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National Housing Federation
Supported housing in
England: Estimating
need and costs to
2040

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Executive Summary

About this report

This report from Altair Consultancy and Advisory Services Limited (Altair) presents analysis on the need for supported housing, including housing for older people, in England to 2040 and the cost of meeting this need in terms of development, rent, service charges, and support. It was commissioned by the National Housing Federation (NHF) to inform their call for a long-term plan for housing.

Why is this research important?

Supported housing provides a lifeline for more than half a million people in England. It offers them care and support to allow them to live independently in their community. It gives those who need it accommodation and support, including people who are in a state of crisis, such as survivors of domestic abuse or people experiencing homelessness. It is vital to the health and wellbeing of our society.

The most complete data on the scale of the sector is from national surveys commissioned by the government. The government does not routinely monitor demand for supported housing and has limited data on supply. Without this information, there can be no planning of supply to meet demand, now or in the future. This suggests a lack of oversight at a national and local level.

Failure to meet demand puts strain on housing, adult social care and healthcare, and worsens outcomes for people with a need for support. This includes people with support needs living in homes not appropriate to their needs, such as general needs social housing.

What is supported housing?

Supported housing is defined by the government as low-cost rental accommodation provided in conjunction with support, supervision or care for people who often have complex and multiple needs. We use the government definition throughout this research, which includes housing for older people, such as extra care housing and sheltered housing.

How much supported housing is there in England?

According to the latest data from the Regulator of Social Housing (RSH), collected from social landlords, there were 509,873 supported housing units, including housing for older people, in England in 2023. Of these, 79% (403,530 units) were owned by private registered providers of social housing and 21% (106,343 units) by local authorities.

Most supported housing is for older people. We estimate that, in 2023, for social landlords in England, 71% of units were for older people (362,050) and 29% for working-aged adults (147,823).

The government does not routinely collect data on supported housing owned by charities and other voluntary organisations, but it is estimated that they provide 11% of supported housing in England. This would mean that in total, including units owned by charities and voluntary organisations (63,018), there may have been 572,891 units of supported housing in total in England in 2023.

How much supported housing is needed?

To keep pace with population change, we estimate an additional 167,329 units of supported housing (including housing for older people) are needed by 2040. This is a 33% increase, from the 509,873 units owned by registered providers in 2023 to 677,202 units in 2040.

In the first seven years alone, we estimate there will be a need for a 20% increase – from 509,873 units in 2023 to 611,513 in 2030, an increase of 101,640. By 2035, another 40,300 units would need to be built and a further 25,389 in 2040.

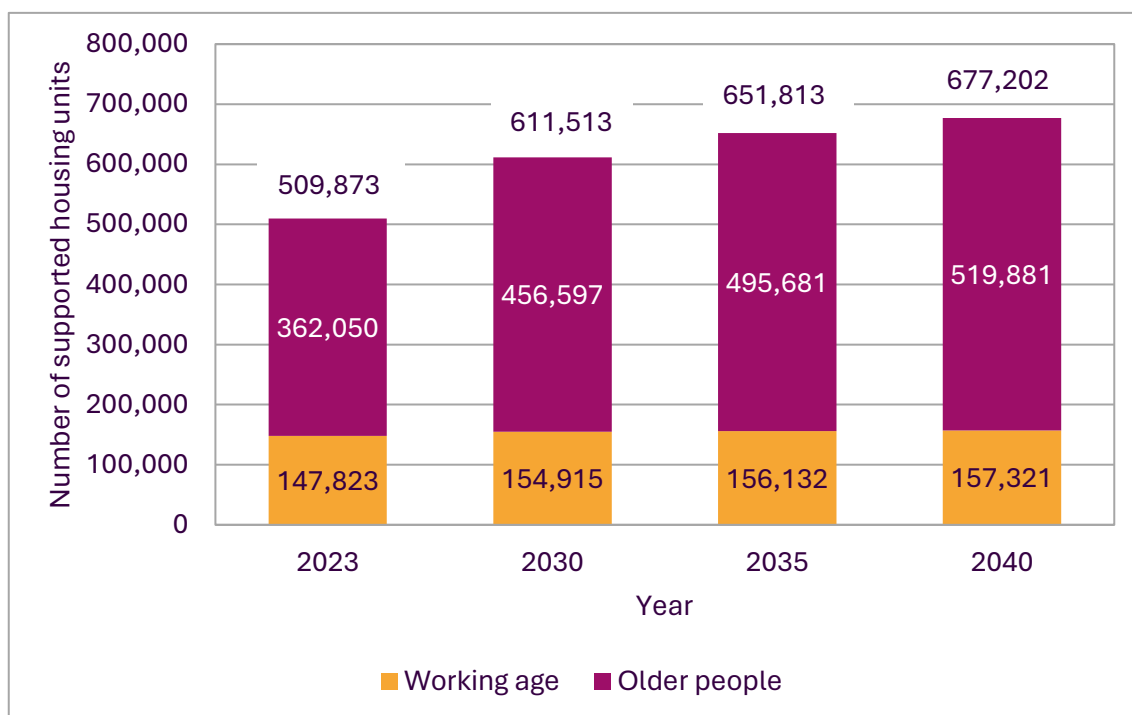


Figure 1 Estimated need for supported housing from social landlords in 2030, 2035 and 2040. Based on Regulator of Social Housing registered provider stock data returns, household composition from social housing lettings from the Department for Levelling Up, Housing and Communities, and 2020-based population projections from the Office for National Statistics.

Most of this change is driven by an increasingly ageing population. Around a quarter of these units would be for working-aged adults and the remaining 75-77% for older people.

We estimate 20-22% of units between 2030-2040 will need to be short-term and the remaining 78-80% long-term (including all housing for older people). This estimate is largely based on historical survey data – it may reflect commissioning and available funding, which is short-term in nature, rather than need.

Demand is higher if we look at projections based on prevalence of support needs within the population and levels of poverty. We estimate there may be 1.7million people in need of supported housing within the year 2040. This includes 755,656 older people who may need supported housing in 2040, 35% higher than our estimate based on current occupancy and population projections for registered providers' stock (561,122 older people). While some of this difference will be due to provision by charities or voluntary organisations, it likely reflects hidden demand for supported housing and suggests that the number of units required may exceed the estimated 167,329 units outlined.

How much will this cost?

We estimate the development costs (including land) of providing an additional 167,329 units of supported housing to meet demand is £33.9billion by 2040, with a further £10.5billion required each year for rent, service charges and support for 677,202 units.

Annual rents and service charges for the units needed would be £7.1billion in 2040. This would be a 76% increase in rent and service charges from 2023 to 2040. Of rent, approximately 69% would be paid for using Housing Benefit or Universal Credit, an estimated £4.9billion. The remaining 31% would be paid for by residents using other sources of income.

Support costs would be £3.4billion by 2040, which may be £1.2billion more than 2024 (58% increase). This comprises £2.7billion on working-aged clients and £659million on those aged 65 and over. This figure may be lower than the actual cost of providing support. It is based on survey data of housing association support costs, where providers said actual costs of delivering services were effectively cross subsidised by activity elsewhere. Data collected from a small sample of housing associations also suggests 3% of working-aged and 30% of older people self-fund their support costs, which would total £280million.

The alternatives to investing in supported housing are more costly, both in terms of people's health and wellbeing and the public purse. Without supported housing, more people risk homelessness or moving into residential or other institutional care or increasing demand on healthcare services.

What does this mean for those who need supported housing?

Our research indicates that development of supported housing is not keeping up with demand. The number of units of supported housing, including housing for older people, has stagnated. From evidence to the National Audit Office, we also know the government does

not expect to meet its target for building new supported housing through the Affordable Homes Programme.

When looking at supported housing owned by housing associations from 2007 to 2022, to keep pace with population change, the number of units should have risen by just over 50,000 units, to 455,334 units. Instead, in 2023, the number of units owned by private registered providers fell by 1,540 compared to 2007, to 403,536. This means we may be short of at least 51,798 units, with an estimated development cost of £7.8billion in 2024 prices.

We looked at other indications of hidden demand, such as delayed discharge from hospital and older people who aren't receiving the support they need with daily living. This suggests there may be as many as 3.6million people in need of, but not receiving support in England. Many of these people might have their needs best met by supported housing, including housing for older people.

Delays to getting support and accessing supported housing can worsen health and other outcomes, as well as lead to more costly alternatives, such as homelessness or institutional care. It can also mean people are inappropriately housed.

Housing associations who participated in our focus group talked about pressure within the system from high demand. They suggested that some tenants in general needs accommodation would be better housed in supported housing if such accommodation was available. Housing associations in the focus group also said there are tenants within supported housing with a low level of support who would be better suited to more intensive support, but there is a shortage of this type of accommodation as it is no longer being built.

Recommendations

The government must ensure there is a long-term, integrated plan for supported housing at a national level, making every decision about care a decision about housing. This would recognise the role supported housing plays in transforming people's lives and the cost savings it brings from reduced homelessness, reduced demand on the National Health Service and lower demand for more expensive residential, nursing or institutional care.

A long-term plan for supported housing must include adequate funding for the supply of supported housing, including development of new homes and residents' housing-related support and housing costs. As a minimum, the government should plan for an additional 167,329 homes to 2040. We estimate this would cost £33.9billion to develop by 2040 (£184,146-£253,608 per unit), with an annual rent and service charge of £7.1billion.

A long-term plan should ensure local authorities and Integrated Care Boards are able to plan, fund and commission supported housing, including housing for older people, to meet local need. It should include long-term, ring-fenced funding for supported housing and

support services that rises to meet demand, covering estimated support costs of £3.4billion per year in 2040.

To monitor progress, the government must routinely collect better data on demand for supported housing and whether supply is meeting demand. This will enable local authorities and providers to plan provision. It will also improve oversight of supported housing and mean residents can live in a home that best supports their needs.

We suggest the following improvements to existing data collection:

- Department for Levelling Up, Housing and Communities – the supply of supported housing, collecting data on units owned by charities and voluntary organisations.
- Department for Levelling Up, Housing and Communities – changes to data collected on social housing lettings to improve understanding of support needs of new tenants and annual occupancy data for supported housing.
- Department of Health and Social Care – the client groups within supported housing.
- Department of Health and Social Care – how many people with support needs live (or would be better off living) in supported housing.
- Department of Health and Social Care – estimation of future need for supported housing.

To better understand hidden demand and how it impacts on social housing, further research is needed into whether people with support needs are inappropriately housed, such as in general needs accommodation.

Thank you

Thank you to the supported housing members of the National Housing Federation who contributed to our focus group in January and to stakeholders from Learning Disability England, National Care Forum, NHS Confederation and Women's Aid who provided advice on the research design, data, and supporting literature during the early stages of the research.

1. Introduction

Overview of supported housing in England

Supported housing, including housing for older people, helps over half a million people in England to live independently in their community. It provides support and accommodation in the short-term or long-term for different age groups with varied support needs. Examples of clients include older people with support needs, working-aged people with a learning disability, people experiencing homelessness or survivors of domestic abuse.

Providers of supported housing include housing associations, local authorities, and charities or voluntary organisations. Housing associations own most of the supported housing in England.

Responsibilities for supported housing are spread across several different government organisations, including the Department for Health and Social Care (DHSC), Department for Levelling Up, Housing and Communities (DLUHC), and local authorities.

No one government organisation is responsible for overseeing, funding, and coordinating supported housing. This lack of oversight and coordinated funding has arguably led to issues within the sector, which the government has sought to address through the Supported Housing (Regulatory Oversight) Act 2023.

Research from 2010 estimated that supported housing saved the public purse an average of £940 per resident each year because of reduced demand on public sector services.¹

Monitoring of need for supported housing

There is no routine monitoring of demand for supported housing, and data on supply is limited. This means there is no understanding of gaps and issues, or targeted interventions to increase supply where needed. In short, we do not know if the supported housing available is sufficient to meet demand.

¹ [Frontier Economics \(2010\) Financial benefits of investment in specialist housing for vulnerable and older people. Homes and Communities Agency.](#)

The last major review of supported housing was published in 2016,² with an estimate of future need (based on this review) published in 2017.³ DLUHC and the Department for Work and Pensions (DWP) have recently commissioned an updated review of the scale of the sector, but this had yet to report at the time our analysis was undertaken.

With a general election coming, now is an opportune moment to highlight the need for supported housing, the scale of demand compared to supply and what funding might be required to meet this need.

As part of their campaign for a long-term plan for housing, the National Housing Federation (NHF) commissioned Altair to estimate how much supported housing is needed to 2040 and the cost of meeting this need.

Research objectives

The objectives of the research were:

- Assess current stock levels and shortfalls in supported housing in England.
- Project newly arising need over the short (2030), medium (2035) and long term (2040).
- Assess current turnover of stock.
- Considering the above, estimate a headline figure for additions needed, including a split between housing for older people and supported housing for working-age people, and between long-term and short-term.
- Costs of delivering the above, both in terms of construction and ongoing support.

Limitations of the research

Given limitations in available data, this report presents an estimate of demand, supply, and costs of supported housing in the short (2030), medium (2035) and long term (2040) from available national data, such as social housing stock and lettings.

The results give an indication of future need and costs, but actual need will be influenced by a range of factors, including health and housing policy, funding and inequalities, residents' needs and site- or scheme-specific constraints.

² [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

³ [Wittenberg, R., Hu, B. \(2017\) Projected demand for Supported Housing in Great Britain 2015 to 2030, Economics of Health and Social Care Systems Policy Research Unit, Personal Social Services Research Unit Discussion Paper DP2931, London School of Economics.](#)

The analysis only includes supported housing owned by registered providers of social housing (who are registered as social landlords with the Regulator of Social Housing (RSH)). While registered providers own most supported housing (an estimated 89%), this is not a complete picture of provision. The government and the RSH do not routinely collect data on supported housing owned by charities and other voluntary organisations, so we could not include any figures in our analysis.⁴

A note on terminology

In this report, we talk about registered providers, local authority registered providers (LARPs) and private registered providers (PRPs):

- Registered providers are social landlords who are registered with the RSH as providers of social housing in England. It includes local authority social housing landlords, housing associations and for-profit social housing providers. Social housing includes low-cost rental accommodation and low-cost home ownership accommodation.
- Local authority registered providers (LARPs) are local authorities who are social housing landlords who are registered with the RSH.
- Private registered providers (PRPs) are social housing landlords who are registered with the RSH. This includes large providers (defined by the RSH as those owning 1,000 units or more) and small providers (defined by the RSH as owning fewer than 1,000 units). It includes housing associations, who are not-for-profit social landlords, and for-profit PRPs. The number of supported housing units owned by for-profit providers remains small, however, with a total of 442 in 2023 (falling from a peak of 1,445 in 2019).⁵

Throughout this report, we have used the word ‘units’ to talk about supported housing. This is because, while long-term supported housing is someone’s home, some supported housing is accommodation in the short-term, such as a bedspace. While someone may call short-term supported housing ‘home’ for a short period, it may not be their long-term home.

⁴ The [Supported Accommodation Review](#) found 58,500 units of supported housing owned by charities and others in England in 2015, 11% of total supply.

⁵ [Regulator of Social Housing \(2023\) PRP stocks and rents, Additional Tables, Table 3.3 For-profit housing providers and owned stock, as at 31 March 2013 to 2023](#)

2. About supported housing

What is supported housing?

Supported housing, including housing for older people, is low-cost rental accommodation provided in conjunction with support, supervision or care for people who often have complex and multiple needs, to help them live independently in their community. It provides a vital service to those in our society who most need support, from survivors of domestic abuse and young care leavers to adults with a learning disability. It is for older and younger people.

It caters for people with a range of support needs and circumstances. Those supported may have complex needs or require minimal assistance. It helps residents to live independent lives within a community setting and can be short-term, medium term or long-term, depending on a person's need,⁶ or commissioning cycles.

There are three main types of supported housing, one of which incorporates the broad range of housing for older people:⁷

- Transitional or short-term, such as hostels or refuges.
- Long-term, specialist supported housing, for residents who need specialised services to live independently within the community.
- Long-term, sheltered accommodation and extra care (housing for older persons), often in self-contained properties in small complexes with scheme managers or wardens.

Definition of supported housing

The legal definition of supported housing, which is used in this research, is set out in DLUHC's [Policy statement on rents for social housing](#). This is the definition used by providers when completing data returns for the RSH, upon which our estimate of future need is based.

This definition is:

Supported housing means low-cost rental accommodation provided by a registered provider that:

- (a) is made available only in conjunction with the supply of support;

⁶ [National Audit Office \(2023\) Investigation into supported housing.](#)

⁷ [National Audit Office \(2023\) Investigation into supported housing.](#)

(b) is made available exclusively to households including a person who has been identified as needing that support; and

(c) falls into one or both of the following categories:

(i) accommodation that has been designed, structurally altered or refurbished in order to enable residents with support needs to live independently; and

(ii) accommodation that has been designated as being available only to individuals within an identified group with specific support needs.

For the purposes of this definition, 'support' includes:

- sheltered accommodation
- extra care housing
- domestic violence refuges
- hostels for the homeless
- support for people with drug or alcohol problems
- support for people with mental health problems
- support for people with learning disabilities
- support for people with disabilities
- support for offenders and people at risk of offending
- support for young people leaving care
- support for teenage parents
- support for refugees

[Housing for older people is defined by the RSH](#), for the purpose of collecting data on stock from private registered providers, as:

Properties made available exclusively to older people and fully meet the definition of supported housing specified in the Rent Policy Statement.

Who lives in supported housing?

The 2016 [Supported Accommodation Review](#) found that the main client groups in 2015 were:

- Older people.
- Homeless people and families.
- Care leavers.
- Young parents.
- Working-age adults with a learning disability.
- Working-age adults with a physical disability or sensory impairment.
- Working-age adults with mental health problems.

- Working-age adults with substance misuse issues.
- Ex-offenders.
- Survivors of domestic abuse.
- Others with support needs not listed above.

Who has responsibility for supported housing?

Multiple government organisations have a role within supported housing:⁸

- DWP is responsible for Housing Benefit policy and claims (which funds housing costs, such as rent and eligible service charges).
- DLUHC is responsible for the supply and quality of supported housing, and
- DHSC develops policies around health that enable people to live independently and healthily in their own homes for longer.
- Local authorities manage Housing Benefit claims, as well as commissioning care and support, and in some cases supplying housing.

Who provides supported housing?

Given the number of different client groups and potential support needed, providers and schemes vary, as does delivery and commissioning of accommodation and support.⁹ Schemes might be a room or bedspace in shared supported housing or a self-contained home.

Private registered providers, generally not-for-profit housing associations, own the most supported housing. According to data from the RSH, collected from social landlords, there are nearly 510,000 supported housing units, including housing for older people, in England as at 31 March 2023. Of these, 79% are owned by private registered providers and 21% by local authorities.¹⁰

Whilst social landlords are the most significant providers in terms of size and scale, charities and voluntary organisations also provide supported housing.¹¹ The RSH collects data on supported housing owned by social landlords, but there is no routine data collected on supported housing owned by charities/voluntary organisations. The best estimate is from the Supported Accommodation Review survey in 2015, which suggested charities or

⁸ [National Audit Office \(2023\) Investigation into supported housing.](#)

⁹ [MHCLG and DWP \(2020\) National Statement of Expectations for Supported Housing.](#)

¹⁰ [Altair analysis of Regulator of Social Housing, Registered Providers, Additional Tables. Table 1.1 Stock owned by Registered Providers 2023 \(PRP data weighted\)](#)

¹¹ [MHCLG and DWP \(2020\) National Statement of Expectations for Supported Housing.](#)

voluntary organisations provide 11% of supported housing in England.¹² This would bring the total amount of supported housing in England in 2023 to 572,891 units.

How is supported housing funded?

Costs for supported housing and housing for older people comprise rent and maintenance for landlords (rental income and service charge), housing-related support and care (revenue), and development (capital).

Rents and maintenance

Supported housing has different costs to general needs social housing. There are additional day-to-day running costs, such as staffing, shared facilities, and utilities. Some or all of these costs may be covered by a service charge to residents, and elements of this may be recovered through Housing Benefit. It also costs more to develop supported housing compared to general needs accommodation (see [development challenges](#)), and these development costs will be reflected in rents. Rents in supported housing are higher because of the additional costs of providing this type of accommodation and the need to make schemes viable.¹³

Rents in supported housing may be set at social rent (the lowest rental price available) or affordable rent (set at up to 80% of market rent and no higher than local housing allowance). Rents pay for the cost of providing, managing, maintaining and improving the home.

As at 31 March 2023, the average net social rent (excluding service charges) for supported housing by registered providers was £95.99 per week. Gross social rent for private registered providers, inclusive of service charge, was an average of £146.16 per week, while gross affordable rent (inclusive of service charges) for registered providers was £181.65.¹⁴

There is some flexibility in setting supported housing social rents. They can be 10% higher than the maximum (formula rent), though they are still subject to the 'rent caps' which restrict how much rents can be increased by each year. Specialised supported housing is exempt from the Rent Standard, meaning landlords can charge higher rents to reflect the

¹² [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

¹³ [Boath, M., Baker, E. & Wilkinson, H. \(2010\) 'Exempt' and supported accommodation. DWP.](#)

¹⁴ [Regulator of Social Housing, Registered Providers, Additional Tables. Table 1.13 England average rents, as at 31 March 2023](#)

higher cost of providing specialist support to residents.¹⁵ Higher rents are also to be expected given that specialised supported housing does not have public capital grant funding, except in circumstances where such capital funding is secured by way of a loan or charge against the property (most often in cases where NHS England capital funding has been granted).¹⁶

‘Specified accommodation’ is a term used to describe supported housing where help with housing costs can still be provided through Housing Benefit, rather than Universal Credit, so individuals living in such supported housing receive their full benefit entitlements. Specified accommodation includes exempt accommodation, managed properties, refuges, and local authority hostels. Exempt accommodation is so called because it is exempt from locally set caps on Housing Benefit,¹⁷ (the rules that require the local authority to restrict the maximum rent to a Rent Officer determination level) to meet the additional costs of providing supported housing.¹⁸

Housing-related support and care

Housing-related support is commissioned by local authorities with revenue funding. This pays for staff time to deliver support. National government previously provided local authorities with funds for housing-related support through the Supporting People programme. This was launched in 2003 from amalgamating seven other funding streams. It aimed to prevent crises, such as homelessness, by providing early support. Initially a £1.8bn annual ringfenced grant to local authorities in England to fund services to help vulnerable people live independently, the grant was reduced in subsequent years, with the ringfence removed in the 2010 Spending Review.¹⁹

At this point, Supporting People funding became part of the formula grant, which meant the funds could be spent on other services, and some local authorities saw their share of funding fall, with wider funding cuts further contributing to erosion of funding for housing-related support.²⁰ Revenue support grant, which is part of the local government finance

¹⁵ See [Policy Statement on Rents for Social Housing](#)

¹⁶ [Beech, L., Copeman, I., Ghadiali, D. \(2023\) “Supported housing for people with learning disabilities and autistic people in England”, Learning Disability and Autism Housing Network and HousingLIN.](#)

¹⁷ [National Audit Office \(2023\) Investigation into supported housing.](#)

¹⁸ [Beech, L., Copeman, I., Ghadiali, D. \(2023\) “Supported housing for people with learning disabilities and autistic people in England”, Learning Disability and Autism Housing Network and HousingLIN.](#)

¹⁹ [Jarrett, T. \(2012\) The Supporting People Programme, House of Commons Library.](#)

²⁰ [Jarrett, T. \(2012\) The Supporting People Programme, House of Commons Library.](#)

settlement and can be used to finance revenue expenditure on any service (such as housing-related support) has fallen 72%, from £5.9bn to £1.7bn from 2011/12 to 2022/23.²¹

The main source of funding for care, such as provided in extra care housing, is local authority adult social care, followed by the National Health Service (NHS).²² Care funding may also come from the tenant if they do not qualify for local authority support. Adult social care is a statutory duty for local authorities, whilst supported housing is not. Research has shown that some local authorities commission supported housing through their adult social care team. This may affect commissioning of homelessness services, which sit outside social care duties.²³

There is no national government budget for adult social care. Local authorities in England individually decide what they will spend on social care, raising money through council tax, with some of the available spend from national government grant funding.²⁴

Access to adult social care is determined by needs assessment and means testing. Local authority funding is only available to people with the lowest means and highest care needs.

Without local authority funding, people must fund their own social care, rely on unpaid care from family and friends, or go without.²⁵ Those with long-term, complex health needs may also receive funding from the NHS.²⁶

The upper capital limit of £23,250 for receipt of adult social care funding has not increased in line with inflation since 2010/11, limiting the number of people who qualify for support.²⁷ The government was due to change the thresholds in October 2023 but delayed this reform. Currently, from October 2025, the lower threshold will increase to £20,000 and upper threshold to £100,000.²⁸

²¹ https://lginform.local.gov.uk/reports/lgastandard?mod-metric=4109&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup&mod-period=12

²² [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

²³ [Blood, I., Pleace, N., Alden, S. and Dulston, S. \(2020\) A traumatised system: Research into the commissioning of homelessness services in the last 10 years. Riverside.](#)

²⁴ [The Kings Fund \(2021\) Key facts and figures about adult social care.](#) Updated 2023.

²⁵ [Idriss O, Allen L, Alderwick H. \(2020\) Social care for adults aged 18–64. Health Foundation.](#)

²⁶ [The Kings Fund \(2023\) Social care in a nutshell.](#)

²⁷ [Care Quality Commission \(2023\) State of Care 2022/23.](#)

²⁸ [Department for Health and Social Care impact analysis](#) on the original October 2023 timetable for implementing the new thresholds suggested that by 2031-32 around 115,000 additional people would be receiving state support with their care costs when considering the care population at any one time, 74,000 of whom would have reached the cap.

Local authorities also commission supported housing from outside of adult social care, such as housing services for people experiencing homelessness or children's services for care leavers. The Home Office may also fund provision for refugees.²⁹

DLUHC also sometimes launches funding for support services (and accommodation) for specific groups, such as the Rough Sleeping Accommodation Programme, Rough Sleeping Initiative, and Single Homelessness Accommodation Programme. Local authorities must bid for these funds.

Development

Capital funding for development can include:

- Adult Social Care General Fund (GF) Capital programme.
- Joint Commissioning and NHS Capital budgets, e.g. Transforming Care.
- The Affordable Homes Programme (AHP), funded by DLUHC and administered by Homes England (outside London) or the Greater London Authority (inside London).
 - Prior to supported housing being funded by the AHP, DHSC provided capital funding through the Care and Support Specialised Housing Fund (CASSH).
- Local authorities and housing associations can make use of provisions from Section 106 agreements, which may be additional funding or units of supported housing.
- Private finance, such as bank lending, bonds, and private equity investment.³⁰

Local authorities, the NHS, or other public sector bodies may also provide land.

²⁹ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

³⁰ [Beech, L., Copeman, I., Ghadiali, D. \(2023\) "Supported housing for people with learning disabilities and autistic people in England", Learning Disability and Autism Housing Network and HousingLIN.](#)

3. Context

The following section sets out the context for the research, focusing on demand, supply and funding of supported housing, including for older people.

Demand for supported housing

DLUHC is responsible for the supply of supported housing but does not collect data on the demand for supported housing.³¹ The Department acknowledges that it expects demand for both supported housing for older people and for working-aged people to increase in future.³²

Demand is expected to rise as life expectancy rises and demographic shifts contribute to increased demand for supported housing, such as those with learning disabilities having better health outcomes and so living longer.³³

The last national data collection on the scale and scope of supported housing was published in 2016³⁴ with projected need published in 2017.³⁵ These reports found there were 450,000 older people living in 395,000 supported housing units, which would need to increase to 535,200 units to 2030, a 35.5% increase. It found 158,500 units for working-age households in England in 2015, with a projected increase in clients to 185,500 (17% increase). These projections were based on survey data, population change, predictions around the future population of people with a learning disability, and changes in marital status and disability.³⁶

Without data on supported housing demand and supply, there is no understanding of gaps and issues or targeted interventions to increase supply where needed.³⁷

³¹ [National Audit Office \(NAO\) \(2023\) Investigation into Supported Housing.](#)

³² [House of Commons Committee of Public Accounts \(2023\) Supported Housing: Seventy-Seventh Report of Session 2022–23](#)

³³ [Emerson, EB, Robertson, JM, Coles, B & Hatton, CR. \(2012\) Estimating the Need for Social Care Services for Adults with Disabilities in England 2012-2030. Lancaster University, Lancaster.](#)

³⁴ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

³⁵ [Wittenberg, R., Hu, B. \(2017\) Projected demand for Supported Housing in Great Britain 2015 to 2030. Economics of Health and Social Care Systems Policy Research Unit, Personal Social Services Research Unit Discussion Paper DP2931, London School of Economics.](#)

³⁶ [Wittenberg, R., Hu, B. \(2017\) Projected demand for Supported Housing in Great Britain 2015 to 2030. Economics of Health and Social Care Systems Policy Research Unit, Personal Social Services Research Unit Discussion Paper DP2931, London School of Economics.](#)

³⁷ [House of Commons Committee of Public Accounts \(2023\) Supported Housing: Seventy-Seventh Report of Session 2022–23](#)

DLUHC and DWP recently commissioned an updated review on the scale, scope and cost of supported housing, but data from this had not yet been published at the time our analysis was undertaken.³⁸

Challenges in demand

DLUHC acknowledges the demand for supported housing is highly likely to be greater than the supply of available units, meaning that individuals may not end up in the right type of accommodation.³⁹ The lack of available supported housing may mean individuals are placed in housing that is not aligned with their specific support needs. They may be inappropriately placed in residential care or a hospital setting, or in accommodation without support - or be forced into homelessness. Support needs may escalate if not met early on, leading to worse outcomes for people and a need for more expensive interventions later on.

With people living longer and with multiple health conditions, the need for adult social care is likely to increase as well as the demand for supported housing. As housing needs change, there is a greater requirement for housing options designed to meet the specific needs of individuals with diverse health conditions and support needs.

Move-on options from supported housing are often limited or unsuitable, so it is common for people to remain in supported housing longer than they may need to.⁴⁰ Supported housing generally has a higher occupancy turnover rate than other types of social housing. Supported housing may be let more than once in a year, meeting more than one household's needs, or be fully occupied through the year.⁴¹

In addition, there is a lack of information on unmet demand within the supported housing sector. Barriers to access may mean people do not request support, even if needed.⁴² The Nuffield Trust estimates that under half (45%) of people aged 65 and over with at least one care need were receiving support (whether publicly funded, self-funded, provided by unpaid carers, or a mixture of all three).⁴³

³⁸ <https://www.gov.uk/government/publications/privacy-notice-for-homelessness-research/supported-accommodation-review-research-study-privacy-notice>

³⁹ [House of Commons Committee of Public Accounts \(2023\) Supported Housing: Seventy-Seventh Report of Session 2022–23](#)

⁴⁰ [Blood, I., Goldup, M., Pleace, N. and Chalmers-Page, S. \(2023\) Research into the supported housing sector's impact on homelessness prevention, health and wellbeing. National Housing Federation.](#)

⁴¹ [Sitra \(2015\) Supported Housing Understanding need and supply. National Housing Federation](#)

⁴² <https://www.independentage.org/experiences-accessing-social-care>

⁴³ [Nuffield Trust \(2023\) The decline of publicly funded social care for older adults.](#)

Some indication of hidden need comes from waiting lists for care assessments, direct payments and reviews. The Association of Directors of Adult Social Services (ADASS) survey data indicates that, from August 2022 to August 2023, there was an increase of 8% in the number of people waiting for assessments, care or direct payments, from 434,243 to 470,576.⁴⁴ ADASS state that people living with unmet support needs tend to deteriorate and reach crisis point whilst waiting.⁴⁵

The number of people waiting specifically for an assessment of need in August 2023 was 249,589 compared to 224,978 in March 2023, a rise of 24,611 in five months.⁴⁶ The length of wait for assessment indicates a higher demand for adult social care services than the system can currently accommodate.

Supply of supported housing

New supply is partially funded by grants from the Affordable Homes Programme (AHP) 2021-2026. This included a sub-target that 10% of grant funding would be for new supported housing. This represents a target of an additional 15,700 to 16,000 new supported housing units across England, including London.⁴⁷

From evidence to the National Audit Office, it appears DLUHC will not meet the supported housing development sub-targets, under the AHP 2021-2026.⁴⁸ As at May 2022, the AHP 2021-2026 was forecast to achieve only 5% of grant funding to supported housing, against a sub-target of 10%.

Whilst Homes England has allocated funding for 8,471 units out of 12,200-13,000, the Greater London Authority (GLA) has only allocated funding for 325 out of 3,500.⁴⁹ The GLA has said that the sub-target is unachievable due to barriers to development, including uncertainty over availability of revenue funding.⁵⁰ DLUHC has tried to increase supply

⁴⁴ [Association of Directors of Adult Social Services \(ADASS\) \(2023\) Autumn Survey Report: Adult Social Care Budgets & Waiting Times.](#)

⁴⁵ [Association of Directors of Adult Social Services \(ADASS\) \(2023\) Autumn Survey Report: Adult Social Care Budgets & Waiting Times.](#)

⁴⁶ [Association of Directors of Adult Social Services \(ADASS\) \(2023\) 'Autumn Survey Report: Adult Social Care Budgets & Waiting Times'](#)

⁴⁷ [House of Commons Committee of Public Accounts \(2023\) Supported Housing: Seventy-Seventh Report of Session 2022–23](#)

⁴⁸ [National Audit Office \(2023\) Investigation into supported housing.](#)

⁴⁹ [National Audit Office \(2022\) The Affordable Homes Programme since 2015, Department for Levelling up, Housing & Communities.](#)

⁵⁰ [National Audit Office \(2022\) The Affordable Homes Programme since 2015, Department for Levelling up, Housing & Communities.](#)

through other programmes for specific groups, such as the Rough Sleeping Accommodation Programme.⁵¹

Challenges around funding

There have been several reviews into supported housing in recent years concluding that the sector has a positive impact⁵² but is poorly funded, particularly when it comes to capital grant funding and long-term support packages.⁵³ Financial viability, inappropriate design and withdrawal of support funding has influenced providers' decisions to cease providing 3% of their working-age supported housing units.⁵⁴

The RSH includes supported housing as a key risk under the Sector Risk Profile.⁵⁵ This is due to increasing cost pressures and associated operating activity for social landlords' delivery of supported housing as well as cost and income pressure on local authorities awarding support contracts.⁵⁶ These pressures could put the supply of supported housing at risk.

Development challenges

Housing associations developing supported housing say one of the most significant barriers to development is the level of capital grant per unit being too low.⁵⁷

London Councils have argued capital funding in London only covers 25% of the costs to develop an affordable housing unit (including supported housing). In 2020, the affordable home scheme grant rose to £100,000 in London whilst the total scheme cost averaged £400,000.⁵⁸

In addition, economic factors and fluctuations in the house building sector have impacted on costs for development. Inflation has led to an increase in construction costs and has caused development costs to rise significantly since 2020, further affecting financial viability for social landlords.⁵⁹

⁵¹ [House of Commons Committee of Public Accounts \(2023\) Supported Housing: Seventy-Seventh Report of Session 2022–23.](#)

⁵² [Blood, I., Goldup, M., Pleace, N. Chalmers-Page, S. \(2023\) "Ultimately other services finish at 5pm" Research into the supported housing sector's impact on homelessness prevention, health and wellbeing, Imogen Blood & Associates.](#)

⁵³ [NHF \(2023\) Supported Housing and older people's housing development survey.](#)

⁵⁴ [NHF \(2023\) Supported Housing and older people's housing development survey.](#)

⁵⁵ [Regulator of Social Housing \(2023\) Sector Risk Profile 2023.](#)

⁵⁶ [National Audit Office \(2023\) Reforming adult social care in England, Department of Health & Social Care, Session 2023-24 HC 184.](#)

⁵⁷ [NHF \(2023\) Supported Housing and older people's housing development survey.](#)

⁵⁸ [Haves, E. \(2023\) In Focus: Supported Housing, House of Lords Library.](#)

⁵⁹ [London Councils \(2020\) Written Evidence, AHP0006.](#)

Development of supported housing is more costly than general needs housing because of additional requirements, such as specialised design features, communal facilities, as well as adaptations and accessibility features.⁶⁰

In June 2023, research for the Learning Disability and Autism Housing Network (LDAH) found that the median capital cost per unit for a supported housing self-contained unit was £148,360 per unit for a self-contained unit and £166,380 per unit for non-self-contained unit (shared housing).⁶¹

There are several other challenges to delivering supported housing in addition to funding, such as complexity of the planning system, challenges with partnership working (including a lack of coordination and data sharing between local authorities and Integrated Care Systems), a lack of long-term assurances around revenue support funding, and prohibitive land and build costs.⁶²

Rents and service charges

Rents and service charges in supported housing tend to be higher than general needs housing. For private registered providers, in 2022/23, gross rent (including service charge) for supported housing at social rent was £146.16 per week in England. General needs gross rent per week was £106.83.⁶³ Under Housing Benefit rules, social landlords are able to charge higher rents for specified supported housing due to the extra costs incurred and the need to make schemes viable.⁶⁴

Costs are higher due to several factors, including higher staff to tenant ratios, more deliberate or accidental damage, assistive technology, and higher turnover (which might be due to commissioning cycles or tenant-related challenges).⁶⁵ The higher development costs

⁶⁰ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

⁶¹ [Beech, L., Copeman, I., Ghadiali, D. \(2023\) "Supported housing for people with learning disabilities and autistic people in England", Learning Disability and Autism Housing Network and HousingLIN.](#)

⁶² See [National Housing Federation \(undated\) Older Person's Housing Group](#) and [NHF \(2023\) Supported and older people's housing development survey.](#)

⁶³ [Regulator of Social Housing, Registered Providers, Additional Tables. Table 1.13 England average rents, as at 31 March 2023](#)

⁶⁴ [Boath, M., Baker, E. & Wilkinson, H. \(2010\) 'Exempt' and supported accommodation. DWP.](#)

⁶⁵ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

and shortfall in capital grant funding may also lead to higher rent levels to cover additional costs.⁶⁶

Supported housing rents and service charges are mainly funded through Housing Benefit. There is limited data on how much of Housing Benefit spend is apportioned to specialised or exempt accommodation, where data has not historically been collected or has been inconsistent. Local authorities have recently begun collecting data for new claims and DWP has provided funding to review whether existing claims are for specified accommodation.⁶⁷

The best available data on costs is from surveys. The Supported Accommodation Review estimated that the annualised cost of supported housing covered by Housing Benefit was £2.08billion for older people in England and £1.41billion for working-aged people in 2015.⁶⁸ This was expected to rise to £2.8billion for older people and £1.65billion for working-aged people in 2030 (total £4.47billion).⁶⁹

The relative spend on working-age provision (40% of supported housing total Housing Benefit spend for 29% of stock) was estimated to be greater than that on the provision for older people (60% of spend for 71% of total stock).⁷⁰ The average Housing Benefit spend for each working-age unit of supported housing was estimated to be £9,000 per annum compared to £5,200 per unit of supported housing for older people.⁷¹

Rents and service charges may not be completely covered by Housing Benefit, with survey data for specialist supported housing providers finding that, typically, 98.5% is covered.⁷²

⁶⁶ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

⁶⁷ [National Audit Office \(2023\) Investigation into supported housing.](#)

⁶⁸ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

⁶⁹ [Wittenberg, R., Hu, B. \(2017\) Supported Housing in Great Britain 2015 to 2030, Economics of Health and Social Care Systems Policy Research Unit, Personal Social Services Research Unit Discussion Paper DP2931.](#)

⁷⁰ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

⁷¹ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government. Page 59](#)

⁷² [Mencap \(2018\) Funding supported housing for all: Specialised Supported Housing for people with a learning disability, HousingLIN.](#)

Support costs

Recent research commissioned by the NHF estimated an average supported housing place for a working-aged adult costs £21,000 a year in 2023, of which £9,500 is housing costs and £11,500 support costs.⁷³ It highlights how this “*might be lower than the actual costs of delivering the service where the service is effectively being cross-subsidised by activity elsewhere*”. Funding cuts to housing-related support (and supported housing generally) have impacted on the amount and quality of what is offered.⁷⁴

The 2016 Supported Accommodation Review found that, in England, the average additional spend per unit of supported housing for older people not funded by Housing Benefit that was funding for support and care was £686 per annum. For working-aged adults, it was nearly £8,300 per unit per annum. The highest costs were for adults with a learning disability, at £16,625 per unit per annum.⁷⁵

These costs should be seen within the context of more costly alternatives to supported housing, such as homelessness, residential care or hospital. Research commissioned by the NHF and its members estimated that, were it not for the supported housing sector (for working-aged people), there would be:⁷⁶

- An increase in core homelessness of around 41,000 people (and an additional 30,000 at significant risk of future homelessness), with long-term homelessness estimated to cost the public purse over £40,000 per person per year.
- An additional 14,000 inpatient psychiatric places at approximately £170,000 per place per year.
- Increased demand for 2,500 places in specialist residential care, many for people with multiple needs including substance misuse issues, and mental ill-health, which cost in the region of £45-£50,000 per year.
- A need for a further 2,000 prison places due to licences or court orders being revoked, at an average cost per place of £32,700 per year.

⁷³ [Blood, I, Goldup, M., Pleace, N. Chalmers-Page, S. \(2023\) “Ultimately other services finish at 5pm” Research into the supported housing sector’s impact on homelessness prevention, health and wellbeing, Imogen Blood & Associates.](#)

⁷⁴ [Blood, I., Pleace, N., Alden, S. and Dulston, S. \(2020\) A traumatised system: Research into the commissioning of homelessness services in the last 10 years. Riverside.](#)

⁷⁵ [Altair calculation from Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

⁷⁶ [Blood, I, Goldup, M., Pleace, N. Chalmers-Page, S. \(2023\) “Ultimately other services finish at 5pm” Research into the supported housing sector’s impact on homelessness prevention, health and wellbeing, Imogen Blood & Associates.](#)

Research from 2010 estimated that supported housing saved the public purse an average £940 per resident each year because of reduced demand on public sector services.⁷⁷

Funding cuts have led many local authorities to only commission short-term contracts, such as one to three years, sometimes with the ability to extend. This affects providers' ability to plan for the future and recruit, retain and develop good quality staff.⁷⁸

Care costs

Care packages within supported housing (including housing for older people) are paid for using adult social care budgets or by residents. While there are more clients aged 65 and over in adult social care, care for working-aged adults is more expensive. Working-aged people represent 35% of long-term clients in 2022/23, but 50% of funding.⁷⁹ Higher costs for working-aged adults can also be seen by calculating the average known spend by care type and age band for 2023. This shows that:

- Short-term care for the year cost nearly £8,000/client for 18-64 and nearly £4,000/client for those aged 65 and over.
- For long-term care for the year, there was an average cost of just over £31,000/client for working-age and just over £17,000/client for 65 years and over.

There are several challenges within adult social care, with rising costs of provision and high rates of staff vacancies. Rising costs mean that some clients have had to cut back on support.⁸⁰ The Care Quality Commission (CQC) states that many of the challenges within the care sector “are to some degree caused by a lack of joined-up planning, investment, and delivery of care”.⁸¹

Local authority budgets are failing to keep pace with rising costs. Adult social care is a significant area of service spend for local authorities and, with increasing pressure on budgets and finances, many local authorities are concerned about financial sustainability in relation to their statutory duties. ADASS found 76% were concerned they wouldn't be able

⁷⁷ [Frontier Economics \(2010\) Financial benefits of investment in specialist housing for vulnerable and older people. Homes and Communities Agency.](#)

⁷⁸ [Blood, I., Pleace, N., Alden, S. and Dulston, S. \(2020\) A traumatised system: Research into the commissioning of homelessness services in the last 10 years. Riverside.](#)

⁷⁹ Altair calculation [NHS \(2023\) ASC-FR, Table 17: Gross Current Expenditure on long and short term care, Table 28: Number of completed episodes of ST-Max per client, and Table 36: Number of clients accessing long term support, by age band, 2022-23](#)

⁸⁰ [Care Quality Commission \(2023\) The state of health care and adult social care in England 2022/23.](#)

⁸¹ [Care Quality Commission \(2023\) The state of health care and adult social care in England 2022/23.](#)

to meet their statutory duties from their budget and 75% had partial or no confidence in delivering planned savings to 2024/25 budgets.⁸²

The Health Foundation estimates that to meet future demand, improve access to care and cover the full cost of care, spending on adult social care would need to increase to £8.4billion by 2024/25 and £18.4billion by 2032/33 (6% a year real-terms increase). Between 2014/15 and 2021/22, spending increased by an average of 2.6% a year in real terms.⁸³

⁸² [ADASS \(2023\) Spring Survey 2023.](#)

⁸³ <https://www.health.org.uk/publications/long-reads/adult-social-care-funding-pressures>

4. Methods

Our approach

This report presents analysis to estimate the need for supported housing, including housing for older people, using publicly available data on demand, supply, and costs.

Due to the lack of available official data, many sources were proxy data, meaning they were the best source of data available but were not collected for the purpose we used them for, or existing survey data.

Our data analysis was supported by a focus group in January with six providers of supported housing (housing associations who are members of the NHF). The focus group discussed the assumptions behind the research, and current and future challenges around demand, supply, and costs of supported housing.

We also contacted key stakeholders to discuss the research literature, assumptions, data gaps and general approach.

The baseline year for our analysis of supply and demand is 2020 as, at the time of analysis, the latest population projections by the Office for National Statistics were based on 2020 population data.⁸⁴

Robustness and quality of data

Our analysis is not exhaustive. There is limited official data on supported housing in terms of demand and supply. The last major review was undertaken in 2015 and a more recent commission from DLUHC/DWP had yet to report at the time the analysis was undertaken (January/February 2024).

There have been some issues with data quality for national administrative and survey data since the coronavirus pandemic. The additional responsibilities for local authorities in responding to the health crisis led to issues around capacity to submit administrative data. Lockdown restrictions imposed led to fieldwork challenges for surveys, which had to move from face-to-face to online data collection.

More detail on our methodology is provided in the [Appendix](#).

⁸⁴ [2021-based interim projections were since published on 30 January 2024](#) – these added an additional 3.8million people to England’s population in 2040, driven by trends in international migration

5. Current need

England had approximately 509,873 units of supported housing, including housing for older people, owned by social landlords in 2023.

An estimated 29% of these are for working-aged people and 71% for people aged 65 and over, with perhaps 75% of all units long-term and 25% short-term. Housing associations own 79% of social landlords' supported housing in England.

This is an underestimate of total supply as data is not routinely collected on supported housing units owned by charities or voluntary sector that are not registered with the Regulator of Social Housing. The 2016 [Supported Accommodation Review](#) estimated there were 58,500 such units in England in 2015, representing 11% of 535,500 units of supported housing.

In terms of numbers of service users, we have calculated this for 2020 as this was the base year for ONS population projections. We estimate that in England in 2019/20, there were 152,636 working-aged adults and 409,489 older people living in supported housing at any given time in the year, a total of 562,125 people in 505,940 units. This is an underestimate of total service users over a year, given that one unit of supported housing for short-term support will accommodate multiple users over one year.

Due to limitations in available data, demand is based on occupancy rather than need. Indicators of hidden demand are set out [in the next section](#), with further detail on the methodology [in the Appendix](#).

Number of units of supported housing

We estimate that in 2023 in England there were:

- 403,530 supported housing units owned by private registered providers, with an indicative split of 35% for working-age and 65% for older people.
 - 140,227 units for working-age people.
 - 263,303 units for older people.
- 106,343 supported housing units owned by local authorities, with an estimated 7% for working-age and 93% for older people.
 - 7,596 units for working-age people.
 - 98,747 units for older people.

This estimate is presented in Figure 2.

In total, including units owned by charities and voluntary organisations, there may be 572,891 units of supported housing in total in England in 2023. This comprises 403,530 units owned by housing associations (70%), 106,343 owned by local authorities (19%) and an estimated 63,018 units owned by charities and other voluntary organisations (11%).

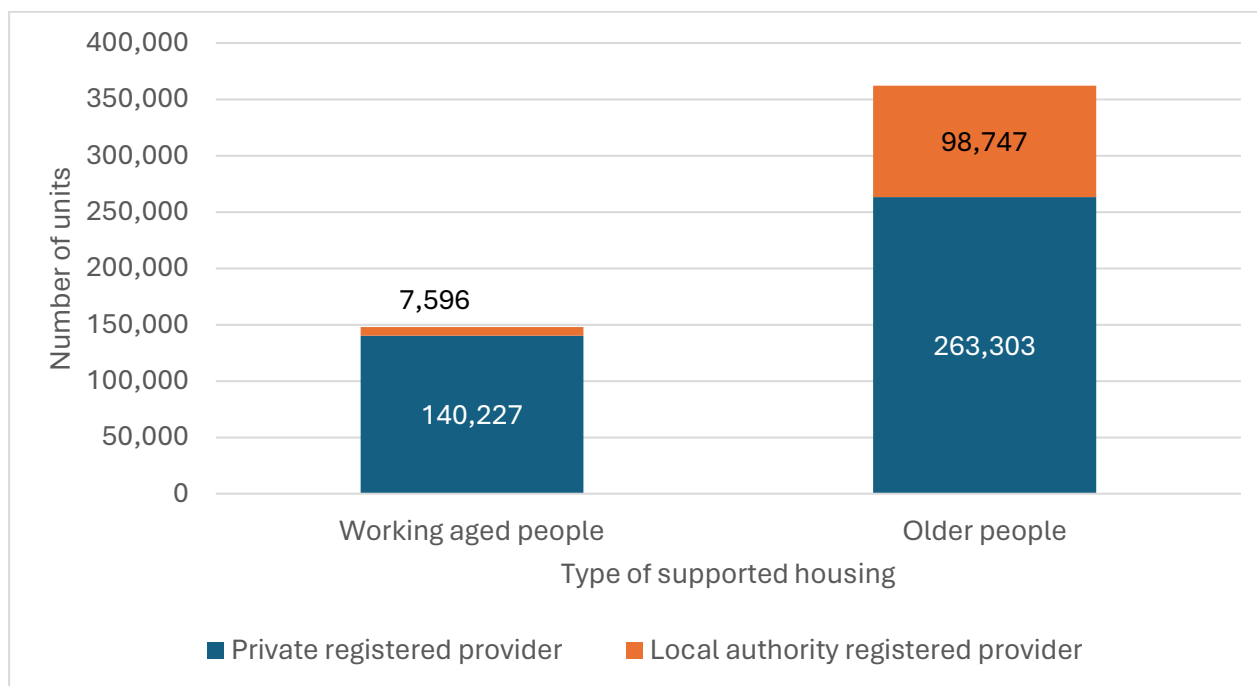


Figure 2 Supported housing units owned by type of social landlord, England, 2023. Source: Altair analysis of Regulator of Social Housing, statistical data return and local authority data return, 2022-23 and Supported Accommodation Review, 2016.

Stock turnover

The number of supported housing units owned by registered providers has remained relatively constant since 2020, though fell by 0.5% from 2022 to 2023 (while general needs units increased by 1%) - see Table 1. This fall was largely driven by reductions in supported housing at social rent.

Table 1 Stock owned by Registered Providers 2020-2023 (PRP data weighted). Source: Regulator of Social Housing, Registered Providers, Additional Tables, Table 1.1.

Year	Supported housing social rent (low-cost rental excluding Affordable Rent)			Affordable Rent supported housing			Total	Year-on-year percent change in total units
	PRP units	LARP units	All RPs	PRP units	LARP units	All RPs		
2020	389,134	98,957	488,091	14,553	3,296	17,849	505,940	
2021	389,642	98,830	488,472	16,901	3,830	20,731	509,203	0.6%
2022	390,779	102,435	493,214	14,741	4,576	19,317	512,531	0.7%
2023	387,693	101,628	489,321	15,837	4,715	20,552	509,873	-0.5%

Overall, the long-term trend for social housing stock is a fall in the number of units at social rent and a rise in affordable rent and low-cost home ownership, as shown in PRP data in Figure 3. Increases in stock are driven by funding rules under the Affordable Homes Programme, which focuses on grant for affordable rent and low-cost home ownership products. As such, development of supported housing is mainly at affordable rent, with supply of supported housing at social rent in decline.

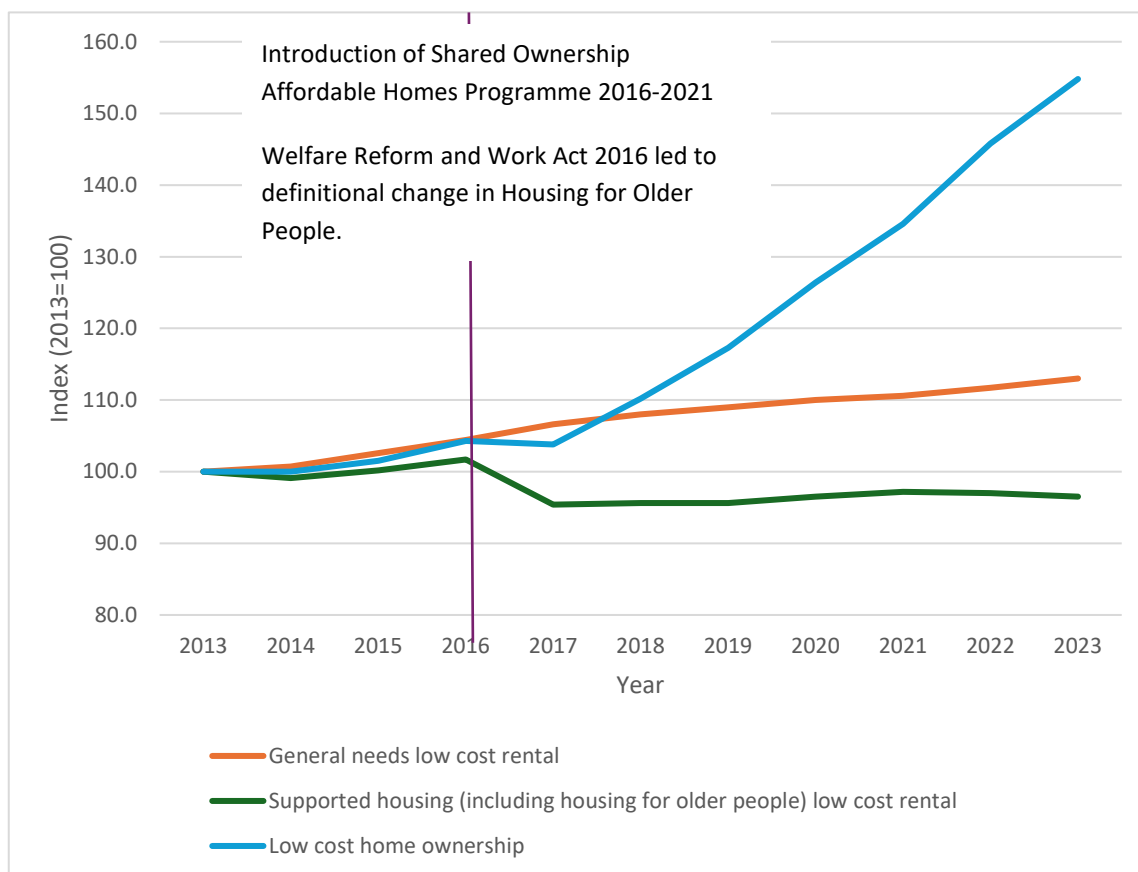


Figure 3 Indexed social stock change of private registered providers 2013 to 2023 (2013=100) Source: Regulator of Social Housing, Private registered providers additional tables 2023, Table 1.3

Additionally, in 2017 there was a 10% year-on-year reduction in housing for older people units (31,162 units/bedspaces). This was due to a change in definition brought about by the Welfare Reform and Work Act (WRWA). Prior to the Act, housing for older people was broadly defined and covered a wide range of properties. Following the introduction of the WRWA, it was defined as supported housing for exclusive use by older people. The loss was a result of reclassification of these units, largely to general needs or supported housing (not for exclusive use of older people).⁸⁵

⁸⁵ [Homes and Communities Agency \(2018\) Private registered provider social housing stock in England, 2016-17.](#)

A breakdown of private registered provider data in Figure 4 shows that the level of supported housing has remained relatively constant, peaking at 425,483 units in 2016. This was likely caused by large scale voluntary stock transfers from local authorities in 2014/15 and 2015/16, which accounted for around a third of the overall growth in total stock for these years and wasn't the result of development of additional supported housing.⁸⁶ Numbers fell following the definitional change of Housing for Older People brought about by the WRWA 2016.

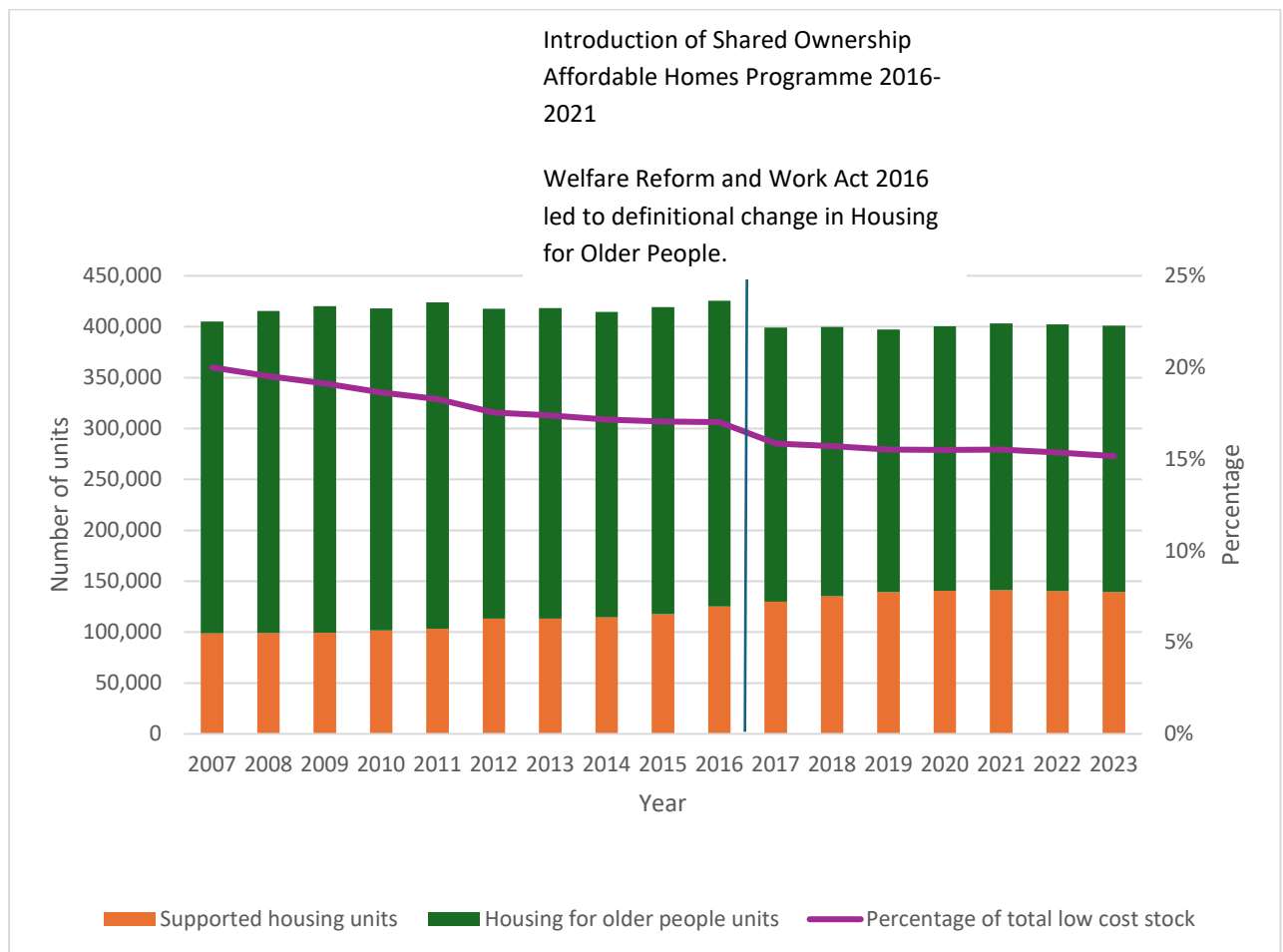


Figure 4 Total social units by provision type in England, private registered providers only. Source: Regulator of Social Housing statistical data return.

May include units outside of England (expected to be <0.1% of total stock based on total GN/SH/HOP stock reported outside of England).

Data from 2007 to 2011 is unweighted. Data from 2012-2018 is weighted. Data from 2019 is unweighted.

⁸⁶ [Homes and Communities Agency \(2018\) Private registered provider social housing stock in England, 2016-17.](#)

The most recent period (2022 to 2023) saw total private registered providers' supported housing units (weighted) fall by 0.5% but the overall number of units is broadly similar to 2020. There was 7.4% growth in supported housing units at affordable rent, but a 0.8% loss of supported housing at social rent – as social rent is charged for 96% of supported housing then this has a bigger impact on overall figures. By comparison, general needs units increased by 1.2% in this period, with a 7.2% increase in units at affordable rent.⁸⁷

It is too early to say whether pressures within the sector are leading to the drop in unit numbers. One private registered provider reported a loss of 1,783 units of supported housing between figures submitted on stock for 2022 and those submitted in 2023, 89% of all PRP supported housing stock losses for this period. This was due to a reclassification of units.

There are known challenges to developing and maintaining the supply of supported housing, however, given issues around costs, commissioning, and funding (see [context](#)). Housing associations in our focus group mentioned that if units are decommissioned then they cannot always be used for other types of provision or be easily brought back into previous use.

While the number of supported housing units owned by private registered providers has fallen by 157 units between 2020 and 2023, local authority-owned supported housing has grown by 4,090 units (around 50% of which appears to be new build and acquisitions).⁸⁸

Number of service users at any given time

For service users, we looked at data for 2020 as, at the time of our analysis, ONS population projections were based on 2020 population. We needed stock and demand for this year as our baseline for future projections of need.

- We calculate that the likely number of (adult) residents in supported housing and housing for older people at any given time in 2019/20 was 562,125 service users for 505,940 units of supported housing – see Table 2 and Figure 5. This includes:
- 152,636 service users for 148,893 units of supported housing for working-age people.
- 409,489 service users for 357,047 units of supported housing for older people.

⁸⁷ [All data from RSH, private registered provider stocks and rents, Table 1.7 Change in low-cost rental stock owned by PRPs 2022 to 2023 \(weighted\).](#)

⁸⁸ [DLUHC, Local authority housing statistics data returns, 2019/20 to 2022/23, Section A: Dwelling Stock.](#)

Table 2 Estimated number of supported housing service users by provider and age in 2020

	Working age, 18-64	Older people, 65 and over	All ages
Private registered provider			
Stock	141,589	262,098	403,687
Estimated number of single households	138,543	225,450	363,993
Estimated number of couples	3,046	36,648	39,694
Estimated number of service users, single household (no weight added to stock)	138,543	225,450	
Estimated number of service users, couple (stock weighted by two)	6,093	73,296	
Total estimated service users PRP	144,635	298,746	443,381
Local authority			
Stock	7,304	94,949	102,253
Estimated number of single households	6,607	79,155	85,762
Estimated number of couples	697	15,794	16,491
Estimated number of service users, single household (no weight added to stock)	6,607	79,155	
Estimated number of service users, couple (stock weighted by two)	1,394	31,588	
Total estimated service users LARP	8,001	110,743	118,744
All registered providers			
Total RP stock	148,893	357,047	505,940
Total number of service users, single household (no weight added to stock)	145,149	304,605	449,755
Total number of service users, couple (stock weighted by two)	7,487	104,884	112,371
Total service users RP	152,636	409,489	562,125

Source: Altair calculations from Regulator of Social Housing, statistical data return and local authority data return, 2019-20, Supported Accommodation Review, 2016 and Ministry of Housing, Communities and Local Government (2021) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3a: Household composition by type of letting, for new social housing lettings, 2007/08 to 2019/20.

It is important to note, however, as the 2016 Supported Accommodation Review did, that the number of people using short-term supported housing will be greater over a given period than in long-term accommodation. Unit numbers are only a reasonable proxy for service users at a given point in time. Over the whole year, these figures will be an

underestimate of service users, given one unit may accommodate multiple, different service users over the course of a year.⁸⁹

Our calculations also assume a vacancy rate of zero. Our focus group with providers made clear that voids do not indicate a lack of demand. Providers suggested there are many reasons that a supported housing unit may be vacant, including barriers around delays in referrals from commissioners and a lack of staff.⁹⁰

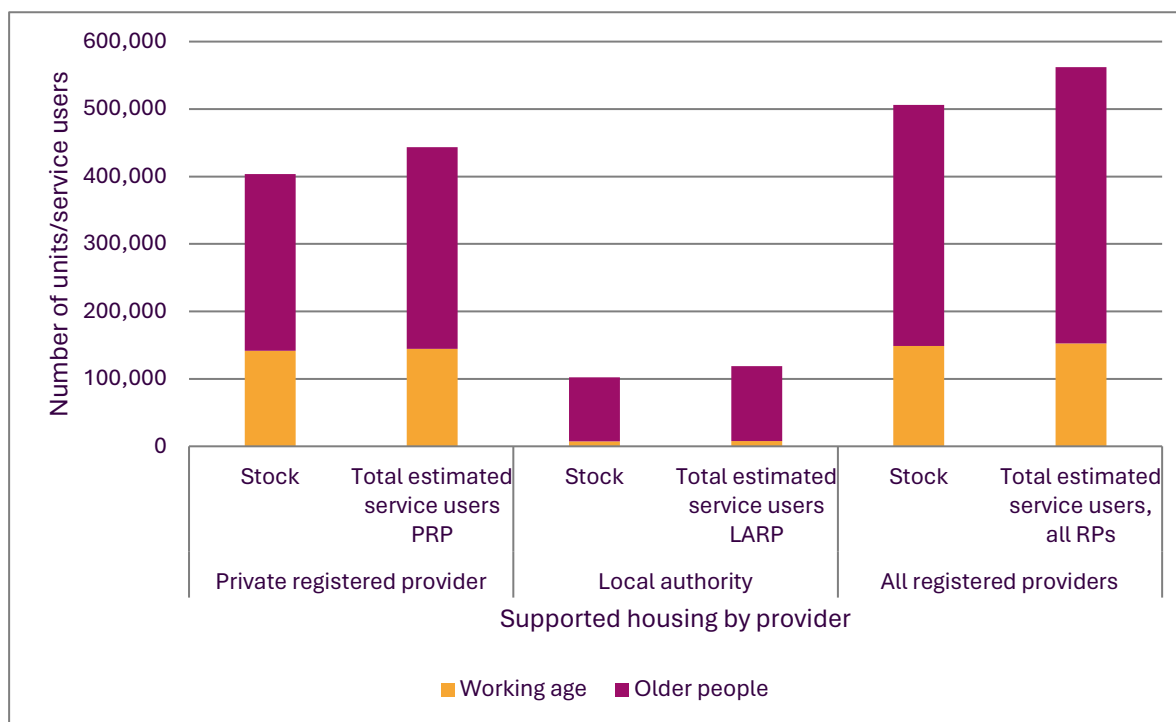


Figure 5 Estimated supply and occupancy of supported housing in England, by provider, 2019/20. Source: Altair calculations from Regulator of Social Housing, statistical data return and local authority data return, 2019-20, Supported Accommodation Review, 2016 and Ministry of Housing, Communities and Local Government (2021) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3a: Household composition by type of letting, for new social housing lettings, 2007/08 to 2019/20.

⁸⁹ [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – April 2021 Update](#). In 2019/20, there were 79,913 lettings made in supported housing. This represents 16% of total supported housing units owned by registered providers. General needs lettings in 2019/20 represented 6% of all lettings for registered provider-owned units in England. For 2022/23, there were 63,848 lettings of supported housing (25% of all lettings), which represents 13% of all supported housing stock, and 188,018 general needs lettings, representing 5% of all stock – see [Table 1a: New social housing lettings by letting type 2007/08 to 2022/23](#) and [Regulator of Social Housing, Stock owned by Registered Providers](#)

⁹⁰ Vacancy rates for supported housing are higher than for general needs – data collected through the statistical data return for large private registered providers (who own a 1,000 or more units) indicates a vacancy rate of 5% for supported housing compared to 1.6% for general needs – see [tables 3.8 and 3.10 of the additional tables for PRP stocks and rents](#).

Short-term and long-term supported housing

In terms of working out how much of the need relates to short-term or long-term supported housing, this is difficult to calculate from routinely collected data on supply and demand.

While there is data on type of tenancy agreement and length of tenancy, one unit of short-term accommodation may be let multiple times in the year and so be represented multiple times in lettings data. This is particularly true for hostels/refuges accommodating people experiencing homelessness and/or domestic violence.⁹¹

Type of tenancy agreements in supported housing reflect the short-term or long-term nature of the support and accommodation. Supported housing has greater use of both licence agreements⁹² and fixed-term tenancies⁹³ than general needs housing. Where the tenancy type is known, 50% of supported housing tenancies between 2017/18-2019/20 were licence agreements or tenancies with a fixed term of less than two years.⁹⁴ As noted, there will be double counting of units in these figures, given the higher occupancy turnover of short-term supported housing.

The best way of assessing short-term or long-term need is survey data looking at which client groups are most likely to receive long-term or short-term support. Survey data from supported housing providers in 2022 found that working-aged clients were more likely to receive short-term than long-term services. In total, of the 2,119 clients, 1,810 received short-term services (85%) and 309 long-term (15%).⁹⁵ There were differences between client groups, as shown in Table 3.

⁹¹ [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#) This can also be seen in episodes of care received, where Short and Long-term (SALT) collection data from 2019/20 found there were 1.18 completed episodes of Short-Term Support to Maximise Independence per client – meaning there were 261,605 completed episodes for 222,005 clients – see reference [Table 28: Number of completed episodes of ST-Max per client, by age band, 2019-20.](#)

⁹² These are not a formal tenancy and have no set length or end date but are suitable for houses in multiple occupation or non-self-contained bedspaces, such as in refuges or hostels. As such, they can be used in supported housing.

⁹³ Fixed-term tenancies are tenancies of a set length and were brought in by the Localism Act 2011.

⁹⁴ Altair analysis [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 2a: New social housing lettings by tenancy type, 2017/18 to 2019/20 and Table 2b: Length of Fixed Term Tenancy, for new social housing lettings, 2017/18 to 2019/20](#)

⁹⁵ [Blood, I., Goldup, M., Pleace, N. and Chalmers-Page, S. \(2023\) Research into the supported housing sector's impact on homelessness prevention, health and wellbeing. National Housing Federation.](#)

A further indication of multiple lets to short-term clients is that the previous housing situation for new lets to supported housing tenants indicates that 12.1% of all lettings in 2019/20 were to tenants who were living in supported housing immediately prior to the let.⁹⁶ This is similar to latest letting figures for 2022/23.

Table 3 Survey data on type of support service received by client group. Source: Blood et al. (2023).

Client group	Long-term number	Short-term number	Percent LT	Percent ST
Generic homelessness	113	931	11%	89%
Young people	8	326	2%	98%
Mental health problems	35	269	12%	88%
Substance misuse	0	120	0%	100%
Unknown	10	86	10%	90%
Domestic abuse	0	52	0%	100%
Offenders	0	23	0%	100%
Learning disability	143	3	98%	2%
Total	309	1,810	15%	85%

If we look at client data for adult social care, in 2019/20, 21% of clients completed an episode of short-term care to maximise independence and 79% of clients received long-term care in the year.⁹⁷ This trend continued in 2022/23.

When broken down by age band, 30% of adult social care funding goes to clients aged 18-64 and 70% to aged 65 and over. By type of care, 9% of 18–64-year-olds received short-term care and 26% of 65 and over. The vast majority of care for 18–64-year-olds was long-term (91%) and a significant majority for 65 and over (74%).⁹⁸ Again, this trend continues in 2022/23. Most housing for older people, however, is long-term, such as sheltered housing or extra care schemes.

We assume, therefore, that 85% of working-aged clients receive short-term support and accommodation and the remaining 15% long-term. This may not necessarily reflect need, however, but commissioning of services, including available funding. We assume that all supported housing for older people is long-term, given most provision is sheltered or extra

⁹⁶ [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3f Previous housing situation of lead tenant, for new social housing lettings, 2017/18 to 2019/20.](#)

⁹⁷ Altair calculations from [reference Tables 28 and 38, Adult Social Care Activity and Finance Report, England - 2019-20](#)

⁹⁸ Altair calculations from [reference Tables 28 and 38, Adult Social Care Activity and Finance Report, England - 2019-20](#)

care housing as there is no (survey or other) data on whether housing for older people is short-term or long-term. In total, this means an estimated 25% of supported housing in 2023 is short-term and 75% long-term.

6. Hidden demand

This section sets out indicators of hidden demand within supported housing. When looking at stock levels alongside population change, we can see that supply is not keeping up with England's increasing population. We estimate that England is short of at least 50,000 supported housing units (including housing for older people).

There are further indicators of hidden demand from people in need of support but not receiving it. This includes older people who have unmet needs for assistance with daily living, people with substance misuse issues who are not in treatment, those waiting for social care assessments and delayed discharges from hospital. In total, there may be as many as 3.6million people in need of, but not receiving support in England, some of whom would be best accommodated within supported housing, including housing for older people.

Our focus group discussed pressures from supply of supported housing not meeting demand. This results in people being inappropriately housed, such as people with support needs living in general needs accommodation.

Supply not keeping up with population increase

Between 2007 and 2022 (the last available population figures), the population of England aged 18 and over grew 12%.⁹⁹ In the same period, the number of supported housing units owned by private registered providers grew by 446 units, from 405,076 to 405,522, a 0.1% increase.¹⁰⁰ This means that the rate of supported housing to the population has fallen from 10 units per 1,000 people aged 18 and over in 2007 to less than 9 units per 1,000 people in 2022.

To keep pace with population change, assuming a constant rate of support needs within client groups aged 18 and over, supported housing units should have risen by just over 50,000 units, to 455,334 units. Instead, in 2023, the number of units owned by private registered providers has fallen by 1,540 compared to 2007.¹⁰¹ This is a potential shortfall of 51,798 homes. This would mean the additional units of supported housing needed in England in 2040 is 219,127 (51,798 for hidden demand and 167,329 for projected demand), bringing total supply to 729,000.

⁹⁹ [ONS \(2023\) Regional population estimates for England and Wales 1971 to 2022 edition of this dataset, Table 4.](#)

¹⁰⁰ Regulator of Social Housing statistical data return, [PRP look up tool](#) and [Table 3 of 2017/18 report](#)

¹⁰¹ Regulator of Social Housing statistical data return, [PRP look up tool](#)

When looking at all supported housing owned by local authorities and housing associations alongside the last available population estimate, to meet the change in population from 2020 to 2022, total supported housing should have grown by 7,740 units since 2020, to a total of 513,680 in 2022.¹⁰² Instead, it totals 509,873 as at 2023, a potential deficit of at least 3,800 homes.

This strongly indicates that supply is not keeping up with demand. In addition, data on social lettings shows that the average number of days vacant before letting was lower for supported housing compared to general needs (in 2020, the median was 10 days for supported housing compared to 22 days for general needs), which may indicate a higher level of demand or a lower level of supply.¹⁰³

Further indicators of hidden demand for supported housing

There may be as many as 3.6million people in need of support who are not currently receiving it – see Table 4. This hidden demand includes:

- Delayed discharge from hospitals – 13,755 patients a day, on average, as at January 2024.
- Numbers waiting for a social care assessment – 249,589 people in autumn 2023.
- Requests for support that have been declined, such as applications for adult social care support from local authorities where the outcome was no service provided or signposting, or rejected referrals to domestic violence and/or abuse refuges – 1.13million people in 2023.
- Those in need not getting support, such as older people who need help with daily living and numbers of people with substance misuse issues who are not in treatment – potentially 2.42million people in 2020-2021.

Further detail on calculating hidden demand is contained in the [Appendix](#).

Due to a lack of data on demand for and occupancy of supported housing, we don't know how many of those in need might be most suited to supported housing.

¹⁰² Altair calculation from Regulator of Social Housing, Table 1.1 Stock owned by Registered Providers 2023 (PRP data weighted) and [ONS regional population estimates for England and Wales, 1971 to 2022](#).

¹⁰³ [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – April 2021 Update. Table 2e Average re-let time for new lettings, 2007/08 to 2019/20 – in 2023, respective figures were 18 days vacant on average before relet for supported housing and 34 days for general needs.](#)

Table 4 Estimate of numbers in need of support in England

Source of unmet need	Number
Delayed discharge from hospital, January 2024	13,755
Awaiting assessment for adult social care, autumn 2023	249,589
No services/signposting, 2023	1,136,860
Refuge referrals rejected due to lack of space, 2023	4,414
Assisted daily living (older people) - unmet need, 2021	2,303,190
Substance misuse, 2020	119,000
Estimate of total number of people with unmet needs	3,577,219

Pressure within the system

Housing associations who participated in our focus group talked about pressures within the system, particularly around demand. This included:

- No move-on accommodation for working-aged people in short-term accommodation. This might result in people with low or no support needs living in unsuitable supported housing because the level of support provided was more than they needed.
- Inappropriately housed clients, including people with lower-level support needs in general needs accommodation and people with higher-level support needs in low-level supported housing. Both of these were due to a shortage of appropriate accommodation.
- A squeezing out of lower support needs due to funding cuts and resultant changes in commissioning: *“the cohort in the last decade that’s been forgotten about are those with lower and moderate support needs”* (focus group participant). At the same time, *“the complexity of people being placed in the lower-level accommodation is getting worse and worse...so our staff struggle to support the people who are being placed in what was considered to be low-level support.”* (focus group participant). There are clearly risks to people from not having their needs supported. This might come at a high cost in terms of their future health and wellbeing, as well as demand on public services or more costly institutional care.
- Communities or families having to absorb support due to a lack of funding or alternative options.
- Changing criteria around funding meaning people who previously qualified for a package of care may not anymore.

One provider said that supported housing sits at the juncture of three dysfunctional systems - the housing system, the health system and social care. This dysfunction creates issues within supported housing.

Housing associations in the focus group wanted a long-term, strategic look at supported housing, at national and local government level, delivered using data on demand and long-term funding for accommodation and support.

7. Future need and cost of meeting this need

We have calculated two estimates of future need, one on population projections based on existing stock and occupancy, and a second on historic prevalence rates for client groups alongside population projections. This is because our research has identified that existing supply is not keeping up with demand and that there are indications of hidden demand.

To keep pace with population increases, assuming household composition is constant, the number of units of supported housing would need to increase by 167,329 units (to a total of 677,202) from 2023 to 2040, a 33% increase.

In the first ten years alone, we estimate there is a need for a 20% increase – from 509,873 units to 611,513 in 2030. This change is driven by an increasingly ageing population. By 2035, another 40,300 units would be needed and a further 25,389 by 2040. An estimated 80% of all units in 2040 would need to be long-term.

When accounting for projected demand based on prevalence of support needs within the population, we estimate there may be 1.7million people in need of supported housing within the year 2040. Working-aged people make up just over half of those in need (56%), particularly those with mental ill health or survivors of domestic abuse. These projections are an indication only. Many factors will influence future demand, including life expectancy, migration, care provision (including informal care) and health/policy interventions.

Base case – increase from population change alone

We estimate that to keep up with population change, assuming no change in household composition, we would need an additional 167,329 supported housing units by 2040, from 509,873 in 2023 to 677,202 in 2040 – see Figure 6 and Table 5. Figure 6 accounts for 3,933 supported housing units gained by registered providers from 2020 to 2023.

Of these units, an additional 9,499 units are for working-age adults and 157,830 for older people. This means 94% of the increase is due to an increasingly ageing population.

This has been calculated by looking at the service users within supported housing in 2020 as a proportion of the total population (0.45% of 18–64-year-olds and 3.9% of 65 and over) and using this same proportion for future years. These are based on 2020 population projections because these were the latest projections available at the time of analysis.¹⁰⁴ This means the estimate does not account for hidden demand, which may be as many as 51,798 units with

¹⁰⁴ [2021-based interim projections were since published on 30 January 2024](#) – these added an additional 3.8million people to England’s population in 2040, driven by trends in international migration.

an estimated build cost in 2024 of £7.8billion. This would mean we may require a total 219,127 additional units of supported housing by 2040, accounting for hidden demand and population projections.

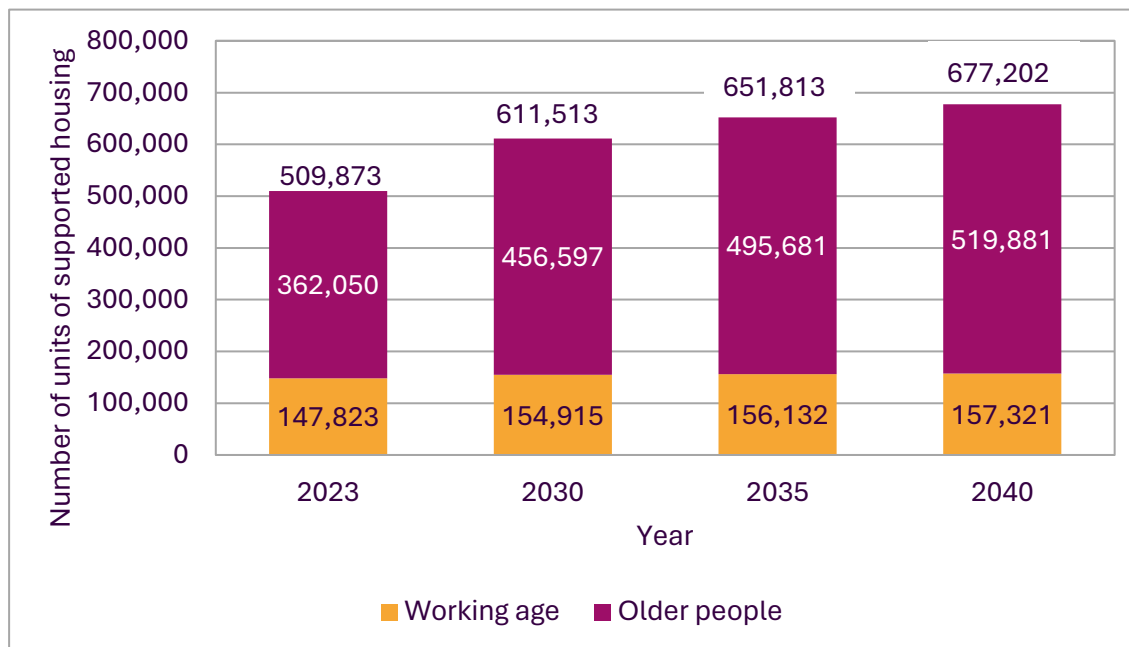


Figure 6 Estimated need for supported housing from social landlords in 2030, 2035 and 2040. Altair calculation, based on Regulator of Social Housing registered provider data returns on supported housing stock, DLUHC lettings data on household occupancy, and Office for National Statistics 2020-based population projections.

Table 5 Indicative estimates of supported housing units in 2030, 2035 and 2040 by age of client and provider, using ONS 2020-based population projections and Regulator of Social Housing stock data for 2020.

	Year	2020	2030	2035	2040
Population	Working aged	34,002,112	34,953,555	35,228,041	35,496,369
	Older people	10,464,019	12,593,413	13,671,379	14,338,832
Private registered provider	Working aged	141,589	147,083	148,238	149,367
	Older people	262,098	334,403	363,027	380,751
Local authority	Working aged	7,304	7,832	7,894	7,954
	Older people	94,949	122,194	132,654	139,130
All registered providers	Working aged	148,893	154,915	156,132	157,321
	Older people	357,047	456,597	495,681	519,881
Total supported housing units		505,940	611,513	651,813	677,202

We also calculated how many of these units might be short-term or long-term, based on our 2023 estimates – see Table 6. This shows that the estimated need for long-term supported housing will grow over time, from 75% of provision in 2023 to 80% in 2040.

Table 6 Estimated number of short-term and long-term supported housing units needed over time in England.

	2023	2030	2035	2040
Short-term supported housing	126,559	131,678	132,712	133,723
Long-term supported housing	379,381	479,835	519,101	543,479
Proportion all units short-term	25%	22%	20%	20%
Proportion all units long-term	75%	78%	80%	80%

Projected demand by client group

Population change based on current occupancy and stock of supported housing, including housing for older people, may not accurately reflect likely demand for supported housing in future. This is because our research has identified that existing supply is not keeping up with demand and that there are indications of hidden demand. To attempt to calculate need more accurately, we reviewed average prevalence rates for different client groups over time, population projections and relative poverty (before housing costs) to calculate the potential population in need of supported housing in the future.

Based on these calculations, as many as 1.7million people may need supported housing in 2040 – see Table 7. This is a 15% increase from 2020. For further detail on prevalence rates and populations, please see the [Appendix](#).

Table 7 Estimated number of people in need of supported housing in England by age and year

	2020	2030	2035	2040
Number of working-aged people in need of supported housing	924,070	952,473	962,090	973,151
Number of older people in need of supported housing	551,454	663,673	720,482	755,656
Total	1,475,524	1,616,146	1,682,572	1,728,808

This indicative need suggests that our base case on need for supported housing based on current stock/occupancy and projected population is an underestimate. Under our base case, there will be an estimated total of 561,122 service users of housing for older people at any given point in 2040 – under the projected demand by client group there are 755,656 service users of housing for older people across the whole of 2040. This means there may be an additional 194,534 service users based on prevalence rates of client groups in relative poverty compared to our base case on increased need from occupancy data and population change (where there were an estimated 561,122 older people in need). Our base case may

underestimate need for housing for older people by as much as 35%. Some of this difference may be explained by demand being met by charities and voluntary organisations.

For housing for older people, we can assume that the number of people in need is broadly equivalent to the number of homes needed. This is because older people's needs are more likely to be long-term and therefore one service user is equivalent to one unit of accommodation.

However, one unit of short-term supported housing (for working-aged adults) will accommodate multiple households over the course of a year. This means the number of units will be fewer than the number of people in need.

Costs of providing new supported housing to meet demand from population change

We estimate the development of 167,329 additional units of supported housing to meet demand from population change would cost £33.9billion by 2040, including land. A further £10.5billion would be required per year for rent, service charges and support for all 677,202 supported housing units in 2040. This comprises:

- Rents and service charges of £7.1billion per year, of which 69% would be paid for using Housing Benefit, approximately £4.9billion and the remaining by other client income. This is a 76% increase in rent and service charge from 2023 to 2040.
- Support costs of £3.4billion per year in 2040, an estimated £1.2billion more than 2024 (58% increase). This comprises £2.7billion on working-age clients and £659million on those aged 65 and over.
 - In terms of self-funding of support and care data collected from a small sample of housing associations suggests 3% of working-age and 30% for 65 and over will be funded by clients, a total of £280million per year.
- Development costs of approximately £33.9billion to 2040, assuming all units are one-bedroom.

The alternatives to supported housing, including housing for older people, are more costly, such as homelessness, increased demand on the NHS and more expensive residential, nursing or institutional care.

Due to challenges in calculating how many units the estimated 1.7million people in need of supported housing (including housing for older people) might require, we have not been able to calculate the cost of future provision for projected demand by client group. The costs are only for forecasts based on current stock/occupancy and population projections (our base case).

Development costs

Development costs for the 167,329 additional units (base case) have been estimated using the following (see [Appendix](#) for a full methodology):

- Building Costs Information Service (BCIS) data on supported housing build costs, as at January 2024.
- Analysis of average cost elements from viability assessments.
- Land price data from the Valuation Office Agency.
- BCIS data on tender price inflation.

We calculated a cautious, midpoint and bullish estimate of costs and used the bullish costs as these most reflect recent survey data, showing between £148,360 per unit for a self-contained unit and £166,380 per unit for non-self-contained unit (shared housing).¹⁰⁵

Based on the above, we estimate that the total build cost for an additional 167,329 units will be £33.9billion – see Table 8.

Table 8 Estimate of development costs to meet population change to 2040

Year	2030	2035	2040	2023-2040
Development cost per unit	£184,146	£216,104	£253,608	
Additional units needed	101,640 (from 2023)	40,300	25,389	167,329
Total development cost of units	£18,716,579,899	£8,709,029,375	£6,438,852,000	£33,864,461,275

It is not within the remit of this research to focus on the feasibility of delivery, given the challenges to development explored in the context section.

Support costs

We estimate that support costs will need to be £3.4billion per year for the 677,202 supported housing units needed in 2040.

Beyond data on adult social care expenditure, which is much wider than supported housing, there is very little data on cost of support. Survey data for 100 schemes from 11 providers in

¹⁰⁵ [Beech, L., Copeman, I., Ghadiali, D. \(2023\) "Supported housing for people with learning disabilities and autistic people in England", Learning Disability and Autism Housing Network and HousingLIN.](#)

2022 indicated they received £11,500 income per year for support costs.¹⁰⁶ When uprated to 2024 prices, this should be £12,424. While we have accounted for inflation, housing associations report challenges with commissioned support, where the value of contracts has not increased in line with inflation, despite rising costs. This was raised in our focus group and in recent research for the NHF.¹⁰⁷

Estimates of support costs for older people are limited. The Supported Accommodation Review found that, in 2015, the average cost per unit was £686. When uprated to 2024 prices, this is £902, though the actual expenditure may be lower, due to lack of inflationary uplift in contracts.

For calculating future support costs, we have used the survey data on support costs, uprated for inflation to estimate 2024 prices, see Table 9.

Table 9 Estimate of support costs by age per year. Source: Blood et al. (2023) and Supported Accommodation Review (2016) and Office for Budgetary Responsibilities inflation forecasts to 2029 and inflation target of 2.0% thereafter.

Year	2024	2030	2035	2040
Working aged support costs per person per year	£12,424	£14,339	£15,832	£17,480
Older people support costs per person per year	£902	£1,041	£1,149	£1,269
Total support costs working aged per year	£1,836,548,683	£2,221,381,918	£2,471,844,984	£2,749,903,999
Total support costs older people per year	£326,569,410	£475,342,776	£569,739,898	£659,749,312
Total cost all support per year	£2,163,118,093	£2,696,724,694	£3,041,584,883	£3,409,653,311

Our research, from both literature and the focus group with providers, shows that the short-term funding of housing-related support makes it difficult for providers to manage provision.

¹⁰⁶ Para 7.2 [Blood, I., Goldup, M., Pleace, N. and Chalmers-Page, S. \(2023\) Research into the supported housing sector's impact on homelessness prevention, health and wellbeing. National Housing Federation.](#)

¹⁰⁷ [Blood, I., Goldup, M., Pleace, N. and Chalmers-Page, S. \(2023\) Research into the supported housing sector's impact on homelessness prevention, health and wellbeing. National Housing Federation.](#)

Schemes take years to develop, with no guarantee of local authority funding at the end. It also makes it difficult to expand the workforce quickly and sustainably.¹⁰⁸

The lack of funding for housing-related support, discussed in the [about supported housing](#) and [context](#) sections, mean that providers are having to cross-subsidise supported housing schemes, or even remodel or repurpose schemes if they are no longer cost effective. As one housing association in our focus group said “*supported housing disappears when the revenue funding disappears*”. Adequate funding for support is vital to the longevity of the supported housing model, including housing for older people.

As with need, data on expenditure as a measure of costs will be greatly influenced by funding availability, eligibility for this funding, and whether those in need are willing and able to take up support available. Expenditure will not necessarily reflect need. For example, budget uncertainty drives short funding cycles rather than planning for need.

Self-funding

People who cannot access state-funded support may not be able to fund their own care, becoming more reliant on friends, family or voluntary organisations. They may even have to do without.

Data isn't centrally collected on self-funders within supported housing. Collecting this data is important as it gives an indication of where the cost burden for supported housing falls. The Care Quality Commission, in their State of Care report for 2022/23, noted that “when there is less access to state-funded care, there's a greater risk of inequality”.¹⁰⁹ As deprivation increases, the number of care home residents receiving state-funded care increases. The same is likely true of supported housing.

Snapshot data from NHF members indicates that approximately 3% (n=14) of working-aged supported housing and 30% (n=10) of housing for older people is occupied by people who self-fund. The definition used was “paying some or all the costs of their housing, care and support”. This data is only a broad indication with a limited sample size and some different interpretations of the population in question (e.g. whether partially self-funded or all housing for older residents rather than supported housing for older people). In addition, it's not always clear whether an individual is paying privately as they may receive a personal budget or direct payment for their state-funded adult social care, or a direct payment for their rental costs through Housing Benefit or Universal Credit.

¹⁰⁸ [Hoddinott, S. and Davies, N. \(2023\) Adult social care: Short-term support and long-term stability. Institute for Government.](#)

¹⁰⁹ Care Quality Commission (2023) [The state of health care and adult social care in England 2022/23.](#)

Using this data and our estimate of support costs, approximately 8% of housing-related support costs each year will be self-funded – around £280million in 2040 – see Table 10.

Table 10 Self-funded support costs per year by age band, as at 2024, 2030, 2035 and 2040

Year	2024	2030	2035	2040
All working aged per year self-funding support costs	£55,096,460	£66,641,458	£74,155,350	£82,497,120
All older people per year self-funding support costs	£97,970,823	£142,602,833	£170,921,969	£197,924,794
Total support costs self-funded	£153,067,283	£209,244,290	£245,077,319	£280,421,914

Rent and maintenance

In 2022/23, the average supported housing net social rent (so excluding service charges) for social landlords was £95.99 per week (£100.43 for private registered providers and £81.47 for local authorities).¹¹⁰ Average gross social rent for large PRPs was £146.16 per week.¹¹¹ For affordable rent, gross rents (including services charges) were £181.65 (£193.03 for private registered providers and £143.80 for local authorities).¹¹²

Differences in rent levels are likely due to location of stock, type of accommodation (housing associations own more specialised accommodation which is more expensive), and financing development through private finance because of capital grant rates being too low.

For social rent homes, service charges are additional to rent and cover running costs. Some service charges are eligible for Housing Benefit and others are not. Ineligible service charges have to be met by tenants or absorbed by the provider. Data isn't available on service charges for local authorities, but, where applicable, large private registered providers charged an average of £48.03 per week for social rented supported housing. Gross social rents (including applicable service charges) were £146.16 for large private registered providers.¹¹³

¹¹⁰ [Regulator of Social Housing \(2023\) Registered provider stocks and rents, table 1.7.](#)

¹¹¹ [Regulator of Social Housing \(2023\) Private registered provider stocks and rents, table 2.7.](#)

¹¹² [Regulator of Social Housing \(2023\) Registered provider stocks and rents, table 1.11.](#)

¹¹³ [Regulator of Social Housing \(2023\) Private registered provider stocks and rents, table 2.7.](#)

Perhaps 69% of these costs would have to be paid for out of Housing Benefit or Universal Credit.¹¹⁴ The remaining 31% will likely be paid for by residents from other income.

Table 11 shows how these rents per week will increase with inflation.

Table 11 Average rent and service charge by provider as at 2022/23, updated for inflation. Source: Regulator of Social Housing registered provider data returns (tables 1.7 and 1.11 and table 2.7 from PRP data returns) and Office for Budgetary Responsibilities inflation forecasts to 2029 and inflation target of 2.0% thereafter.

Year	2023	2030	2035	2040
PRP supported housing social rent average net rents	£100.43	£124.61	£137.58	£151.89
LARP supported housing social rent average net rents	£81.47	£101.08	£111.60	£123.22
PRP Affordable Rent supported housing average gross rent	£193.03	£239.50	£264.42	£291.95
LARP Affordable Rent supported housing average gross rent	£143.80	£178.42	£196.99	£217.49
PRP Service charge Social Rent	£48.03	£59.59	£65.79	£72.64
PRP Gross social rent (rent + service charge where applicable)	£146.16	£181.34	£200.22	£221.06

Using estimates of future rise in units for population change alone, we estimate the total cost in terms of rent and service charge for supported housing will be £7.1billion per year, with £4.9billion funded by Housing Benefit or Universal Credit. This is £3billion more than 2023, an increase of 76%.

Rents are likely to be an underestimate as they do not include local authority social rent service charges and don't account for future tenure of homes delivered through future Affordable Homes Programme funding.

A breakdown is available in Table 12.

Table 12 Weekly and yearly rent and service charge by tenure, provider and year, including whether paid for using Housing Benefit or Universal Credit.

Year	2023	2030	2035	2040
Social Rent (SR) and Affordable Rent (AR) by provider				
PRP SR (gross)	£56,665,209	£83,888,054	£98,347,535	£112,587,567
PRP AR (gross)	£19,617,253	£4,525,654	£5,305,725	£6,073,956
LARP SR (net)	£1,290,240	£12,560,568	£14,989,996	£17,319,865
LARP AR (gross)	£678,017	£1,028,582	£1,227,527	£1,418,319

¹¹⁴ [Altair analysis of lettings data from 2013/14 to 2022/23 in DLUHC \(2024\) Social housing lettings in England, April 2022 to March 2023 Table 3j: Housing related benefits received by households, for new social housing lettings, 2007/08 to 2022/23](#)

Year	2023	2030	2035	2040
Total per week				
All registered providers rent and service charges per week	£78,250,719	£102,002,858	£119,870,782	£137,399,707
Of which, paid for using Housing Benefit or Universal Credit	£53,866,523	£70,217,109	£82,517,097	£94,583,724
Total per year				
All registered providers rent and service charges per year	£4,069,037,394	£5,304,148,635	£6,233,280,685	£7,144,784,779
Of which, paid for using Housing Benefit or Universal Credit per year	£2,801,059,174	£3,651,289,668	£4,290,889,062	£4,918,353,658

8. What might affect these projections?

The above projections are based on existing modelling or historic changes in prevalence rates. As such, they are not exact and may not be appropriate for the time periods we are looking at. Societal, health and other demographic factors will affect these projections, some of which are detailed below.

Policy interventions will also have an effect, for example, interventions that slow down disability progression and/or improve recovery¹¹⁵ or government programmes to provide accommodation for rough sleepers.¹¹⁶

Life expectancy, healthy life expectancy and disability-free life expectancy

Changes in life expectancy will impact projections. Factors known to impact on life expectancy in recent years are health inequalities, complex health needs of an ageing population, mortality rates for seasonal respiratory viruses (such as flu), and accidental poisoning among younger adults (mainly due to drug misuse).¹¹⁷

Rates of disability and age of onset will also affect projections. For example, demand for adult social care by those aged 65 and over has not increased at the rate expected to regain the fall in demand during the coronavirus pandemic.¹¹⁸ While this could be due to barriers to accessing care, it may also be due to better health in later life. There is evidence of falling rates of disability in older people; Institute for Government say census data shows that among those aged 65+, the proportion of the population that were disabled declined from 53.1% in 2011 to 35.2% in 2021.¹¹⁹

This may change again in future, however, depending on healthy life expectancy and disability-free life expectancy (an estimate of the average number of years a person at a certain age can expect to live free from a limiting persistent illness that limits day-to-day activities). Disability-free life expectancy is currently falling for females and males aged 39

¹¹⁵ [Kingston, A., Wittenberg, R., Hu, B. and Jagger, C. \(2022\) Projections of dependency and associated social care expenditure for the older population in England to 2038: effect of varying disability progression, Age and Ageing, Volume 51, Issue 7, July 2022.](#)

¹¹⁶ <https://www.nao.org.uk/reports/the-housing-of-rough-sleepers-during-the-covid19-pandemic/>

¹¹⁷ <https://www.kingsfund.org.uk/insight-and-analysis/long-reads/whats-happening-life-expectancy-england#:~:text=The%20reasons%20for,unprecedented%20financial%20pressures.>

¹¹⁸ <https://www.instituteforgovernment.org.uk/publication/performance-tracker-2023/adult-social-care>

¹¹⁹ <https://www.instituteforgovernment.org.uk/publication/performance-tracker-2023/adult-social-care>

and under.¹²⁰ This means that those born later are currently projected to spend fewer years without a long-term illness that limits their daily activities compared to those born earlier.

With regard to mental health, debt and financial strain are associated with depression and anxiety. Adults in debt have been found to be three times more likely than those not in debt to have a common mental health need.¹²¹ This may mean rates of mental ill health are rising during this period of micro and macro financial strain.

Migration

Since we started the analysis for the report, new population projection figures were released. These project faster population growth than the 2020-based projections, with the projected increase mainly a result of international migration. The 2020-based projections, used in this report, project that England's population in 2040 will be 59,763,744 but the 2021-based projections estimate 63,579,330 – a difference of 3.8million.¹²²

Marital and civil partnership status

Being married or in a civil partnership is less common for younger ages than older. This may affect cohabitation rates and informal care by spouses/partners.

The latest figures on marriage and civil partnerships for England and Wales show falling rates within the population, particularly for younger ages. The proportion of the population who are married or in civil partnerships has decreased from 51.2% in 2012 to 49.4% in 2022. Of these, people aged 70 years and over accounted for 18.3% of the population who were married or civil partnered in 2022, while those aged under 30 years accounted for 3.2%. In 2012, these proportions were 15.1% and 4.9%, respectively. Cohabiting is increasingly common, changing from 19.7% of those aged 16 and over in 2012 to 22.7% in 2022.¹²³

Changes in care provision

In 2017, of working-age (18-64) adults with a (primary support reason) of learning disability who received long-term support from adult social care during the year, 21% lived in supported accommodation (27,025 out of 130,155). This increased to 25% in 2023 (32,995 out of 133,755). There was a 22% increase in numbers in supported accommodation, but only a 2.8% increase in total clients with a learning disability). Over this period, working-

¹²⁰ [ONS \(2022\) Health state life expectancies, UK: 2018 to 2020.](#)

¹²¹ [Meltzer H, Bebbington P, Brugha T, Farrell M, Jenkins R. \(2013\) The relationship between personal debt and specific common mental disorders. Eur J Public Health.](#)

¹²² [ONS \(2024\) National population projections: 2021-based interim.](#)

¹²³ [ONS \(2024\) Population estimates by marital status and living arrangements, England and Wales: 2022.](#)

aged adults with a learning disability increasingly lived on their own or with family and friends (from 76% to 80%).¹²⁴

Informal care

Changes in informal care, including:

Continuing pressures on carers due to challenges within adult social care may lead to greater burnout, meaning people with support needs require care from formal services, such as supported housing.¹²⁵

An ageing population who may not have access to informal carers due to societal changes such as decreasing family size, increase in lone parent families, increasing rates of childlessness, and more women in the workplace. There may be more spousal care, however, as male life expectancy rises.¹²⁶

Ageing carers of working-age adults with support needs, such as learning disabilities.¹²⁷

Changing expectations of families regarding care and informal care. In England and Wales, around 9% of the population aged 5 years and over provide unpaid care, a decrease from 11.4% in 2011.¹²⁸ Unpaid care for disabled older people would need to rise by more than 45% over the next 20 years (2018-2038) if the probability of receiving unpaid care remains constant.¹²⁹

Housing wealth

Along with changes to thresholds for accessing adult social care, there may be increases in demand for local authority support due to increasing numbers of older people private renting. This reduces their ability to make provision for their care needs and increases numbers who may qualify for means-tested support. Research by the NHF shows that the number of people over the age of 55 renting privately has increased 70% in the last decade, growing at three-and-a-half times the rate of the population.¹³⁰

¹²⁴ [NHS, Adult Social Care Activity and Finance Report, CSV dataset, 2017 and 2023](#)

¹²⁵ <https://www.carerssupportcentre.org.uk/unpaid-carers-are-not-unsung-heroes-we-are-forgotten-neglected-and-burnt-out/>

¹²⁶ [Pickard, L. \(2008\) Informal Care for Older People Provided by Their Adult Children: Projections of Supply and Demand to 2041 in England. PSSRU.](#)

¹²⁷ <https://www.bath.ac.uk/announcements/looming-crisis-for-older-family-carers-of-people-with-learning-disabilities/>

¹²⁸ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/unpaidcareenglandandwales/census2021>

¹²⁹ [Hu, B. Hancock, R. Wittenberg, R. \(2020\) Projections of Adult Social Care Demand and Expenditure 2018 to 2038. Care Policy and Evaluation Centre: London School of Economics.](#)

¹³⁰ <https://www.housing.org.uk/news-and-blogs/news/two-in-five-older-private-renters-struggle-to-afford-food-heating-or-clothes/>

9. Conclusion

Supported housing, including housing for older people, helps over half a million people to live independently in their community. It provides a vital service to those in our society who most need support, from survivors of domestic abuse and young care leavers to adults with learning disabilities. It is for older and younger people, for as long as support is needed.

We estimate there are 572,891 units of supported housing in total in England in 2023. Of these, 89% are owned by social landlords, meaning there are 509,873 units of supported housing in England owned by housing associations and local authorities who provide social housing.

In terms of future need, to meet demographic change alone the number of units owned by social landlords would need to increase from 509,873 to 677,202 by 2040, an increase of 167,329 units. The total development cost for these additional units is approximately £33.9billion. In addition to one-off development costs, there would be an annual rent and service charge of £7.1billion in 2040 and support costs of £3.4billion, totalling £10.5billion per year in housing and support costs. Approximately £8billion of this would be funded through the state, mostly through Housing Benefit.

Supported housing, including housing for older people, has been found to have positive benefits for residents and create cost savings to the public purse. Not investing in supported housing to meet demand would lead to worse outcomes for people in need of supported housing, including greater risk of homelessness and escalating needs. It would also lead to reliance on more costly alternatives, such as greater use of expensive residential, nursing or institutional care and increased demand on public services, such as the National Health Service.

Multiple government departments have responsibility for supported housing, including the Department for Levelling Up, Housing and Communities, Department of Health and Social Care, and Department for Work and Pensions and local authorities. Social landlords, who are registered with the Regulator of Social Housing, are the largest owners of supported housing.

Despite the importance of supported housing, there are challenges with its funding, including a lack of long-term certainty on support funding, insufficient levels of capital grant and high construction costs, as well as the full costs of provision not being covered by Housing Benefit or support contracts.

There is very limited data on supported housing. While DLUHC admits that demand is rising, there is currently no understanding of what demand looks like. The government has commissioned a national review to improve this, but the current lack of data collection and monitoring suggest a lack of oversight at a national and local level.

Local authorities should produce supported housing strategies for their local areas. They would be supported in this by greater collation and sharing of data on supported housing at a national level, particularly around demand.

As one provider said in our focus group, supported housing sits at the juncture of three dysfunctional systems - the housing system, the health system and social care. Lack of funding and oversight have created issues within the sector, including pressures from demand not keeping up with supply.

Our research also indicates that the supply of supported housing has not kept pace with the increasing population of England, indicating we may be short of at least 50,000 units. When we look at projected demand from client groups, as many as 1.7million people may need supported housing in 2040.

From evidence to the National Audit Office, we also know the government does not expect to meet its target for building new supported housing through the Affordable Homes Programme. Capital grant funding is insufficient. Government must invest £33.9billion to 2040 to build the additional 167,329 supported housing units the country so desperately needs and ensure that those who need it can access a safe, secure, affordable home with the support to help them live well. Not doing so worsens outcomes for people who need support and increases demand for costlier alternatives.

Recommendations

The government must ensure there is a long-term, integrated plan for supported housing at a national level, making every decision about care a decision about housing. This would recognise the role supported housing plays in transforming people's lives and the cost savings it brings from reduced homelessness, reduced demand on the National Health Service and lower demand for more expensive residential, nursing or institutional care.

A long-term plan for supported housing must include adequate funding for the supply of supported housing, including development of new homes and housing-related support and housing costs. As a minimum, the government should plan for an additional 167,329 homes to 2040. We estimate this would cost £33.9billion to develop by 2040 (£184,146-£253,608 per unit), with an annual rent and service charge of £7.1billion.

A long-term plan should ensure local authorities and Integrated Care Boards are able to plan, fund and commission supported housing, including housing for older people, to meet local need. It should include long-term, ring-fenced funding for supported housing and support services that rises to meet demand, covering estimated support costs of £3.4billion per year in 2040.

To monitor progress, the government must routinely collect better data on demand for supported housing and whether supply is meeting demand. This will enable local authorities

and providers to plan provision. It will also improve oversight of supported housing and mean residents can live in a home that best supports their needs.

We suggest the following improvements to existing data collection:

- Department for Levelling Up, Housing and Communities – the supply of supported housing, collecting data on units owned by charities and voluntary organisations.
- Department for Levelling Up, Housing and Communities – changes to data collected on social housing lettings to improve understanding of support needs of new tenants and annual occupancy data for supported housing.
- Department of Health and Social Care – the client groups within supported housing.
- Department of Health and Social Care – how many people with support needs live (or would be better off living) in supported housing.
- Department of Health and Social Care – estimation of future need for supported housing.

To better understand hidden demand and how it impacts on social housing, further research is needed into whether people with support needs are inappropriately housed, such as in general needs accommodation.

10. Appendix – additional methodology

Methodological challenges

The main challenge within this research were data gaps.

Data isn't currently collected by government on the number of people living in all types of supported housing. While there is some data on adults with a learning disability living in supported housing (published as part of Measures from the Adult Social Care Outcomes Framework, England),¹³¹ this is only for working-aged people with this primary support reason in long-term care.

The government doesn't collect data on how many people in total need supported housing. Numbers of units might be determined by funding rather than need.

Data isn't collected on unmet need for supported housing. This means data isn't available on how many people need supported housing but do not currently live in supported housing.

Data isn't routinely collected on the living situation of those with support needs. This means the proportion of those with support needs living, or needing to live, in supported housing, isn't collected by government. There is data on the living situation of adults with learning disabilities aged 18-64 in receipt of adult social care funding in long-term care. This indicates numbers living in supported housing. The living situation of other support groups is not collected.

Data on supply is poor, limited to stock information collected by the RSH. This does not split data on supported housing and housing for older people for local authorities. Data on supported housing units owned by local authorities is only available from 2020 onwards. For private registered providers, published data on supported housing stock and housing for older people stock is unweighted for non-response since 2019, prior to this weighted figures were provided. Data isn't routinely collected on charity or voluntary organisations who provide supported housing but are not registered with the RSH. The most complete data on stock is the review into supported housing, published by DLUHC and DWP in 2016, which is currently being updated.¹³²

¹³¹ <https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-outcomes-framework-ascf>

¹³² [Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership \(2016\) Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government.](#)

Administrative data on housing-related support costs or how much of Housing Benefit is spent on supported housing is not collected nationally. There is some data available on support charges and how much of the Housing Benefit bill is spent on supported housing costs from surveys of providers.

Data on self-funders within supported housing (or adult social care) is not routinely collected. While the ONS has started publishing experimental statistics on self-funders within care homes,¹³³ data for all adult social care is limited to available information on local authority income from client contributions to adult social care.

Population projections are the strongest data available to indicate the likely population in need. The last publicly available assessment of indicative need for adult social care in the future was published in 2020.¹³⁴ Predictions around future need are complex, relating to morbidities and disparities in life expectancy and healthy life expectancy.

Current demand – number of units of supported housing

There is limited official data on the supply of supported housing. The only systematic data collection is conducted annually by the RSH. For stock-owning local authorities, this is collected via the local authority data return (LADR) for local authority registered providers (LARP). For private registered providers (PRPs, such as housing associations and for-profit organisations), the RSH collects data through the statistical data return (SDR). This data is combined by the RSH to produce statistics on registered provider stock and rents. The most complete data on supported housing stock is from private registered providers, through the SDR.

The LADR data has only been collected since 2020. Data was published for the first time in 2021 (for 2019/20 data). Prior to this, the main source of data on local authority housing was the Local Authority Housing Statistics (LAHS), which does not separate owned social housing stock into general needs and supported housing.

Breakdowns of supported housing owned by local authorities into those for older and those for working-age people is not possible, as this data is not separated out. The 2016 Supported Accommodation Review found that local authorities in England had a greater proportion of

¹³³ [ONS \(2023\) Care homes and estimating the self-funding population, England: 2022 to 2023.](#)

¹³⁴ [Hu, B. Hancock, R. Wittenberg, R. \(2020\) Projections of Adult Social Care Demand and Expenditure 2018 to 2038. Care Policy and Evaluation Centre: London School of Economics.](#)

units for older people, which made up 93% of their stock (71,500 units with a total stock of 77,000). They provided nearly a fifth (18%) of overall provision for this client group.¹³⁵

The proportion of local authority supported housing stock that is for older people is best estimated as 93%. The predominance of provision for older people in local authority supported housing is also borne out in social housing lettings data. For 2019/20, 80% of all new lettings to local authority supported housing had a lead tenant aged 55 years or older (51% aged 65 and over).¹³⁶ Long-term trend data on household composition indicates that 70% of local authority supported housing lettings in the ten years prior to 2020 have been to “single elders” or “elder couples”.¹³⁷

RSH data detailed in Table 13 indicates that there were 505,940 units of supported housing in England in 2020, of which 80% were owned by private registered providers (mainly housing associations) and 20% by local authorities. We focused on stock as at 2020 given this was the year ONS population projections were based on.

To calculate the likely split between supported housing for older people and for working-age, for private registered providers we used unweighted data in the Statistical Data Return lookup tool and, for local authorities, data from the 2016 Supported Accommodation Review. This gives a total of 148,893 supported housing units for working-age people and 357,047 for older people, 505,940 total units/bedspaces, as at 2020 - see Figure 7.

¹³⁵ Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership (2016) [Supported accommodation review: The scale, scope and cost of the supported housing sector. Department for Work and Pensions and the Department for Communities and Local Government. Table B.1.](#)

¹³⁶ Altair analysis [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3bi: Age and gender of lead tenant by type of letting, for new social housing lettings, 2007/08 to 2019/20](#)

¹³⁷ Altair analysis of [Ministry of Housing, Communities and Local Government \(2021\) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3a: Household composition by type of letting, for new social housing lettings, 2007/08 to 2019/20](#)

Table 13 Supported housing stock owned by local authority registered providers and private registered providers in 2020, Source: Regulator of Social Housing, Table 1.1 additional tables and PRP look up tool

Category	Number of units/bedspaces	Percentage of total low-cost social rent stock/supported housing
Supported housing total (PRP weighted for non-response) for registered providers	505,940	12.2% (total stock 4,165,475)
Supported housing total owned by private registered providers (weighted)	403,687	15.7% (total stock 2,589,728)
Supported housing total owned by local authority registered providers	102,253	6.5% (total stock 1,575,747)
Supported housing for working-age owned by private registered providers (unweighted)	140,458	35% (total supported stock 400,462, unweighted)
Housing for older people owned by private registered providers (unweighted)	260,004	65% (total supported stock 400,462, unweighted)
Additional units of supported housing added by weighting PRP data for non-response	3,222	

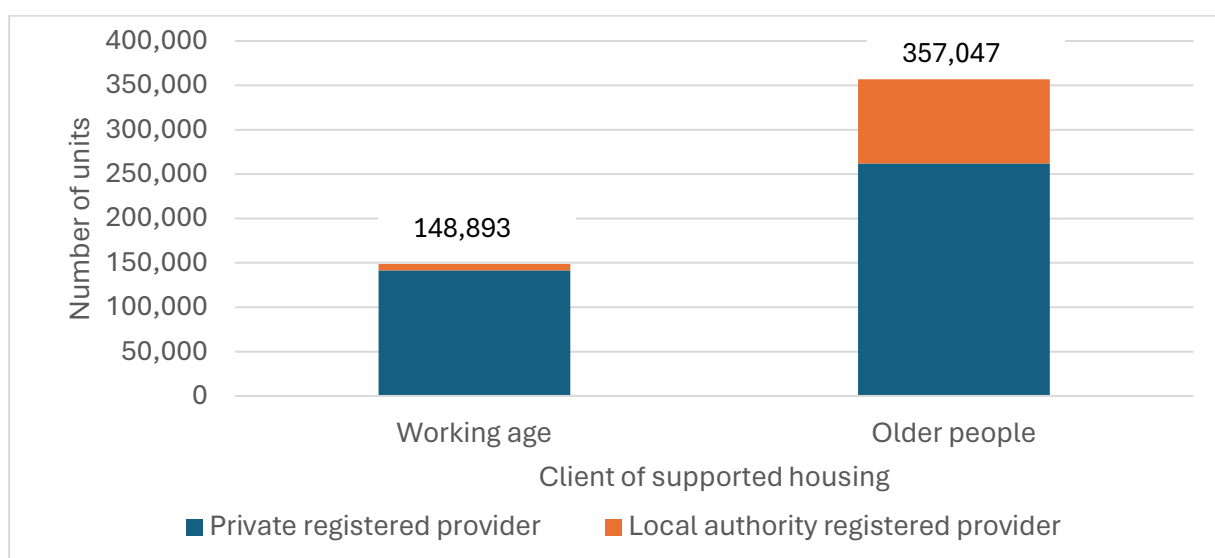


Figure 7 Supported housing units owned by type of social landlord, England, 2020. Source: Altair analysis of Regulator of Social Housing, statistical data return and local authority data return, 2019-20 and Supported Accommodation Review, 2016.

Since 2020, registered providers have added 3,933 supported housing units to supply, giving a total of 509,873 units of supported housing in 2023, 79% of which was owned by PRPs. Of all registered provider supported housing stock, 96% was at social rent and 4% affordable rent. Supported housing represented 12% of all registered provider low-cost rental stock. Figure 8 presents a time series of this data, from 2020 to 2023.

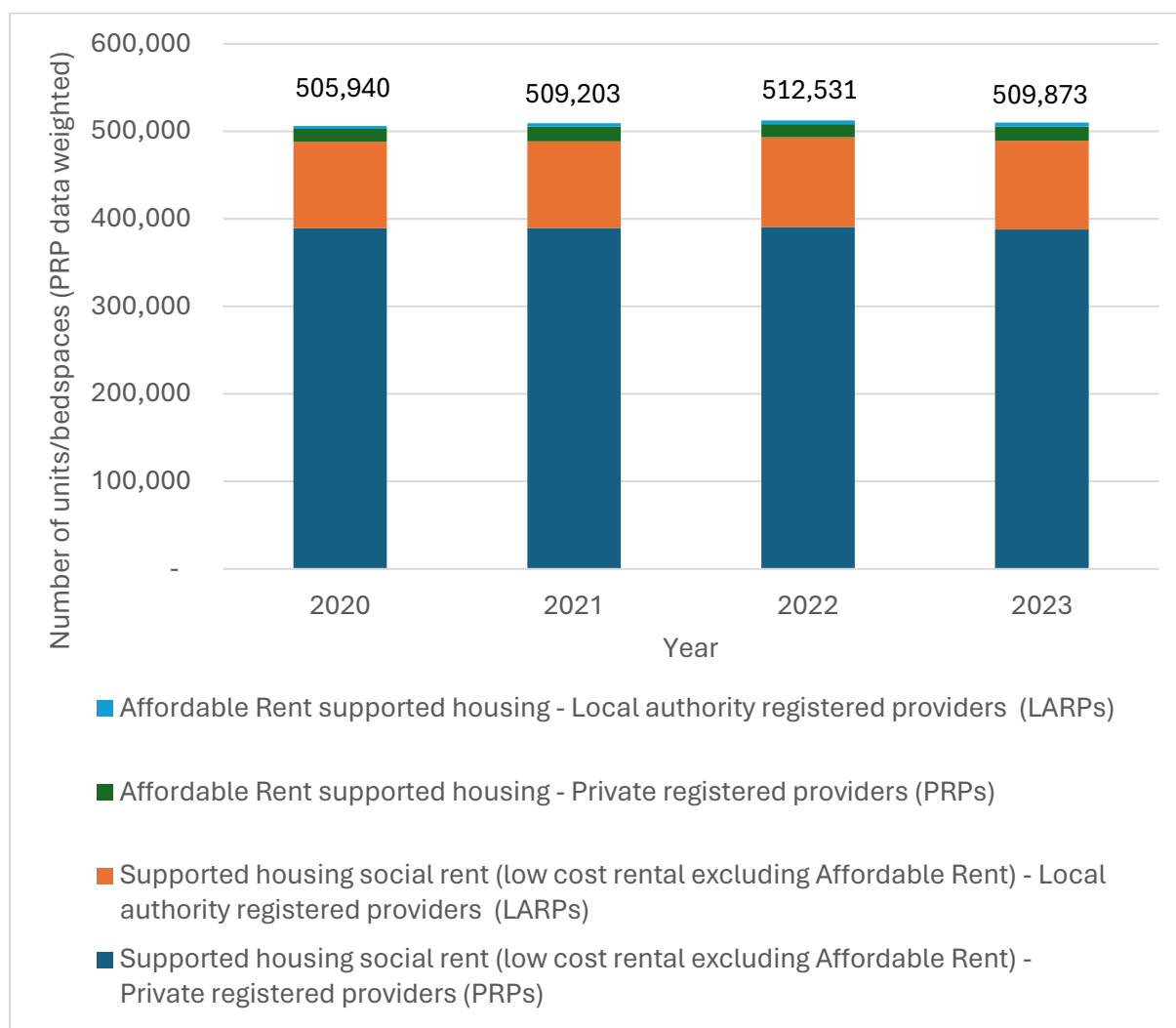


Figure 8 Total number of supported housing units at social and affordable rent by provider, 2020-2023. Source: [Regulator of Social Housing, Stock owned by Registered Providers](#)

Current demand – number of service users at any given time

We have calculated demand using data on supported housing stock combined with lettings data on household size. This technically means that demand is based on occupancy rather than need, which is why we have set out potential hidden demand and future need based on client group prevalence rates within the population. Using occupancy mirrors the method used in the 2016 Supported Accommodation Review. This calculated number of

clients/residents within supported housing by looking at unit numbers from the review's survey data and household size from social housing lettings data in England.

Long-term trends on household composition in social housing lettings data from 2010/11 to 2019/20 indicates that 97% of all social housing lettings for working-age people were to single females/males and 3% to couples (9% of lettings to working-aged people had children in the household). For older households, 85% were to single elders and 15% to elder couples.

There were slight differences between lettings by housing associations and local authorities to working-aged people, with local authorities renting to proportionately more working-age couples than housing associations. Further details are in Table 14.

Table 14 Household composition for new supported housing lettings (affordable and social rent) by provider, 2010/11 to 2019/20.

	All registered providers	Private registered providers	Local authorities
Supported housing lettings to single working-age adult (with or without children)	623,167	594,493	28,674
Supported housing lettings to working-age couple (with or without children)	16,098	13,072	3,026
Of lettings to working-age adults (single or couple), lettings with children	57,546	54,480	3,066
Supported housing lettings to single elder	277,693	210,858	66,835
Supported housing lettings to elder couple	47,612	34,276	13,336
Unknown	11,458	9,260	2,198
Total	976,028	861,959	114,069
Single female/male with or without children as proportion of supported housing lettings to working-age adults	97%	98%	90%
Couple with or without children as proportion of supported housing lettings to working-age adults	3%	2%	10%
Single elder as proportion of supported housing lettings to older people	85%	86%	83%
Elder couple as proportion of supported housing lettings to older people	15%	14%	17%

Source: Ministry of Housing, Communities and Local Government (2021) Social Housing Lettings: April 2019 to March 2020, England – summary tables, Table 3a: Household composition by type of letting, for new social housing lettings, 2007/08 to 2019/20

Hidden demand - methodology

This section sets out further detail on how hidden demand has been calculated, including delayed discharges from hospital, waits for social care assessments and adult social care support requests declined, and those in need of treatment or support who are not receiving it.

Delayed discharge from hospital

Delayed discharge might occur due to a lack of capacity in suitable adult social care or supported housing accommodation to discharge patients to. The monthly statistics for January 2024 suggest 13,755 patients a day, on average, were waiting to be discharged from hospital.¹³⁸

When looking at reasons for delays, around 23% on average were due to awaiting availability of resource for assessment and start of care at home. 7% were awaiting confirmation from adult social care that a referral had been received and actioned, and 1% were homeless and/or had no right of recourse to public funds and/or no place to discharge to.¹³⁹

Numbers waiting for a social care assessment

Since November 2021, the Association of Directors of Adult Social Services (ADASS) has been running a survey of members (151 local authorities with adult social responsibilities in England) to understand how many people are awaiting an adult social care assessment.

The best available data is from January 2022, when they had 101 responses to the survey. Results indicated that 217,557 people were awaiting assessment, 27,406 were awaiting care or support payments to begin and 216,326 were awaiting their adult social care review. This means, in total, 461,269 people across England were waiting for an assessment, care or direct payment, or review. This has since risen to 470,576 people, as at August 2023 across 123 local authorities.¹⁴⁰

Not all of these people might go on to live in supported housing, but it does suggest unmet demand.

¹³⁸ Altair analysis [Acute Daily Discharge Situation Report, Table 2: Number of patients who no longer meet criteria to reside and number of patients who were / were not discharged](#)

¹³⁹ Altair analysis [NHS \(2024\) Acute Daily Discharge Situation Report, Table 5: Weekly snapshot average of the total number of people per day with length of stay 14 days or over who no longer meet the criteria to reside but were not discharged, broken down by the reasons why they continued to reside](#)

¹⁴⁰ [ADASS \(2023\) Autumn Survey Report 2023.](#)

Requests for support declined

Adult social care data indicates that, in total in 2019/20, 55% of all requests for support from new clients ended in either signposting or no services being provided. This is equivalent to 1million people. When looked at by age band, 68% of 18-64 year olds received either signposting or no services and 50% of those aged 65 and over, equivalent to 1.14million people.¹⁴¹ This has since risen to 70% of support requests in 2023 by 18-64 year olds and 51% of those aged 65 and over – see Figure 9. Whilst we do not know the reason requests for support were declined, it could be indicative of demand that is not being met, particularly with known funding and capacity pressures within adult social care.

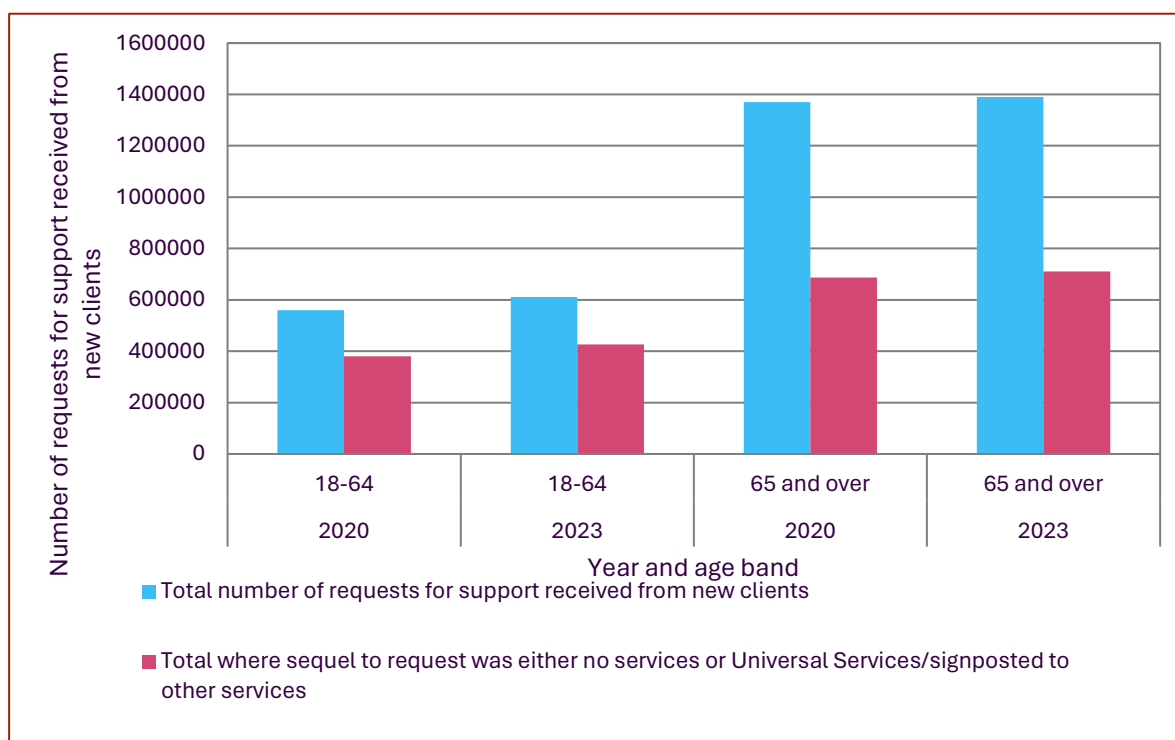


Figure 9 Adult social care requests for support from new clients and outcome. Source: ASC-FR, Table 9: Number of requests for support received from new clients, by route of access, age band and what happened next, 2022-23

On domestic abuse, data from Women's Aid indicates that 4,414 women were referred to refuge services were rejected due to a lack of space/capacity.¹⁴² When looking at data on social lettings and the reason households left their last settled home, those who left due to domestic abuse used to be more commonly housed in supported housing, with 57% in

¹⁴¹ NHS (2020) Adult Social Care Activity and Finance: England 2019-20, Table 9: Number of requests for support received from new clients, by route of access, age band and what happened next, 2019-20

¹⁴² Women's Aid (2023) The Domestic Abuse Report 2023. Altair calculation from table 2.9

supported housing in 2007/08. That proportion has fallen to 30% in 2022/23, suggesting there are more households who have left their last settled home due to domestic abuse living in general needs housing, either with floating support, no support, or no support needs – see Figure 10. This may reflect a greater use of dispersed accommodation by providers and commissioners, but it may be that survivors are inappropriately housed. Supported housing providers at our focus group said that people with support needs were in general needs housing due to a shortage of supported housing.



Figure 10 Households who left last settled home due to domestic abuse, over time and whether in supported housing. Source: [Table 3p: Reason the household left their last settled home for new social housing lettings, 2007/08 to 2022/23 Social housing lettings in England, 2022/23: COntinuous REcording \(CORE\) data](#).

Those in need not getting help

In terms of adult social care, the health survey for England collects data on those who need help with daily living but aren't receiving it. The NHS measures need for and receipt of social care using a number of Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). [ADLs are activities relating to personal care and mobility about the home that are fundamental to daily living. IADLs are activities which, while not fundamental to functioning, are important aspects of living independently.](#)

Health survey data indicates over a fifth (22%) of those aged 65 and over have unmet need when it comes to ADLs (equivalent to 2.3million people) and 15% for IADLs (1.5million) – see Figure 11. This is broadly similar to 2018, when 24% had unmet need for help with ADLs and

13% with IADLs. Unmet need for help with ADLs increases with age, from 14% for 65-69 years to 36% of those aged 80 and over.

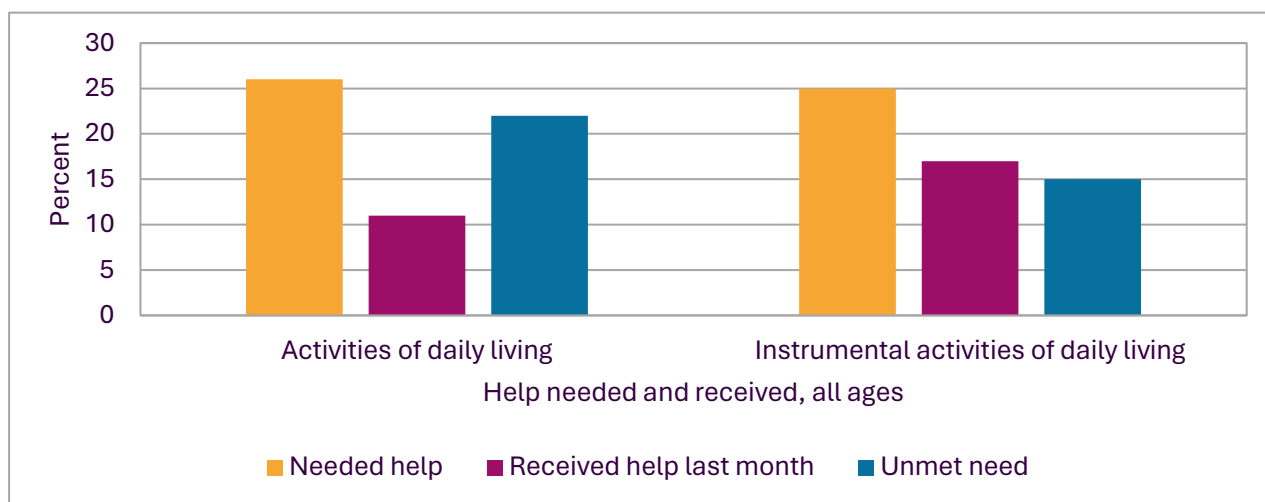


Figure 11 Activities of Daily Living (ADLs/IADLs) for which help was needed and received in the last month. Source: NHS (2023) Health Survey for England, 2021, Table 3

Prevalence estimates on drug and alcohol misuse in England shows an estimated 62% of 313,971 opiate and non-opiate users in 2019/20 are in treatment (196,087).¹⁴³¹⁴⁴ An estimated 602,391 adults have alcohol dependency issues (in 2018/19, the last available estimate),¹⁴⁵ with 17% of these in treatment (104,880).

Of those who were new to treatment for opiate, non-opiate or alcohol issues, 19% had a housing problem (24,369 people), 7% of which were urgent (9,766 people).¹⁴⁶ It may be that a similar percentage of those not receiving treatment have a housing problem (which would be nearly 119,000 people).

There is limited data on waiting times for mental health services, linked to targets. These show that waiting times for talking therapies vary across the country, with the longest wait for first treatment 229 days (South Sefton, Merseyside) and shortest 4 days (Castle Point and Rochford, Essex).¹⁴⁷ Last available data estimates that one person in three with a common mental disorder was currently in treatment.¹⁴⁸ Around 50% of households owed a

¹⁴³ [Office for Health Improvement and Disparities and UK Health Security Agency \(2023\) Opiate and/or crack cocaine use prevalence estimates in England: 2019 to 2020, Table 1.](#)

¹⁴⁴ [Public Health England \(2020\) Substance misuse treatment for adults: statistics 2019 to 2020.](#)

¹⁴⁵ [Public Health England \(2021\) Estimates of alcohol dependent adults in England, Table 1.](#)

¹⁴⁶ [Public Health England \(2020\) Substance misuse treatment for adults: statistics 2019 to 2020.](#)

¹⁴⁷ [https://commonslibrary.parliament.uk/research-briefings/sn06988/#:~:text=91.1%25%20of%20those,South%20Sefton%20\(Merseyside\).](https://commonslibrary.parliament.uk/research-briefings/sn06988/#:~:text=91.1%25%20of%20those,South%20Sefton%20(Merseyside).)

¹⁴⁸ [NHS \(2016\) Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2014.](#)

homelessness duty have a history of mental health problems.¹⁴⁹ This indicates a link between mental ill health and housing problems.

Future need - methodology

We calculated assumptions on future need based on client group data from the [Supported Accommodation Review](#), private registered provider social housing stock from the [Statistical Data Return](#) and the best available estimates of prevalence rates for the identified client groups using supported housing.

Table 15 shows annual change or prevalence rates used in projections, and sources. We have discussed these in more detail, by client group, below.

Table 15 Client groups for supported housing with prevalence rates in population, projected average annual increase (where no projection) and likely split of those living in supported housing

Client group	Likely proportion of client group in supported housing	Prevalence in need within population	Source of data	Average annual increase
Older people	71%	31%	Health Survey England, NHS	
Homeless people and families	7%	0.25%	Main housing duty acceptances, DLUHC	
Care leavers	4%	0.69%	Children Looked After, ONS	
Young parents		0.70%	Teenage Conceptions, ONS	
Learning disability	7%		Emerson et al (2012)	3.20%
Physical disability or sensory impairment	2%		Emerson et al (2012)	4%
Mental health problems	5%	8.20%	Adult Psychiatric Morbidity Survey (APMS)	

¹⁴⁹ [DLUHC \(2023\) Statutory homelessness live tables, Table A3 – Number of households owed a homelessness duty by support needs of household.](#)

Client group	Likely proportion of client group in supported housing	Prevalence in need within population	Source of data	Average annual increase
Substance misuse	1%	1.10%	OCU misuse and alcohol dependency, UK Health Security Agency and Office for Health Improvement and Disparities	
Offenders	1%	0.21%	Prison population projections, Ministry of Justice	
Survivors of domestic abuse	1%	5.50%	Social housing lettings, DLUHC and prevalence rates from ONS.	
Others	2%	Demographic change	No information	

Older people

In 2021, 31% of those aged 65 and over need help with one or more activities of daily living or instrumental activities of daily living. In 2018, this figure was 32%.¹⁵⁰ We will assume the rate stays constant.

People experiencing homelessness

Main duty housing acceptances (i.e. eligible households in priority need and unintentionally homeless) fluctuate, given it is heavily influenced by policy interventions and contextual factors, including housing supply. In addition, there was a definitional change from the Homelessness Reduction Act 2017, which means main duty housing acceptances from 2018/19 are not directly comparable to previous years. There have been large year-on-year fluctuations in figures.

Prior to changes brought by the HRA 2017, the median annual change was an increase of 1.7% but, since 2018/19, the median annual change is an increase of 16% - see Figure 12.

¹⁵⁰ [NHS \(2023\) Health Survey for England, 2023. Table 2: Number of Activities of Daily Living \(ADLs and IADLs\) for which help was needed in the last month, by age and sex.](#) And [NHS \(2019\) Health Survey for England, 2018: Social care in older adults data tables, Table 2.](#)

The rate of homelessness per 1,000 households is 2.48 over this time, with an average prevalence of 0.25%. We have used this average prevalence, 0.25%.

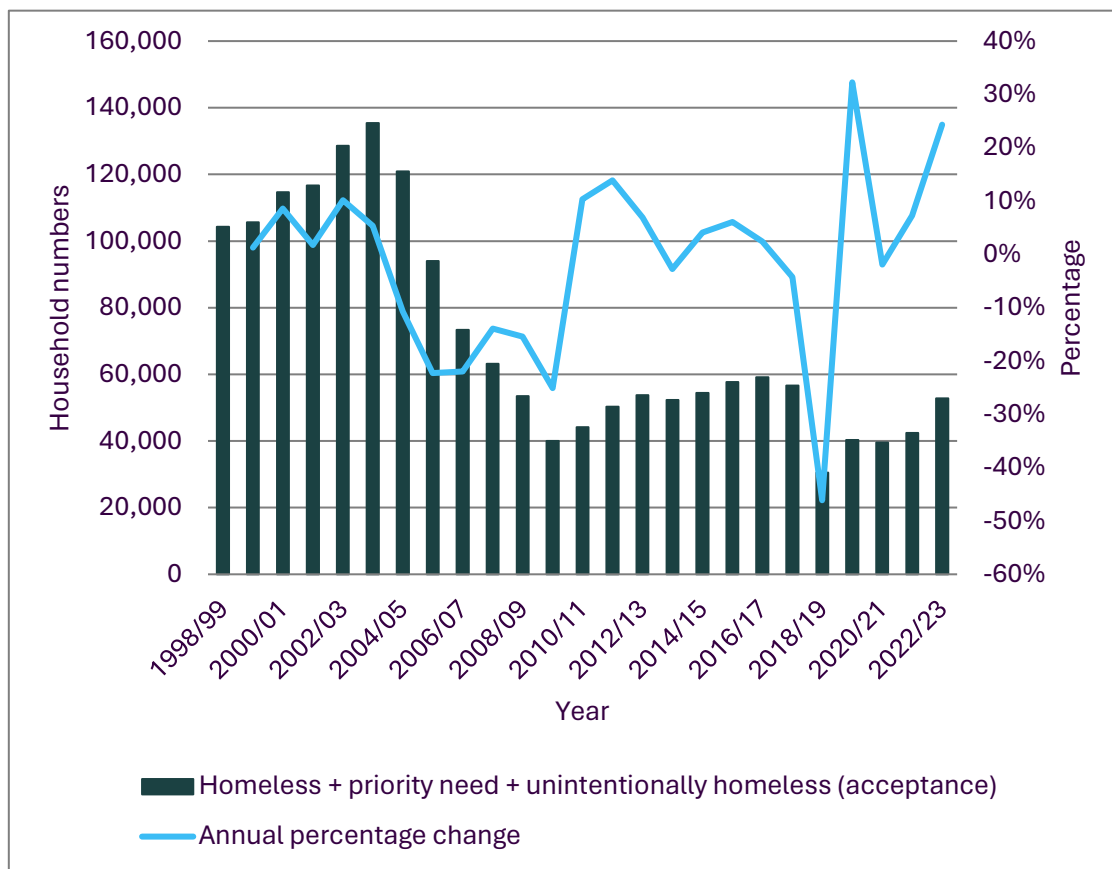


Figure 12 Main housing duty acceptances in England 1998/99 – 2022/23. Households will be eligible, in priority need and unintentionally homeless. Figures since 2018/19 are not directly comparable in the time series due to changes from the Homelessness Reduction Act 2017. Source: [DLUHC Table MD1 - Number of households by decision on duty owed, Statutory Homelessness Live Tables](#).

Care leavers

The number of children looked after in England has risen every year since 2019, with the rate per 10,000 children also increasing. In 2019 there were 78,140 children (a rate of 66), increasing to 83,840 in 2023 (a rate of 71).¹⁵¹ This suggests that the number of looked-after children is rising faster than the population. The average rate across the five years is 0.69%. We have used a prevalence rate of 0.69% to calculate the future population of care leavers.

¹⁵¹ <https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions>

Young parents

The teenage conception rate is around a third of what it was ten years ago, with 2.1 conceptions per 1,000 women aged under 16 in 2021, compared with 6.1 conceptions per 1,000 women of the same age in 2011. The rate has remained constant in the last two years of data (2.1 in both 2020 and 2021).¹⁵² We have used the average rate since 1998, which is 0.7%.

Working-aged adults with a learning disability

There is no national data on prevalence rates of adults with a learning disability. There is some data recorded by the Department for Education on children with a learning disability.

Adult social care statistics show a 22% increase in working-aged adults with a learning disability living in supported accommodation, from 27,025 in 2017 to 32,995 in 2023, though this reflects a move away from residential or nursing home provision rather than an equivalent increase in population.¹⁵³

The last available data on projected need for social care services for adults aged 18-64 with learning disabilities, published in 2012, estimated average annual increases of between 1.2% to 5.1% (average 3.2%) between 2011 and 2030.¹⁵⁴

We have assumed an average annual increase of 3.2%.

Working-aged adults with physical disabilities

For younger adults with physical disabilities aged 19-30 who need adult social care, the last study in 2012 found compound annual growth rates vary from 1.8% to 6.5% (average 4%).¹⁵⁵

The study suggested that there would be sustained growth in the need for social care services from younger adults with a physical disability over 2012-2030, and a decelerating trend thereafter. We will assume an average annual increase of 4%.

Mental health

The Adult Psychiatric Morbidity Survey (APMS) indicates that the proportion of people with severe common mental disorder symptoms (with a Clinical Interview Schedule score of 18 or

¹⁵² [ONS \(2023\) Worksheet 1b: Teenage conceptions \(numbers and rates\) and outcome: age of woman \(single years\) at conception, 1998 to 2021](#)

¹⁵³ [NHS, Adult Social Care Activity and Finance Report, CSV dataset, 2017 and 2023](#)

¹⁵⁴ [Emerson, EB, Robertson, JM, Coles, B & Hatton, CR. \(2012\) Estimating the Need for Social Care Services for Adults with Disabilities in England 2012-2030. Lancaster University, Lancaster.](#)

¹⁵⁵ [Emerson, EB, Robertson, JM, Coles, B & Hatton, CR. \(2012\) Estimating the Need for Social Care Services for Adults with Disabilities in England 2012-2030. Lancaster University, Lancaster.](#)

more) is steadily increasing - see Figure 13. The last time data was collected, in 2014, 9.3% of those aged 18-64 had a severe common mental disorder, compared to 4.2% of those aged 65-74 and 3.3% of those aged 75 and over. The median is 8.2%, so we have assumed a prevalence rate of 8.2%.

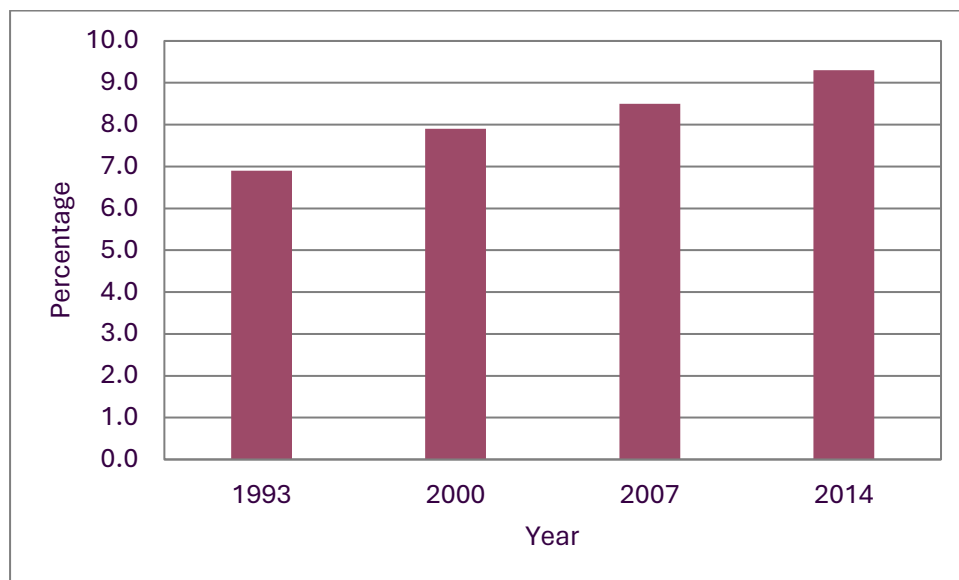


Figure 13 Severe CMD symptoms in past week (CIS-R score 18+), 1993 to 2014 Base: adults aged 16–64, Source: [NHS \(2016\) Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2014.](#)

Substance misuse

Statistics on rates of substance misuse (alcohol dependency and opiate and/or crack cocaine use) amongst the population indicate that the prevalence rate is around 1.1%.

The rate has increased slightly in more recent years, largely driven by opiate and/or crack cocaine use – see Table 16.

We have assumed a prevalence rate of 1.1%.

Table 16 National prevalence estimates of alcohol dependency and opiate and/or crack cocaine use in England, 2015/16 to 2019/20.

	Estimated number of adults with alcohol dependency	Rate per 1,000 of the adult population - point estimate	Year-on-year change in rate	Opiate and/or crack cocaine use	OCU rate per 1,000 population	Year-on-year change in rate
2015/16	595,856	13.82				
2016/17	589,101	13.55	-2%			
2017/18	586,780	13.41	-1%	324,840	9.16	
2018/19	602,391	13.68	2%	336,531	9.44	3%
2019/20				341,032	9.54	1%

Source: [Office for Health Improvement and Disparities and UK Health Security Agency \(2023\) Opiate and/or crack cocaine use prevalence estimates in England: 2019 to 2020, Table 1](#) and [Public Health England \(2021\) Estimates of alcohol dependent adults in England, Table 1.](#)

Offenders

Increasing numbers of police officers and longer sentencing for serious offenders means that the prison population in England and Wales is projected to increase. The prison population was 83,687 as of February 2023. It is projected to increase to between 93,100 and 106,300 by March 2027.¹⁵⁶ This represents an increase of between 11% and 27%, and a prevalence rate in 2027 of 0.21%. We have used a prevalence rate of 0.21%.

Survivors of domestic abuse

Data on social housing lettings for 2019/20 suggests that nearly 16,000 households who were let social housing in the year left their last settled home due to domestic abuse. This is the median number of households since 2007/08 to 2022/23, remaining relatively constant.¹⁵⁷

This reflects domestic abuse prevalence in England and Wales, which was 5% in 2021/22 and 4.4% in 2022/23.¹⁵⁸

The median since 2018 is a 5.5% prevalence rate. We have assumed a prevalence rate of 5.5% in future years.

Population of those in need most likely to be accommodated in supported housing

We used the relative poverty measure to assess need. Data isn't collected on how many of those with support needs might best be accommodated in supported housing, so we needed some way of assessing this. Given that supported housing, including housing for older people, is low-cost rental accommodation for those who cannot afford to access housing on the open market, then relative poverty seemed the best way to assess this.

For the last available data, in 2021/22, 17% of people (11.0million) were in relative poverty before housing costs in the United Kingdom.¹⁵⁹ We have assumed, therefore, that 17% of our total projected population in need will be best accommodated in supported housing.

The final projected population of those in need is set out in Table 17.

¹⁵⁶ [Ministry of Justice \(2023\) Prison Population Projections 2022 to 2027, England and Wales.](#)

¹⁵⁷ [DLUHC \(2024\) Social housing lettings in England, April 2022 to March 2023 Table 3p](#)

¹⁵⁸ [ONS Domestic Abuse Prevalence and Trends, England and Wales.](#)

¹⁵⁹ <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022/households-below-average-income-an-analysis-of-the-uk-income-distribution-fye-1995-to-fye-2022> - data for United Kingdom

Table 17 Population with support needs in need of supported housing, including housing for older people, in England from 2020 to 2040

Client group	2020	2030	2035	2040
Older people	551,454	663,673	720,482	755,656
Homeless people and families	14,451	14,855	14,972	15,086
Care leavers	12,713	11,893	11,437	11,468
Young parents	12,897	12,065	11,602	11,634
Learning disability	10,423	14,281	16,717	19,569
Physical disability or sensory impairment	2,978	4,408	5,363	6,525
Mental health problems	473,989	487,253	491,079	494,819
Substance misuse	63,584	65,363	65,876	66,378
Offenders	12,139	12,478	12,576	12,672
Survivors of domestic abuse	317,920	326,816	329,382	331,891
Others	2,978	3,061	3,085	3,109
Working-aged adults total	924,070	952,473	962,090	973,151
Older people total	551,454	663,673	720,482	755,656
Grand total	1,475,524	1,616,146	1,682,572	1,728,808

Development costs – methodology

In 2021, Lichfields reviewed 93 Local Plan and Community Infrastructure Levy (CIL) viability assessments and Planning Inspector reports from England and Wales.¹⁶⁰ We have used this research to estimate external works, contingency fee, professional fees, finance costs, and agents and legal fees.

The Lichfields review did not draw together data on policy factors, such as Section 106, CIL charging rates, environmental standards, or enhanced build/ design standards. Lichfields view was that these “the outputs of an iterative testing process in terms of what can be supported by development and will depend on market factors and policy choices”.¹⁶¹

We support this view, but to make an estimate of complete costs, we reviewed five recent local authority viability assessments to provide a range for Part L costs (building regulations regarding the conservation of fuel and power), biodiversity net gain, and s106. These will, however, be very site- and scheme specific and are indicative only. In particular, the s106

¹⁶⁰ [Lichfields \(2021\) Fine Margins: Viability assessments in planning and plan making.](#)

¹⁶¹ [Lichfields \(2021\) Fine Margins: Viability assessments in planning and plan making](#), p.11.

costs are considered an overestimate. This is because infrastructure needs related to supported housing (including housing for older people) will likely be less than standard residential development (e.g. low or no requirement for additional school places).

Supported housing also has higher net-to-gross ratios than general needs development. Typically, general needs flats have 10% non-chargeable/communal space as a percentage of total area compared to 20-30% for sheltered and 35-40% for extra care.¹⁶²

The most difficult cost to estimate is land value. While the Land Registry has records of price paid for land, these vary even within local authority areas and there is no national data. The Valuation Office Agency (VOA) produced land prices for policy appraisals in 2019 but cautioned that they were not indicative of the market value of land, which would likely be substantially lower. It is, however, the best data available.¹⁶³

To calculate a land value per unit type, the average rate per hectare has been taken from the VOA land price data and divided by the average dwelling per hectare for residential addresses over the last 10 years (33 dwellings).¹⁶⁴ The average rate per unit has then been divided by the average size of a house in England (97 sqm) to generate an average rate per sqm. This has then been multiplied by the Nationally Described Space Standards for a one-bedroom unit (50 sqm).¹⁶⁵

A one-bed unit was felt most appropriate as this reflects what providers from our focus group said commissioners want and that most service users will be single occupants or couples sharing a bedroom. There will, however, need to be a mix of unit sizes, depending on the client group (e.g. those with children).

To indicate future costs, total development costs as at January 2024, including land, have then been inflated using the BCIS Tender Price Inflation average year-on-year change from November 2023 to November 2028, which is 3.25%.

¹⁶² [Three Dragons on behalf of The Retirement Housing Group \(2016\) Community Infrastructure Levy and Sheltered Housing/Extra Care Developments: Briefing note on viability.](#)

¹⁶³ [Valuation Office Agency \(2019\) Land value estimates for policy appraisal 2019.](#)

¹⁶⁴ [DLUHC \(2022\) Land use change statistics – new residential addresses 2021 to 2022](#)

¹⁶⁵ [MHCLG \(2015\) Technical housing standards – nationally described space standard.](#)

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