homelessness. A social home offers the security, quality and affordability required to guarantee people can leave homelessness behind for good.

Social housing should therefore be available to everyone who needs it. Our members are consistently restrained by the lack of permanent homes to move people into, with tenants trapped in temporary accommodation for much longer than necessary and coming back into homelessness services when inappropriate and insecure PRS tenancies end. The cost of delivering this has overwhelmed local authorities. It can't remain this way – it is in everyone's interest to find lasting solutions through a new generation of social homes.

The Government should therefore invest in building 90,000 new social homes each year for the next 10 years, ensuring there are sufficient social homes for all those who need them.¹

A private renting system that prevents homelessness.

Social housing is the answer to resolving homelessness at scale, but reinvesting in this is not a quick fix. In the meantime, the Government must therefore ensure that the

¹ Bramley, G. (2018) Housing supply requirements across Great Britain: for low-income households and homeless people. London: Crisis and National Housing Federation.

PRS meets the needs of people with low income, ensuring they are not priced out in the face of rising rents.

For low earners, the PRS can be almost unmanageable. The sector has seen steep price rises compared to average incomes, with costs rising 6.6% in the 12 months to June 2024.² Welfare has failed to keep pace with this, as Local Housing Allowance (LHA) rates lag behind inflation and remain set to freeze again 2025. For many in higher-cost areas, the positive impacts of unfrozen LHA rates are negated by the household benefit cap.

The insecurity of the PRS places those on low incomes at disproportionate risk of homelessness: in 2022/23 74,500 households were owed a statutory homelessness duty following loss of a PRS tenancy compared to 11,680 households from social housing. This is worsened by the continued risk of Section 21 'no-fault' evictions with a 25% increase in households being made homelessness because of a Section 21 eviction in the last five years.³

For young renters, restrictions are even more severe. The Shared Accommodation Rate (SAR) of LHA means that most renters under 35 can only claim benefit for the cost of a room in a shared house.⁴ These rates often fall well below the actual cost of renting. While some who have been in care or hostel accommodation are exempt from these rates, exemptions are haphazard; care leavers only benefit from exemptions between the ages of 18-21, and hostel leavers must be 25 before they qualify for exemptions and beds are blocked in young person's hostels as residents are forced to wait until 25 to qualify for the one-bedroom rate.⁵

The new government's proposals on reform to the private rented sector, including ending no fault evictions and an ability to challenge rent increases are very welcome, but to ensure homelessness is prevented wherever possible, government should commit to improving the affordability and security in the PRS by permanently unfreezing LHA and ending, or at the very least uplifting, the benefit cap.

Recommendations

Government should deliver a new generation of social homes, ensuring they are available to all who need them.

- Invest in building 90,000 new social homes a year for the next ten years.

Deliver a PRS system that works for renters.

² Donnell, R. (2024). *Rental Market Report: June 2024*. Zoopla. Available at: <https://www.zoopla.co.uk/discover/property-news/rental-market-report/>

³ DLUHC (2024). *Statutory Homelessness live tables*. 30th April 2024.

⁴ Hobson, F. (2022). *Housing Benefit: Shared Accommodation Rate*. House of Commons Library.

⁵ Centrepont (2023). *Exempting homeless young people and care leavers from the Shared Accommodation Rate*.

- Act on commitments to introduce an improved Renter's Reform Bill, immediately banning S21 evictions.
- Commit to permanently unfreeze Local Housing Allowance in line with the lowest 30% of market rents.
- End the benefit cap, or at the very least ensure it is uplifted in line with LHA rates, to prevent families in high-cost areas from seeing no benefit from LHA uplifts and remaining at increased risk of homelessness.
- End welfare practices which discriminate against young people living away from family, including equalising benefits across age groups and ending the shared accommodation rate.