



FUNDAMENTUM

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The rise of Housing Associations in the UK

23 November 2018

With an increased focus on the role of Registered Providers and the regulatory framework around how they operate, it is clear that the role of Housing Associations is becoming **increasingly crucial** to facilitating Social Housing in the UK. The largest expenditure in Government departmental budgets is the provision of grants to support Housing Association investment for **new social homes**. With nearly one in five of English homes owned by Housing Associations, the Government in July 2018 announced a further **eight new strategic partnerships** to deliver an extra 23,500 homes by 2022.

In addition, in August the Government published a response on funding for Supported Housing, setting out that they are **maintaining Housing Benefit** for all supported accommodation. The graph below demonstrates the shift towards a greater role of Housing Associations, showcasing **housing benefit expenditure** over the last 20 years for the social rented sector, currently running at approximately £15 billion annually.

Figures from the Chartered Institute of Housing, Sept '18

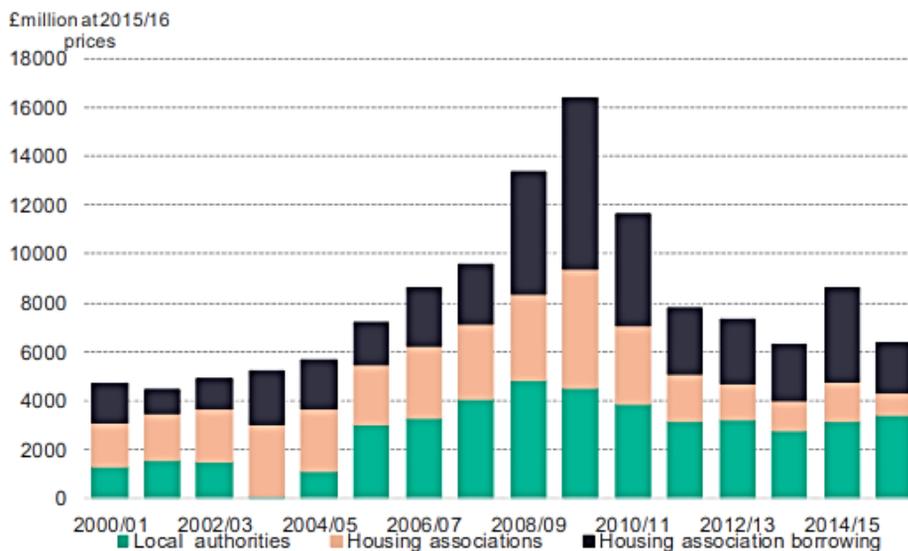




Funding and recognition has continued for Housing Associations, with the green paper, a 'new deal', confirming that the Government would make it easier for Housing Associations to **access the lending markets** in order to develop housing, in addition to implementing deregulatory reforms to give them **greater freedom** over how they run their organisation. Furthermore, September saw Teresa May announce **£2 billion** for Housing Associations and councils to bid for the money to spend on new projects, starting from 2022. They will be able to apply for funding stretching as far ahead as 2028/29 – the first time any government has offered Housing Associations such **long-term certainty**.

An increase in institutional investment in the Supported Housing arena this year has no doubt also contributed to the increased profile of Housing Associations, as the sector has seen heightened pressure and competition between the providers, over **leasing arrangements** for example, amongst other matters. The value of Housing Associations we will see remain crucial, as an essential cog, and one which holds **much influence** in the mechanics of the Supported Housing sector.

Figures from the Chartered Institute of Housing, Sept '18



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