



Orbit Group

## GOOD HOUSING IS THE KEY

How the housing sector and government can work together to make the UK a more sustainable and prosperous place.



building  
communities

## GOOD HOUSING IS THE KEY

Orbit is one of the UK's foremost housing groups, managing a portfolio of good quality, safe and affordable homes for over 100,000 customers.

Socially driven and commercially minded, we are a not-for-profit organisation, committed to creating a better society, building affordable homes and communities, and doing so in socially responsible and sustainable ways.

We believe that good housing is a basic human right, fundamental to our health, wellbeing and quality of life.

Good housing is also the key to better economic outcomes, safer communities and a healthier nation. It drives the change we need and is central to us achieving a more sustainable and prosperous future.

This briefing focuses on what we need from government in the next five years to set housing up to deliver this long-term change and success.



## HOUSEBUILDING IS A MAJOR UK EMPLOYER AND DRIVER OF ECONOMIC GROWTH

It supports 800,000 jobs and, in 2020-2021, generated £40bn of economic activity, £71m investment in the public realm, and £192m in schools <sup>[1]</sup>.

4.2m people have an unmet housing need where social rented housing would be the most appropriate tenure <sup>[2]</sup>. With nearly 54,000 new build affordable homes

delivered in 2021-22, the need and opportunity to increase the numbers of new homes to bridge this gap is immense <sup>[3]</sup>.

Conversely, the lack of good quality homes is a drain to the economy, costing the NHS £1.4bn <sup>[4]</sup> and society £18.5bn per year <sup>[5]</sup>.

### Building the right new homes will drive the change we need.

The government is expected to spend £58.2bn on housing benefit to private landlords between 2021-2026, compared with £11.2bn in capital spending on social housing <sup>[6]</sup>.

By shifting public subsidy into capital investment in affordable housing over time, we could deliver significant impact and unlock multiple policy outcomes. It would reduce the cost of benefits; stimulate employment and the economy; and deliver greater national good, with a minimum £2.70 of economic benefits achieved for every £1 invested in social housing <sup>[7]</sup>.



### What we need from government

- Prioritised spend to support the right types of affordable new build homes, creating jobs, rebuilding the economy, helping reduce long-term spend in other areas, and reducing housing waiting lists.
- A more agile and expansive grant system so that we can accelerate building new homes and revitalising local communities.

## GREENER HOUSING IS THE FUTURE

Investing in energy efficient new homes and improving existing ones, will cut household bills and national spend.

New build homes are already proven to use less energy, saving an average of £1,600 on energy bills each year <sup>[9]</sup> and, by improving the energy efficiency of all homes to EPC band C or above by 2030, we could save the NHS up to £2bn per year <sup>[9]</sup>.



### Investing in green skills is investing in the economy

To bring housing stock up to EPC C by 2030 the workforce involved needs to double from 200,000 currently <sup>[10]</sup> to over 400,000. If work continues at its current pace, it is estimated that retrofitting the entire housing stock to EPC C would take over 200 years to complete <sup>[11]</sup>.

Accelerating energy efficiency work to existing homes so they achieve EPC band C by 2030 would deliver a reduction in the overall cost of decarbonising heating (estimated at £6.2bn per year), create 100,000 new jobs by 2030, and deliver a 0.6% increase in GDP by 2030 <sup>[12]</sup>.



### What we need from government

- A simpler and consistent planning process, so we can build more new social homes, reuse buildings, and accelerate energy efficiency works to existing homes.
- Investment in green skills and supply chains to support decarbonisation.
- Extended exemption for zero-rated VAT on building materials and services to retrofit, so we can decarbonise more properties faster.

# GOOD AFFORDABLE HOUSING IMPROVES LIVES

## Investing in affordable housing improves lives

Too many people cannot afford their home. 14.4m people are in relative poverty taking into account housing costs. 3.4m of these are a direct result of their housing costs <sup>[13]</sup>. Social and private renters have poverty rates of 46% and 34% respectively, compared with 12% for owner occupiers, and they are far more likely to be materially deprived or to live in food insecurity<sup>[14]</sup>.

This creates a consequential impact on mental health, with homeless children three to four times more likely to have mental health problems, even after being rehoused <sup>[15]</sup>, and over one fifth of adults who have had a housing problem in the last five years saying it had a negative mental health impact <sup>[16]</sup>.

## Investing in affordable housing creates improved life chances

Children who are homeless are two to three times more likely to be absent from school <sup>[17]</sup> and nearly half (48%) of those in overcrowded homes struggle to do their homework due to the lack of space <sup>[18]</sup>. By investing in good housing and stable homes, we can support a positive childhood experience and future generations to find sustainable employment.



## We need to support people to age in place and to rightsize their home

It is widely known that we have an aging population and a shortage in age-appropriate housing. One in seven homes is headed by someone aged 65 or over and is in a condition that could endanger the health of the people who live there <sup>[19]</sup>, with the risk of falls the most common

case of poorer housing <sup>[20]</sup>. Age-appropriate housing could save the NHS and social services £2.1bn per year if just 1 in 8 over 80s were provided with more appropriate housing <sup>[21]</sup>.



### What we need from government

- Support for longer-term housing planning through a five-year rent policy, helping to reduce homelessness and unmanageable debt.
- Dedicated planning requirements and higher grant rates for older people’s homes with genuine community infrastructure.

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## FURTHER INFORMATION

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