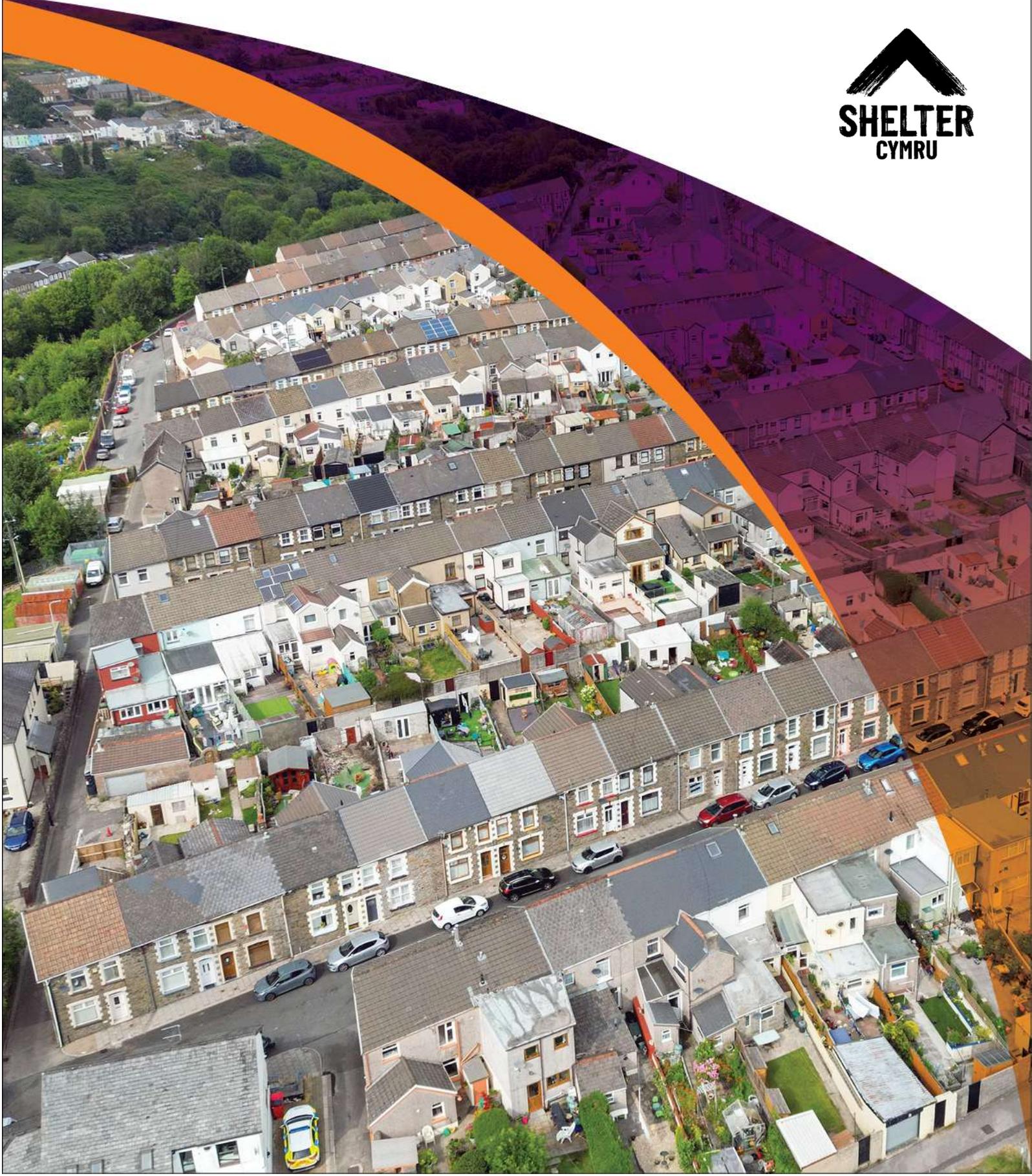


Tenure change: turning existing dwellings and buildings into social homes

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March 2026


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Acknowledgements

The research has been conducted in partnership with Shelter Cymru, Wales's national homelessness charity.

Shelter Cymru help thousands of people each year across the country who are affected by the housing emergency by offering free, confidential and independent advice. They also campaign to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society.

This research was kindly supported by the Lloyds Bank Foundation.



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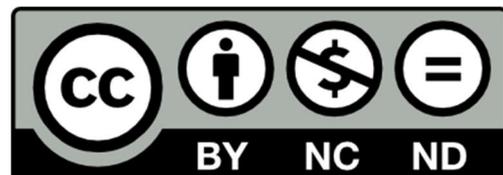
Citation

If you are using this document in your own writing, our preferred citation is:

Dearden, W. (2026), Tenure change: turning existing dwellings and buildings into social homes, Bevan Foundation. <https://www.bevanfoundation.org/resources/tenure-change/>

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Executive Summary

It has become clear that the housing crisis cannot be ended in the short term by only focusing on building new homes. Every new social home built has been hard won with land availability, construction costs and consent processes all creating challenges. Meanwhile, demand continues to grow with one in every 14 households in Wales now on a housing waiting list. Thousands wait whilst living in temporary accommodation – at worst a bed and breakfast room with limited and possibly unsafe facilities.

So, why don't social landlords change the focus from the building of new homes and instead, buy up existing dwellings in large numbers, changing their tenure from private to social ownership? And, why don't they also convert more empty buildings into social homes?

The Bevan Foundation believe that there are real opportunities to boost the supply of social homes in Wales by making use of the existing dwellings which we already have, as well as re-purposing existing, non-residential buildings. In this report we evidence the benefits of working with existing dwellings and buildings, but also the barriers which prevent acquisition and conversion for social homes being done at scale. Our recommendations focus on how to change this through a shift in public policy, funding and practice.

The opportunities

There are many opportunities for social landlords to acquire existing dwellings with over 50,000 residential sales in Wales every year. There is potential to purchase dwellings which are being actively marketed, as well as to proactively approach current owners with the option to sell:

- **Making use of empty dwellings** - Perhaps the most obvious place to start looking for opportunities within the existing housing stock is with the dwellings currently standing empty. There were 22,528 chargeable empty dwellings in Wales for Council Tax purposes (2025/26) which had been empty for 6 months or more. An estimated 3,600 to 4,500 could be suitable for purchase as social homes.
- **Returning homes to social housing** – 150,000 social homes were sold under the former right to buy policy. 41% or 60,000 of these are likely to now be rented privately.
- **Taking advantage of changes in private ownership** – greater regulation of privately rented dwellings, second homes and holiday lets has led to some owners considering their investment options.

There are also many opportunities to relieve the pressure on finding new land for housing development by re-purposing existing buildings which are standing empty. The Bevan Foundation has previously estimated that more than 1,300 homes could be provided through the redevelopment of unused faith-owned spaces.

The benefits

The benefits of working with existing buildings in this way are often overshadowed by the perceived advantages of building from new, but that does not mean that they are not insignificant.

Working with existing dwellings can deliver homes more quickly as well as having the potential for cost savings. There are also wider environmental benefits to improving the energy efficiency of private sector homes – which are lagging behind the social sector – and reusing the embodied carbon already spent in existing properties.

The use of existing dwellings and buildings also provides an opportunity to provide homes in the heart of existing communities and to benefit from existing infrastructure connections.

Overcoming the barriers

The barriers to tenure change and re-purposing are also significant - although we would argue not insurmountable - if viewed with pragmatism and flexibility. There are clear steps which the next Welsh Government could take to improve both the financial and specialist support required.

A significant barrier to address however, is the policy conflict between aspirational, zero carbon standards for any homes brought into the social housing stock and the need to boost supply. It is right to ensure that tenants have the guarantee of a good quality home, but we must be pragmatic and led by what tenants need and want. Current standards are driving up costs and making many existing dwellings unsuitable for acquisition – including former social homes of the same design and layout as those already owned by social landlords.

Calls for broader flexibility or a lowering of standards for acquisition have been met with a Welsh Government response that they do not want to create two-tiers of accommodation standards. We would counter this argument by making the case that temporary accommodation could itself be regarded as a “second” tier of accommodation. Here, thousands of households may experience accommodation which does not even meet the lowest standards as they wait in hope for a gold standard social home.

Conclusion and recommendations

As the Bevan Foundation called for in our manifesto document, the next Welsh Government must fully realise the potential of existing dwellings and buildings to address the shortage of social homes. We recommend that this is done by:

- **Ensuring that tenure change opportunities are maximised**
 - The suitability of existing dwellings and conversions for social homes needs to be assessed on a property-by-property basis. The merits of each individual dwelling should be assessed against a set of guiding principles, allowing for balance between physical factors such as room sizes with wider considerations on demand and suitability.

- The Transitional Accommodation Capital Programme (TACP) funding requirement to sell a dwelling after 10 years if it does not meet the Welsh Housing Quality Standard needs greater flexibility.
 - A review of the Welsh Development Quality Requirements (WDQR) and the Welsh Housing Quality Standard (WHQS) to establish the elements which prevent tenure change, provide pragmatic flexibility and prioritise the elements which are most important and beneficial to existing and future tenants.
 - In particular, a critical review is needed to assess the merits of requiring all social homes to meet an Energy Performance Certificate rating of A.
- **Enhancing financial support for tenure change**
 - Distinct and enhanced funding is needed for social housing schemes which make use of existing dwellings and buildings. This should clearly recognise the wider benefits and cover additional costs.
 - Land Transaction Tax rules should be amended to ensure that they do not stifle tenure change and re-purposing for social homes by exempting all types of social landlord as well as community groups.
 - The next Welsh Government must call on the UK Government to review VAT rules which favour new build development over working with existing dwellings and buildings.
 - **Supporting the retrofit process**
 - To ensure that tenure change is not viewed in isolation to the wider decarbonisation of the housing stock, future retrofit plans need to recognise the benefit of bringing private sector homes into social ownership.
 - For decarbonisation to happen at scale and across all tenures, there is a need to address skills shortages in this area through strategic action.
 - **Supporting specialist and proactive action**
 - A Welsh Government funding package is needed to increase capacity for empty homes (and buildings) work at a local authority level, and to provide initial match funding for dedicated officer posts.
 - A network for empty homes/property officers is needed to provide support, build awareness, share experience and promote the role of bringing empty dwellings and buildings back into use.
 - There is potential for local authorities to make greater use of Council Tax premiums on empty dwellings, but greater transparency is also needed on how additional income is being spent and funds should be ringfenced for housing-related activities.

1. Introduction

It has become clear that the housing crisis cannot be ended by only focusing on the building of new homes. Every new home delivered against the Welsh Government's 20,000 homes (in the social rented sector) target has been hard won, with issues of land availability, construction costs and consent processes all creating challenges.

Meanwhile, as Shelter Cymru has reported¹, the need for more social homes continues to grow. More than 94,000 households are on social housing waiting lists, the equivalent of one in every 14 households in Wales. Their need for a social home is fuelled by the ongoing cost of living pressures on their household budgets and the shortage of affordable housing options.

6,285 households are living in temporary accommodation while looking for a permanent home. At worst, this is likely to be a bed and breakfast room which may be unsafe and have limited facilities which are shared with others. As the Bevan Foundation has reported² we are particularly concerned about the impact that this is having on the health and development of the 2,500 children involved.

It is logical to ask: why don't social landlords change the focus from the building of new homes and, instead, buy up existing dwellings in large numbers and change their tenure from private to social ownership? Surely that is the quickest way to get people moved on from temporary accommodation? And why don't they also convert more empty buildings into social homes?

The Bevan Foundation believe that there are real opportunities to boost the supply of social homes in Wales by making use of the existing dwellings which we have, as well as re-purposing existing non-residential buildings. This report explores:

- the opportunities available to us in Wales to change the tenure of existing dwellings into social homes and to re-purpose existing buildings
- the benefits of working with the dwellings and buildings which already exist rather than just relying on building new
- the barriers which prevent acquisition and conversion for social homes from being done at scale

The report concludes by identifying actions for the next Welsh Government to unlock the potential of tenure change and re-purposing and by making recommendations for change including shifts in public policy, legislation, funding and practice.

2. Setting the context

This introductory section identifies the opportunities within our existing housing stock for tenure change to take place. It also explores the prevalence of vacant which have the potential for re-purposing.

Definitions of key terms used in this report:

- **A social home** – a rented home provided by a local authority or housing association at rent levels which are regulated by Welsh Government.
- **An existing dwelling** – a residential property which has already been built
- **An existing building** – a non-residential/commercial property which is vacant
- **Tenure change** – refers to the purchase of a privately owned existing dwelling by a social landlord for the purpose of refurbishing it and providing it as a social home
- **Re-purposing** – refers to the purchase and conversion of an existing building by a social landlord for the purpose of refurbishing it and providing it as a social home

2.1 Opportunities to acquire existing dwellings

As the JRF recognise in their briefing, Making a House a Home,³ new housing supply is needed and can have an impact in reducing housing costs. However, *“the housing debate has too often been narrowly focussed on the need for a sustained increase in house building” and “we must place a much greater focus on the homes we already occupy”*.

Thinking about the opportunities to significantly boost the supply of social homes, the primary focus has been on building new, either through developments led by social landlords, or through section 106 arrangement on market led developments. However, with the number of all new dwellings being completed at a historic low - 4,631 in 2024/25 compared to double that number 20 years ago⁴ - the number that can be provided as social homes is also limited.

In contrast, if we theoretically regard every sale of an existing dwelling as a potential opportunity to acquire it as a social home, there were 50,150 notifiable⁵ transactions of “residential property” (i.e. dwellings) in Wales during 2024/25. So, there were more than 10 times the opportunities to acquire than to build new.

Looking at the place which acquisitions could take in the current housing market, new data provided by the Welsh Revenue Authority⁶ tells us that 9% of all residential transactions between July 2024 and June 2025 were purchases by private landlords. A further 6% were purchases for second homes or holiday lets. If these properties were instead acquired by a social landlord – assuming that they would be suitable, in the right location, and so on – that could be an additional 7,480 homes per year.⁷

2.1.1 Making use of empty dwellings

Perhaps the most obvious place to start looking for opportunities within the existing housing stock is with the dwellings currently standing empty.

The 2021 Census puts the total number of unoccupied dwellings at a significant 88,532, or 6% of all dwellings. We know there will be a number of “transactional empties” in these figures i.e. those dwellings unoccupied for a short period of time due to a sale, relet etc.

A lower figure is provided from Welsh Government Council Tax data which records 22,538 chargeable empty dwellings in Wales for 2025/26 – these dwellings will have been empty for six months or more. 13,220 of these were long term empty dwellings which were being charged an additional Council Tax premium as they had been empty for more than a year.

Fig 1: Empty dwellings in Wales



Sources: Census 2021* and Chargeable empty dwellings for Council Tax purposes 2025/26** Available at - [Number of vacant and second homes, England and Wales: Census 2021 - GOV.UK](#) and [Chargeable empty and second homes, by year \(number of dwellings\)](#)

The Bevan Foundation’s recent analysis of Council Tax data⁸ suggests that bringing empty dwellings back into the market could increase the supply of lower value, more affordable homes. It found that across Wales, chargeable empty dwellings were more likely to be in the lower value bands: 49% of all chargeable empty dwellings were in the lowest two bands compared to 35% of all chargeable dwellings (occupied and unoccupied).

The potential for empty dwellings within private ownership to be brought into use as social homes has long been recognised, with calls for more focus on this wasted housing resource in Wales dating back at least 15 years.⁹ The Senedd Committee inquiry into empty homes in 2019¹⁰ concluded that where this was happening it worked well and provided an effective solution to increasing the number of social homes in an area.

Research conducted by Shelter¹¹ and Crisis¹² in 2023 in relation to empty dwellings in England estimated that 16-20% could be acquired and provided as social homes within a three to four year period if there was sufficient funding available. Based on the number of

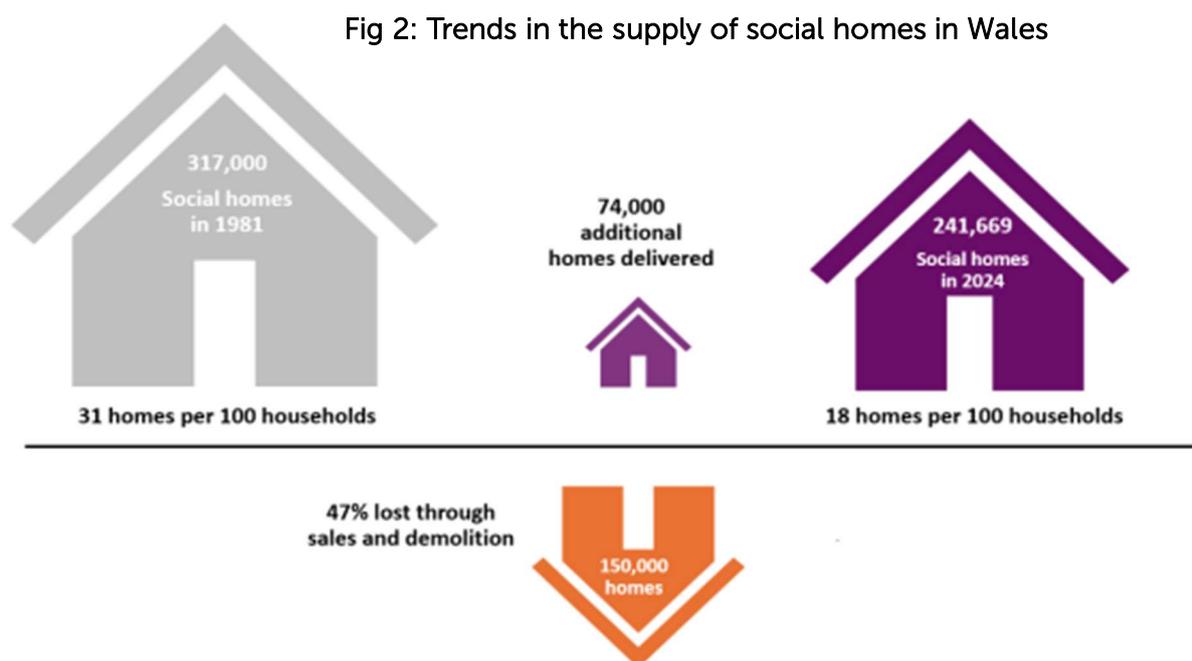
dwellings empty for six months or more in Wales provided by the Council Tax data, we have calculated that this could equate to an additional 3,600 to 4,500 social homes.

Whilst some empty dwellings will be being actively marketed for sale, as the Welsh Government's Empty Homes Handbook recognises,¹³ many more will be stuck in the limbo of a variety of situations such as inheritance proceedings, relationship breakdown, or failed investment, and may require proactive action to be unlocked.

2.1.2 Returning homes to social housing

A key factor in the shortage of social housing is the loss of homes due to the right to buy policy introduced in 1981, which enabled tenants to buy their home at a discounted price. The Bevan Foundation's report *Nowhere to call home: The shortage of social and community homes*¹⁴ estimates that around 150,000 social homes had become privately owned by 2024,¹⁵ nearly half (47%) of the 1981 stock. The number of new social homes created since then has not made up for these losses, with only 74,000 homes added to the stock over the same period (1981 to 2024).

Research by the New Economics Foundation estimates¹⁶ that 41% of former social homes are now likely to be rented out privately - this is an England-based figure, but we are assuming that a similar pattern exists in Wales. If so, this could equate to around 60,000 dwellings which were social homes and are now in the private rented sector.



Sources: [060901-social-housing-cycle-en_1.pdf \(gov.wales\)](#), Stats Wales, [Total social housing stock by year, provider type and accommodation type \(gov.wales\)](#), Stats Wales, [Total social landlord housing sales by period and sale type \(gov.wales\)](#), Stats Wales, [Additional affordable housing provision by registered social landlords only, by location, tenure and funding \(gov.wales\)](#)

There is a significant opportunity for social landlords to purchase former social homes to boost current supply, either through purchase when they are marketed for sale or through proactive purchasing schemes.

Spotlight – Swansea Council Buy Back Scheme

Swansea City Council's 10-year More Homes Programme¹⁷ includes the acquisition of existing dwellings alongside new build developments. 205 existing dwellings have been acquired and refurbished to join its existing stock of social homes since 2018, averaging 25 dwellings per year. Over half of these, 108, have been flats and 85 have been houses.

A snapshot analysis of Rightmove listings on 23 February 2026 revealed over 50 dwellings being listed for sale in Swansea County which were former council homes.

2.1.3 Taking advantage of changes in private ownership

Greater regulation of private sector uses of dwellings over recent years – private rental, second homes and holiday lets – has led to some owners considering their investment options. Whilst there is no clear evidence base to confirm this, many media headlines^{18 19} warn of the negative impact of these dwellings being sold. The potential sale of these private sector homes could be seen as an opportunity for purchase by a social landlord.

- Privately rented dwellings

The private rented sector is the tenure which has seen the greater change over recent decades with a 155% increase in the number of dwellings being let privately in Wales between the 2001 and 2021 Census (from 89,832 dwellings to 228,642).

We are aware of cases where a social landlord has purchased dwellings from private landlords without vacant possession, i.e. with the tenant still in residence and where they become a social tenant whilst remaining in the same home. This approach has been taken in specific cases, such as where a landlord was selling a portfolio of dwellings and putting a number of households at risk of homelessness. It was also being used in the cases of larger families or families with specific accommodation needs where finding suitable alternative accommodation would be difficult.

Whilst this action is generally focused on the needs of an existing private sector tenant, opportunities to purchase dwellings to boost social housing supply equally apply if a landlord makes the decision to sell when the tenant has given notice to leave.

- Second homes and holiday lets

We know from the 2021 Census data that 17,575 dwellings were being used as second homes (1% of all dwellings). In addition, the Bevan Foundation's own analysis of Airbnb listings from May 2022²⁰ concluded that around 14,343 were being advertised as holiday lets.

Owners of second homes and holiday lets have also faced greater regulation and taxation as local authorities look to control numbers in holiday hotspots where affordability is also an issue. The Bevan Foundation will be considering the role of these interventions further in a future report. However, any turbulence in the second home and holiday let market could again be considered as an opportunity for tenure change.

- New build dwellings intended for private sale

Whilst this report is focusing on the use of existing dwellings, we also note here that new build dwellings intended for private sale could equally be purchased by a social landlord. Often referred to as “off-the-shelf” acquisitions, we have been told by social landlords that this occurs relatively frequently, normally through an approach by a developer who is looking to sell completed dwellings, but also sometimes at the planning stage for a development.

2.2 Opportunities to re-purpose existing buildings

There are also many opportunities to relieve the pressure on finding new land for housing development by re-purposing existing buildings which are standing empty.

A wide range of building types can and have been re-purposed which shows that this is a viable and creative option across the built environment: from police stations, care homes and schools to pubs, shops and dentists’ surgeries, a diverse range of buildings are being reused, re-purposed, or planned for residential conversion, showcasing strong potential for flexible conversion.

Habitat for Humanity Great Britain²¹

2.2.1 Faith owned buildings

The Bevan Foundation’s report *Regenerating communities: affordable homes from unused faith owned spaces*²² considers alternative ways of finding more sites for social and community homes. It explores the housing potential of faith-owned spaces which may no longer be viable for their current purpose or in many cases already sit unused - something which Housing Justice Cymru have advocated for and enabled through their Faith in Affordable Housing Project.

Places of worship, primarily churches and chapels, are a key feature of our built environment in Wales. It is therefore concerning that 25% have closed in the last decade. Closure rates are fuelled by a decline in attendance at religious services as well as a fall in the number of people training to be religious leaders. It has been predicted that 70% of places of worship in Wales could close in the next 20 years.²³

Our analysis showed that in 2021 there were around 3,200 places of worship in Wales and 290 associated buildings such as meeting halls. We have previously estimated that more than 1,300 homes could be provided through the redevelopment of unused places of worship and associated buildings.

2.2.2 Other buildings

In their Empty Spaces to Homes research,²⁴ Habitat for Humanity Great Britain remind us that “*the solutions to some of society’s most pressing challenges are often hiding in plain sight*”. Focusing primarily on vacant local authority-owned properties the report shows that in Wales these rose considerably between 2021 and 2025.

The report also recognises that the opportunity for conversion is not limited to public assets. There is also a substantial volume of empty non-residential space in private ownership, whose viability as places of business has been subject to the economic decline of the high street, changes in the nighttime economy and the prevalence of

online shopping and services. Some prominent spaces in communities are commercially owned. Examples include:

- public houses - over the past six years Wales has lost 272 pubs, decreasing from 3,215 in 2017 to 2,943 at the end of last year 2023.²⁵
- branches of banks and building societies - as more people use online banking services and choose to shop online, many banks have closed local branches. ONS statistics²⁶ on bank and building society branches reveals a 37% reduction in Wales in the decade from 2012 to 2022. This equates to 260 fewer branches.

2.3 Opportunities for funding

Having highlighted the opportunities to acquire existing dwellings and re-purpose buildings, it is also useful to reflect upon the main sources of capital funding available to social landlords to turn them into social homes.

- Social Housing Grant (SHG)

SHG is the main funding stream made available by Welsh Government to support social housing delivery. The grant bridges the gap between what it costs to build/deliver a social home and what social landlords can recover through the rent which they are allowed to charge. Social housing rent levels are regulated by the Welsh Government to ensure affordability.

Acceptable Cost Guidance (ACG) sets a benchmark cost for building different types of homes. SHG then covers a portion of that benchmark cost, and the rest must be funded by the landlord through borrowing or reserves. New social homes must be provided to the Welsh Development Quality Requirements (WDQR) (see 4.1.1).

The grant is paid directly from Welsh Government to the social landlord; however, the local authorities have the responsibility of prioritising which projects will get funded based on demand in their area. Their priorities could include making specific provision for empty homes to be acquired or existing buildings to be refurbished.

- Transitional Accommodation Capital Programme (TACP)

The TACP programme started around 2022 and *“seeks to create accommodation capacity in response to both pressures related to significant numbers of people experiencing homelessness, living in temporary accommodation in Wales and the need to rapidly increase the supply of suitable and good quality transitional accommodation.”*²⁷

It allows for the purchase and delivery of social homes which do not initially meet the Welsh Development Quality Requirements (WDQR) standard but requires that those homes must be remodelled within 10 years to meet the Welsh Housing Quality Standard (WHQS) (see 4.1.2) and wherever possible WDQR.

Properties which are unable to meet WHQS can be purchased and used for a minimum of five years and a maximum of 10 years, after which they must be sold on the open market.

TACP can be used to fund schemes providing self-contained accommodation through:

- property acquisitions off the market (including long term empty properties), from private developers (“off-the-shelf”) and from private rented sector (including tenanted properties)
- buying buildings to convert into housing
- demolition and new build of existing stock, bringing long term empty social homes back into use and converting existing non-residential buildings owned by social landlords
- using available sites awaiting re-development for long term use or meanwhile use such as container-style accommodation

3. The benefits

Having clearly evidenced the potential to acquire existing dwellings and re-purpose vacant buildings to provide much needed social homes, this section considers the wider benefits of taking this approach.

3.1 Delivery benefits

The Bevan Foundation's research into the shortage of social homes²⁸ highlighted the complexity of the process for delivering new build homes. Our conversations with stakeholders have suggested that there are opportunities to ease the delivery challenges by working with existing dwellings and properties.

3.1.1 Speed

A development of new properties can take a long period of time to progress from an initial proposal to a front door that someone can walk through and move into their new home. As a local authority development officer reported to us:

We could be working on a scheme for a good number of years before we're even able to put a spade in the ground. Someone waiting for a house would be waiting three or four years to get a key if we were just starting to work on a scheme.

If we simplistically consider the process of a social landlord acquiring and refurbishing an existing dwelling in comparison to building a new home:

- it requires no planning permission (unless it is being significantly extended)
- it is already connected to services such as electricity, gas and water
- it has already been built
- conveyancing process such as legal searches and surveys are likely to be more simplistic for an individual dwelling than a development site

A social landlord will still require grant approval before it can progress with the sale. However, once the sale has been completed, the time it takes for the property to be ready for a new tenant is dictated simply by the level of refurbishment work which is required. We discuss the standard to which social homes must be provided in section 4.1.

Once the property is ours, we might be able to relet it within six months, depending on how much work needs to be done. It's so much faster than building from scratch.

Local authority development officer in conversation with the Bevan Foundation

The benefit of speed is most relevant when comparing the purchase of existing dwellings to new build. The conversion of existing buildings will require many of the same processes as new build, for example service connections may be in place but need to be upgraded for residential use or multiple dwellings. It was however suggested to us that a proposal for conversion of an existing building was more likely to make its way through the planning system than if the same scheme was for demolition and new build.

It is often easier to get planning decisions for conversion against demolition and new build. It helps protect, you know, cultural heritage.

Chartered Institute of Building (CIOB) in conversation with the Bevan Foundation

3.1.2 Cost

Development officers also told us about the relative cost savings of acquiring existing homes when compared to building new ones. We were informed that completed new build dwellings built to the Welsh Quality Housing Standard are currently costing around £285,000. An average house price in Wales is currently £237,000²⁹ leaving around £50,000 for works before it would cost the same as a new build home. In particular, it was highlighted to us that former social homes are often for sale at lower-than-average values, making them a cost-effective option for purchase.

With the right to buy properties we've been acquiring, you get two, maybe three for the price of a building a new one.

Local authority development officer in conversation with the Bevan Foundation

3.1.3 Knowledge and experience

Local authority landlords also told us that acquiring dwellings was a natural first step when they were able to start accessing the social housing grant in 2021 for additional homes.

We hadn't built a new house for probably 40 years... so there weren't many experts around. We soon discovered that you can't just turn up with some bricks and a cement mixer and build a couple of houses overnight ... it takes quite a long time.

Local authority development officer in conversation with the Bevan Foundation

We were told that whilst new development teams were being recruited, it was possible to acquire and refurbish dwellings with the knowledge and experience of existing officers.

For many social landlords (councils who did not transfer their homes to a housing association, or a housing association created due to stock transfer) the purchase of these homes fills gaps on the estates that they already own and manage. In the case of flats, they fill gaps within the same building as their existing homes.

3.2 Environmental benefits

The Senedd has committed in law to bind the current and future Welsh governments to achieving net zero emissions in Wales by 2050, when it passed an amendment to the Environment (Wales) Act in 2021. The law places a duty on Welsh ministers to act to meet this target, and to set and meet interim targets - codified in "carbon budgets".

As the Climate Change Committee recognised in their 2023 inquiry into decarbonising the private housing sector³⁰

Wales' 1.4 million homes account for 11% of its overall carbon emissions. More than 90% of existing homes are predicted to remain in use by 2050... The condition of the existing housing stock, the prevalence of older homes, poor energy efficiency, and high levels of fuel poverty mean this is a huge challenge.

The residential buildings sector covers emissions from direct fuel combustion in homes as well as household products. According to the Welsh Government's Carbon Budget 2,³¹ the dominant source of emissions is from combustion for heating and cooking in residential buildings, which make up 97% of the sector emissions and 9.3% of total Welsh emissions.³²

3.2.1 Improving the energy efficiency of private sector homes

If Wales is to meet its carbon emission reduction targets, these homes will need to be retrofitted to improve energy efficiency... none more so than for the privately-owned sector, which makes up over 80% of the total housing stock.

Senedd Climate Change committee

The Senedd Committee inquiry into decarbonising the private rented sector³³ concluded that *"there was widespread consensus among stakeholders that the Welsh Government's approach to decarbonising the privately-owned sector has, to date, been insufficient and ineffective."*

Private housing is the elephant in the room that must be addressed if housing is to play its role in reaching the target of a net-zero UK by 2050. Incentivising and funding the decarbonisation of private housing is the only way we will truly impact the marketplace at the pace and scale needed if we are to meet our shared ambition.

Chartered Institute of Housing written evidence to the Climate Change Committee

Responding to the committee, the then Minister for Climate Change explained that the Welsh Government has been focusing efforts on the social housing sector as this is where it has the *"most ability to set direction and influence"*. The current approach is to channel investment (via the Optimal Retrofit Programme) through social landlords to support a 'testing and learning' approach to decarbonising homes, which will *"provide the springboard to rapidly start the decarbonising of homes in other tenures"*.³⁴

The Chartered Institute of Building (CIOB) has produced a manifesto of priorities for the next Welsh Government. These include a call to develop and implement a retrofit plan for the private housing market as lessons from initiatives focused on social homes have *"yet to be fully applied to the private sector."*

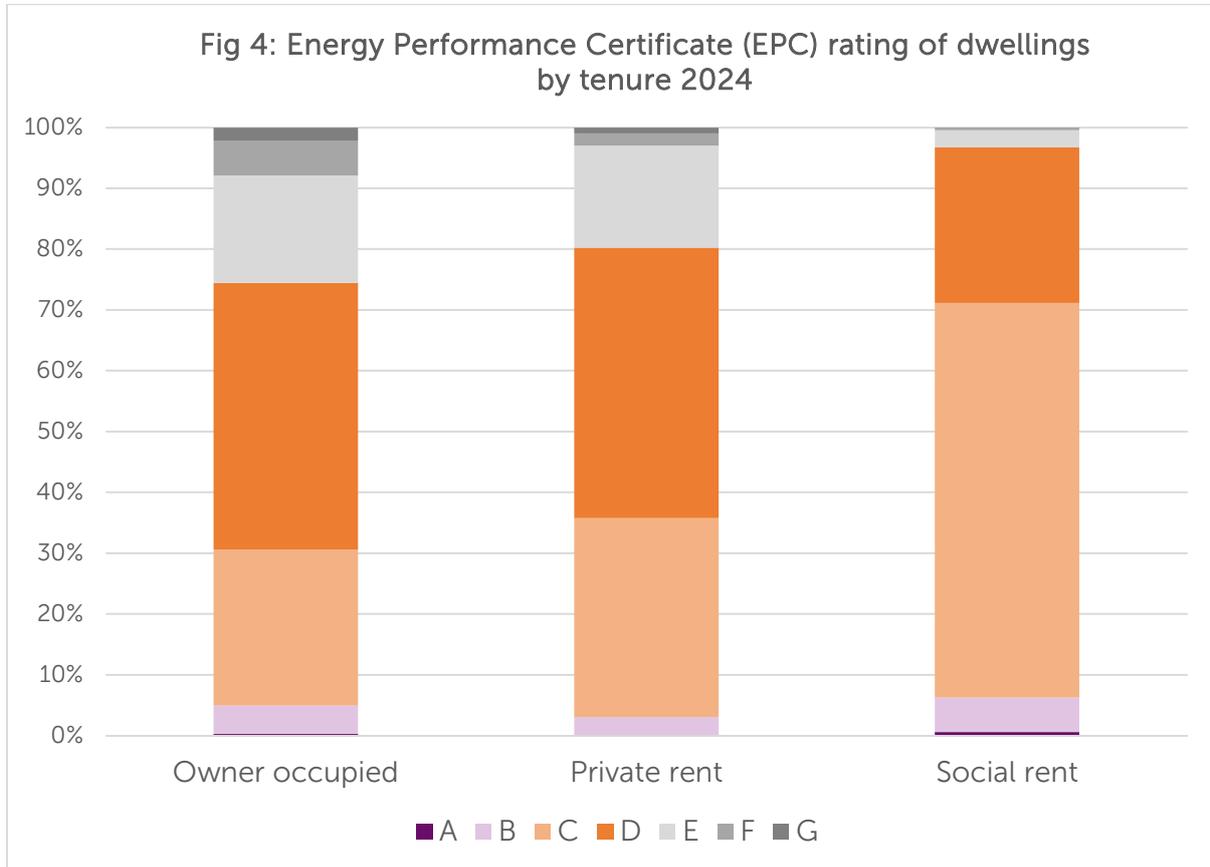
Energy performance certificate (EPC) data from 2024³⁵ reveals clear variations between different tenures and particularly between social homes and privately owned dwellings:

- social homes were clearly the most energy efficient, with 71% of those with EPC certificates having a rating of C or above. Social homes also had the highest number of EPC A rated homes at 0.6%.
- private rent and owner-occupied dwellings had similar proportions of EPC ratings at D or below, at 64% and 69% respectively.
- owner-occupied dwellings however had the highest proportion of the lowest value ratings, with 8% with an F or G rating, compared to 3% of private rents and 0.5% of social homes.

In the Bevan Foundation's own discussions with stakeholders, it was agreed that the acquisition of a private sector dwelling by a social landlord, and the works that it would be required to complete (see standards 4.1), would be a real opportunity to improve some of the worst performing dwellings.

There's a real opportunity to raise standards of those homes - some of the worst performing homes - and make them better, so that they're much warmer and greener and healthier places to live with energy bills that are permanently low.

National Energy Action in conversation with the Bevan Foundation



Source: [Individual Energy Performance Certificate \(EPC\) Bands, England and Wales - Office for National Statistics](#)

3.2.2 Reusing embodied carbon

The UK Greener Build Council provides a definition of embodied carbon as the remaining carbon emissions associated with the material extraction and manufacture, construction, maintenance of an existing building.³⁶

Research conducted in 2019 by C40 Cities, Arup and the University of Leeds³⁷ found that reducing the global demand for new buildings by 20%, for example through converting existing buildings, would reduce global carbon emissions from buildings and infrastructure construction by 12%.

The Welsh Government Carbon Budget 2³⁸ estimates that around 50% of all the carbon a dwelling creates throughout its whole life will have been produced in construction before the first resident moved in.

Therefore, working to make more effective use of our housing stock, such as utilising empty dwellings and re-purposing existing buildings, is an effective way of recycling

already spent carbon and reducing future emissions whilst providing additional social homes.

3.3 Community benefits

It is also important to note the wider community benefits of bringing empty dwellings and buildings back into use.

3.3.1 Providing homes where they are most needed

In the Senedd's Local Government and Housing Committee into the supply of social homes in 2025,³⁹ it was clearly recognised that *"It is vital that the right types of homes are being built where they are needed"* and that the use of existing dwellings and buildings provides an opportunity to do this in the heart of communities.

In particular, the committee recognised the acute need for more one-bed homes and called for a Welsh Government strategy which made *"the most of acquisitions, building units on infill sites within existing communities, remodelling houses into smaller houses, and bringing flats above high street shops back into use."*

3.3.2 Retaining a sense of place

In the Bevan Foundation's report on re-purposing faith-owned spaces,⁴⁰ we recognised that church buildings often occupy prominent positions within a community and are a key feature in its architectural landscape. Even for people of no religion, they can be reminder of major life events such as weddings and funerals, as well as being the place where commemorative events are often centred. The same could be said for the school building, the pub or even the house at the end of the road that you have walked past every day.

On the cultural heritage point, there's a really interesting angle around people's sense of place and identity. In a world that's changing very, very rapidly and causing a lot of tension, actually doing something that helps retain the physical reality of the place you know and call home can be really important.

Habitat for Humanity Great Britain in conversation with the Bevan Foundation

The Scottish Land Commission⁴¹ has researched the impact of vacant and derelict sites on the surrounding community. These sites can affect a community's health, environment, economy and social cohesion. They are also often associated with economic downturn, vandalism, neglect and population loss. Their findings suggest that unused sites can:

- impact significantly on a community's perception of itself. The effect can be more pronounced for older people who remember what sites were used for in the past and who have witnessed a decline from productive use.
- reduce the potential for investment, and that this is more pronounced where the land had previously been used for economic or commercial use.

3.3.3 Utilising existing infrastructure

Planning Policy Wales (PPW)⁴² sets out the land use planning policies of the Welsh Government. It states that previously developed sites (brownfield) should, wherever

possible, be used in preference to greenfield sites. Such land should generally be considered suitable for appropriate development where its re-use will promote sustainability. From a regeneration perspective, such sites also allow for the transformation of central locations with access to transport links, schools, and amenities.

When you're making better use of existing buildings, they're often well connected from an infrastructure point of view and from a transport point of view. You can make the process of adding extra housing much easier in that sense.

Habitat for Humanity Great Britain in conversation with the Bevan Foundation

As well as being well located for services, existing dwellings and buildings will, in most cases, benefit from being connected to the existing utility infrastructure. When developing new build homes, new infrastructure connections such as electricity and water can have a significant cost and delay the development process. As an example, the construction press⁴³ have reported that “grid delays are overtaking planning as the biggest risk to UK construction, leaving projects stalled and costs spiralling”.

3.4 Economic benefits

The Welsh Government’s Empty Homes Handbook⁴⁴ recognises that both empty dwellings and vacant properties can have a detrimental impact leading to “further increase in vacancy rates, as well as issues with a lack of opportunities for individuals to move around. This can lead to higher levels of deprivation and inequality.”

Bringing empty commercial properties back into use can also contribute to the revitalisation of town centres. This can include the delivery of housing. In particular, high street retail properties that have the capacity for residential accommodation above the commercial premises present opportunities for business renewal, regeneration, and housing priorities to be met within communities.

What strikingly makes a huge difference is having people living back in our retail areas and our streets. That has a massive effect... because of the housing provision in the retail area, they trade longer into the evening, so the rents are more valuable to the landlord. Where there's very little housing above the retail, they stop trading at 5:00pm, the shutters come down and it's like a ghost town afterwards.

All it takes to open up the upstairs of these buildings is one staircase onto the street or a lift shaft

Chartered Building Surveyor in conversation with the Bevan Foundation

4. Overcoming the barriers

We have outlined the opportunities and benefits of tenure change, but our discussions with stakeholders have also highlighted that are barriers to acquiring existing dwellings and re-purposing building at scale.

4.1 Preventing opportunities being missed due to accommodation standards

The Welsh Government sets accommodation standards for both new or additional dwellings which are being delivered by social landlords and the existing homes which social landlords own and manage.

- Welsh Development Quality Requirements

Welsh Development Quality Requirements (WDQR)⁴⁵ set the minimum quality standards that all new affordable housing (including social housing) must meet in Wales. The current standard was updated in 2021, replacing the older Development Quality Requirements (DQR) that had been in place since 2005. WDQR requires that all new affordable homes:

- should be of high quality, innovative and sustainable.
- should be flexible, responsive to the changing needs of the occupants, meet the changing needs of a variety of households who will occupy the building over its life and be of sufficient size.
- should be safe and secure.
- should be of sufficient size to meet the needs of occupants, have a convenient layout for everyday living and have adequate circulation space.

The standards are prescriptive in many areas of design and layout, including adequate space for furniture and storage, a private garden and parking provision. Specific space standards require set minimum sizes for bedrooms and floor to ceiling heights.

Reflecting Welsh Government's net zero commitments, new homes must also have an EPC rating of A and not use fossil fuel fired boilers to provide domestic hot water and space heating. WDQR states that *"Where homes are being refurbished, social landlords should (if practicable and cost effective to do so) take all opportunities to meet the standard, but where this is not possible homes must have adequate space and facilities for everyday living."*

- Welsh Housing Quality Standard

The Welsh Housing Quality Standard (WHQS)⁴⁶ is concerned with the condition of existing social homes. It was first introduced by the Welsh Government in 2002 with a vision to ensure that *"all households in Wales have the opportunity to live in good quality dwellings"*. It comprises the following elements to ensure to ensure that a home:

- is in a good state of repair,
- is safe and secure,
- is affordable to heat and has minimal environmental impact,
- has an up-to-date kitchen and utility area,

- has an up-to-date bathroom,
- is comfortable and promotes wellbeing,
- has a suitable garden, and
- has an attractive outside space.

WHQS was amended in 2023 to include additional provisions such as floor coverings, additional storage and the introduction of biodiversity considerations. The amendments also included the first EPC rating requirements for social homes – EPC rating having been introduced in 2007. These were that:

- heating systems must be reasonably economical to run and capable of heating the whole of the home to a comfortable level in normal weather conditions to a rating of EPC A).
- a minimum rating of EPC A must be achieved across home through the installation of measures or planned for as part of a future programme of works.
- in the interim, all homes must meet a minimum standard of EPC C by 2030.
- a minimum carbon emission rating of EIR 92 must be achieved or planned for as part of a future programme of works.

Specific room size standards are included in the 2023 WHQS the nominal occupancy designation of social homes owned before 31 March 2024 - i.e. the number of people who should be allowed to live in there - may remain *“unless it is practical and cost effective to achieve the requirements”*. New build homes and existing dwellings which are acquired from 1 April 2024 onwards must comply with the 2023 WHQS requirements.

- Statutory consents

Relevant planning and other statutory consents are also required for new social home developments, the conversion of existing buildings and when making large extensions or significant alterations to an existing home.

4.1.1 Providing pragmatic flexibility on the physical requirements for social homes

Throughout our discussions on the potential for tenure changes, stakeholders have repeatedly reported to us that the requirements of WDQR and WHQS have been a significant barrier. They were able to cite many occurrences of this leading to them walking away from otherwise promising opportunities.

Difficulties with existing dwellings range from the size of rooms, parking requirements and retrofit measures such as a lack of suitable insulation. Even former social homes are not being acquired due to current standards or are subject to restrictions.

There are a lot of properties that we simply wouldn't acquire because no amount of investment will let those reach the standard, and, surely, a home is a home. And when we're talking about slightly smaller rooms, is that really something that we should be focusing on?

WLGA oral evidence to the Senedd Local Government and Housing Committee follow up inquiry into social housing supply⁴⁷

For some homes external wall insulation is not suitable and therefore internal wall insulation is more appropriate, however this results in reducing the size of rooms. In order to create a warmer home, help reduce the energy needed to create a warmer home and move towards low carbon homes, it would seem more appropriate to compromise on space standards.

Rhondda Cynon Taff County Borough Council written response to Local Government and Housing Committee inquiry into social housing supply⁴⁸

It could be as simple as <a housing association> looking at the room sizes and saying, "no, we can't meet WHQS" and it's discounted completely. There might have been somebody living in that property for a long time, an owner-occupier, and it's absolutely fine for them to live with that room size.

Local authority empty homes officer in conversation with the Bevan Foundation

Spotlight – Acquiring a former social home

Described by a local authority development officer

We had the opportunity of buy a two-bed former council house in a high demand area. In one half of the bedrooms, there's a sloping roof and it was around 1.2 metres high <at the wall>. So, what appeared to be two double bedrooms had to be classed by Welsh Government as two single bedrooms. This restricts how we can use it, although we already own lots of this style of house. We've got a family in bed and breakfast and we can't put them in there. We can only let it to two single people or a single parent. If you were to go and buy that house, you would just say, we'll put the chest of drawers over that side of the wall and the bed on the other side of the wall.... Raising the standard of housing is really important, but there are plenty of examples where that could be reviewed.



Similar existing dwelling being marketed at the time of writing this report⁴⁹

Note on WHQS 2023 requirements:

- The minimum floor area applicable for bedrooms are as follows are 6.5m² for a single bedroom and 10.2m² for a double/twin bedroom.
- The ceiling height of any habitable room must be at least 2.3m and, in any habitable room with a sloping ceiling, at least one-half of the floor area should have a ceiling height of at least 2.3m.
- Any part of the floor area of a room in relation to which the height of the ceiling is less than 1.8m is not to be considered in determining the floor area of that room.

We have also heard that WDQR and WHQS can make re-purposing of existing buildings more difficult and can lead to proposals not being taken forward. This appears to particularly be the case for town centre opportunities and empty spaces above shops. Planning requirements are also a cause of frustration.

WHQS makes it really difficult for flats above shops, for example, because there are valid fire safety concerns. But instead of looking for ways around it, you know, again, that just kind of encourages new build.

Chartered Institute of Building (CIOB) in conversation with the Bevan Foundation

There are town centre sites in Conwy which could provide conversion to social units, but this isn't possible due to the standards required. In addition, the parking requirements through planning make town centre sites challenging.

Conwy County Borough Council written response to Local Government and Housing Committee inquiry into social housing supply⁵⁰

It's like trying to put a round peg in a square hole when you're converting anything. You need to be sympathetic but the cost with social housing can be an issue, you also need more square footage than you do with private housing.

Property manager in conversation with the Bevan Foundation

There appears to be a strong area of conflict in housing policy with aspirations to provide the highest quality, most energy efficient social homes having direct consequences on whether tenure change and re-purposing opportunities can be taken forward. This is ultimately curtailing the number of homes which can be added to the social housing stock. One stakeholder described this conflict to us very succinctly:

Is the priority more houses? To combat homelessness? Or is it reaching net zero and saving the planet? Obviously, you want to do everything...

Local government development officer in conversation with the Bevan Foundation

The Senedd's Local Government and Housing Committee has reported⁵¹ that "acquisitions could be a bigger part of the supply solution if there was further flexibility in meeting standards". It recommended that a separate standard should be developed for acquisitions which would never achieve full WDQR and WHQS but "can still deliver quality".

This recommendation was rejected by Welsh Government which responded:⁵²

We feel it is important to use public sector funding to invest in good quality homes at the outset, reducing the overall investment in the longer term... We would not wish to create a situation where quality expectations were lower for some homes.

We have allowed some flexibility in when a home is required to meet WHQS. Standards have been carefully reviewed and pragmatism is also applied.... We do not agree that a specific standard for acquisition of permanent social homes is in line with Government commitments around the decarbonisation of homes and to maintaining and improving the quality of all our housing stock.

4.1.2 Ensuring that opportunities can become permanent homes

A further barrier created by the required standards for social homes is the concern by social landlords that current and future regulation in this area may lead to older properties becoming a liability.

I think there are opportunities there. I think many of us are very conscious not to purchase the problems of the future. I don't want to be coming back to properties in 10 years from now and having to invest a significant amount of money.

Housing association oral evidence to the Senedd Local Government and Housing Committee follow up inquiry into social housing supply⁵³

I'm mindful of the long-term implications for an association taking older buildings. Whilst we spend a lot of money upfront at the development stage, we inherit a legacy and pass it on to our colleagues in asset management in terms of ongoing maintenance. We're passing that legacy on to our tenants in terms of future rents and service charges... it's a dilemma.

Housing association development officer in conversation with the Bevan Foundation

Whilst TACP is welcomed by many for its relaxation on standards, its flexibility is curtailed by a requirement for homes which cannot meet WHQS to be sold on the open market after 10 years (see TACP rules 2.3). This sits uncomfortably against the flexibility allowed for existing social homes where there is recognition of practicalities and cost effectiveness.

The Senedd Committee inquiry report⁵⁴ notes that sale after 10 years would mean that such homes can only provide temporary accommodation, not stable social homes. *"Given the number of people in temporary accommodation in Wales, we need more than short term solutions if we are to see an end to the current housing crisis."*

It is our understanding that a limited number of social landlords have taken up this option due to the future uncertainty that this creates.

4.1.3 Reviewing the viability and justification of costs

As well as the physical barriers which WDQR and WHQS can put in the way, tenure change opportunities can also be made unviable by the cost of works associated with meeting their requirements. This needs to be set against more expensive construction costs more generally since Brexit, the pandemic and higher levels of inflation.

It was described to us that upgrading an existing dwelling to WHQS could vary considerably based on its present condition. As well as energy efficiency measures works will normally also include the installation of new kitchens and bathrooms. Costs may range from around £15,000 for a one-bed flat to £50,000 for a three bedroom-house which is in poor condition. This is the works costs only and is in addition to the cost of purchase.

We were told that the capital funding available is generally more focused on the acquisition element and might only cover 15-20% of the works cost.

Some stakeholders reflected on the wider policy intentions of the standards and energy efficiency ambitions for social homes and whether the costs are justified:

- there were questions around the value for money of aiming for EPC A against the actual benefits for tenants in terms of tackling fuel poverty. We do not have details for refurbished homes, but have previously reported⁵⁵ that the average cost of achieving an EPC rating of A on a new build home is on average £15,000 more than an EPC B-rated home (depending on the scale of the development and construction method).
- our discussions also reflected the point picked up by the Senedd Climate Change committee that decarbonisation activity has focused too heavily on the social homes, at a detriment to private tenants and owner occupiers.

Our previous reporting⁵⁶ has highlighted the significant financial pressures that social landlords face in achieving WHQS in existing homes, particularly the EPC requirements. This has led to some landlords facing a difficult balancing act of finding sufficient finance to improve existing homes whilst also contributing to the delivery of new ones.

We have also highlighted⁵⁷ that some social homes are being lost and sold on the open market due to the cost of WHQS improvement works. We estimate that around 650 social homes will have been sold during this Senedd term (2021-2026).

Recognising the pressure on their members, Community Housing Cymru, the national representative body for housing associations in Wales, has called for the next Welsh Government to revise existing social housing standards to focus and prioritise what is important to tenants: affordable, warm, well-maintained homes.⁵⁸

4.2 Enhanced financial support for tenure change

The Bevan Foundation's October 2024 report⁵⁹ considered the shortage of social homes and challenges of delivery. In this report, we highlighted the balancing act which social landlords face in funding improvements to their existing homes, whilst also providing finance for new developments and acquisitions. These themes were repeated by stakeholders who talked to us for this current research.

Concerns were also expressed to us about the programming of capital grant allocations and the impact that this has on acquisition activity. Social Housing Grant allocations are provided over a rolling three-year basis. TACP may be more flexible in terms of standards, but the funding itself is only allocated annually. This means that funds have to be spent within the allocation year or be lost. Fixed annual budgets also result in particular opportunities being lost if the annual budget has already been committed.

4.2.1 Distinct funding which recognises the wider benefits

We have made the case in 3.1.2 above that there are cost benefits to working with existing dwellings when compared to building from new. Conversely, we must acknowledge that the conversion of existing buildings may involve additional costs.

Part of the challenge is the pressure we're under from a housing demand perspective and dealing with the more difficult properties. The temptation is to go for greenfield development, which can often be brought forward more quickly.

Policy lead at Welsh Government in conversation with the Bevan Foundation

We are aware that in many cases, more complex schemes have only been made viable due to the drawing in of additional regeneration or conservation funding.

In some circumstances, it is only the LA or RSL who is able to deliver on remodelling of existing buildings due to the costs and ability to draw in various grants such as Transforming Towns or Cadw.

Isle of Anglesey Council written response to Local Government and Housing Committee inquiry into social housing supply⁶⁰

Our report focused on faith-owned spaces⁶¹ highlighted that additional social housing grant “top-ups” have been made available for innovative construction techniques such as modular buildings, and also for specialist housing schemes where there may be adaptations to provide high levels of accessibility. Our recommendations called for enhanced capital funding to also be made available by Welsh Government for social housing schemes which re-purpose existing spaces.

Stakeholders in our discussions for this report went one step further and called for a distinct funding programme.

I can recall attempts 30 years ago to make the case of the importance of creating a funding system which supported the acquisition of existing housing. I do think that is a fundamental question: “is the social housing grant system actually working” in the context of enabling these types of solutions? I do think there needs to be a question about a separate, distinct funding programme.

Community group representative in conversation with the Bevan Foundation

Although England-focused (but where funding mechanisms have some similarities), Habitat for Humanity Great Britain have also recognised that existing funding for housing and regeneration is often channelled into new build or large-scale infrastructure, and that a dedicated programme is needed to unlock the potential of smaller, underused buildings, particularly for social and community-led housing.

This programme should include capital and revenue funding, access to finance, and support for feasibility work, site acquisition, and retrofit. Priority should be given to projects that demonstrate community benefit, sustainability, and align with local housing need. Many councils lack the capacity or tools to proactively address commercial vacancy, particularly where ownership is fragmented or speculative.

4.2.2 Removal of other financial barriers

A number of other financial barriers to tenure change and conversion have also been highlighted which require further investigation:

- Value Added Tax (VAT)

VAT rates are more favourable for new build development than working with existing dwellings and buildings. The new construction of dwellings is zero-rated for VAT purposes. VAT is however charged at the full 20% rate for general refurbishment works. A discounted 5% rate is in place for renovating empty dwellings (two or more years empty)

and converting non-residential buildings. Qualifying energy efficiency works may be zero rated.

- Land Transaction Tax (LTT)

The current framework for the devolved LTT could be better utilised to encourage the purchase and refurbishment of existing dwellings. Currently only housing associations are exempt from LTT purchases. Local authorities and community groups are taxed at the higher rate for residential transactions which starts at 5% for dwellings valued up to £180,000. Market developers are also charged at the higher rate, disincentivising them from working with existing dwellings.

Spotlight – Community action with existing dwellings and buildings

Cwmpas are currently supporting a number of community organisation that are progressing tenure change or re-purposing projects:

- Ymddiriedolaeth Tir Cymunedol Bro'r Eifl are working in partnership with Antur Aelhaearn to bring two empty homes back into use in Llanaelhaearn as part of the regeneration of the local bakery in the village. These two homes, which have been empty for years, will be rented out to local people at an affordable rent.
- Aberdyfi Community Projects Ltd. have purchased the old post office and an old garage site in the village. As a result, they've been able to reopen the post office as well as provide an affordable family home. They now on to phase two of the project to bring the empty garage back into use for retail/employment opportunities.⁶²

4.3 Supporting the retrofit process

Retrofitting generally means upgrading an existing building with new materials, technologies, or systems to improve its performance. In housing, retrofit focuses upon:

- fabric improvements - insulation, windows, air tightness
- heating and energy systems - heat pumps, solar panels
- comfort and safety (ventilation, damp prevention)

Social landlords in Wales are embarking on large retrofit programmes with their current homes as they work to fulfil the WHQS 2023 requirements. Similar works are likely to be required for any existing dwellings or buildings which they bring into their stock.

It is therefore important to recognise some of the ongoing challenges being faced around retrofit and how these could impact on the willingness and capacity of social landlords to work with older properties.

4.3.1 Promoting positive perceptions of retrofit

When talking to us about retrofitting existing dwellings with energy efficiency measures, stakeholders reflected on well publicised issues^{63 64} with Welsh Government funded insulation schemes.

The public perception of retrofit is a bit low. Given various schemes in the past that haven't been particularly successful such as cavity wall installation and residents in

parts of Wales are still struggling to get remediation... it's a difficult thing to convince the general public of.

Chartered Institute of Building (CIOB) in conversation with the Bevan Foundation

Also, as we highlighted in 3.2.1, the Welsh Government's approach to housing decarbonisation has been to focus on social housing as a test bed for learning. Recent research⁶⁵ by academics at Swansea University has highlighted that tenants in Wales can often feel like "guinea pigs" for testing new technologies. They found that:

- that many of the barriers to deploying new technologies in social homes were around communication and information issues.
- the interface between the technology and residents was a challenge as mechanisms of the new technologies operation and sensors and monitoring were not understood well.
- disruption to norms, the home and everyday practices were also key barriers.
- good tenant engagement was essential to demonstrate and showcase the technology prior to deployment and actively reducing disruption to norms and practices.

In our discussions, it was confirmed to us that at one point, all of the new decarbonisation technologies could be described as innovative. However, these are now more widely established and understood.

As well as having a better understanding of technologies for different property types, the issues of quality control and contractor competence are also being addressed. For example, a UK wide standards framework for domestic retrofit (PAS 2035) was introduced in 2019⁶⁶ to ensure that works are done safely, consistently, and with proper oversight. Measures include defined professional roles, design requirements and monitoring and evaluation.

It was suggested to us that mainstreaming retrofit works across all tenures, rather than just social homes, would help to address issues of perception as well as supporting broader, quality assured supply chains and practices to be established.

4.3.2 Bridging the skills gap

A further challenge with retrofit measures is the shortage of skilled technicians to install them. As an example, CITB (the Construction Industry Training Board) estimates⁶⁷ that 80 additional people per year until 2029 need to be trained in plumbing and HVAC (heating, planning and air conditioning). We were however told that training opportunities are limited and focused on upskilling existing tradespeople rather than provide career opportunities for school leavers.

We know there is a massive skills gap in the construction sector and that's continuing... it's really difficult to find people to properly install a heat pump and make it work right.

Chartered Institute of Building (CIOB) in conversation with the Bevan Foundation

What happens is that existing engineers get their training free from the companies that provide the kit. So, it's great if you're already in the industry, but if you're an 18-year-old and you wanted to get into it, it's very difficult.

Local authority strategy officer in conversation with the Bevan Foundation

The Chartered Institute of Building calls⁶⁸ for a Welsh construction skills survey to identify what skills are needed and where have received political support: *“Conducting a skills survey... will mean bodies such as CIOB and educational institutions can better design courses they know will be valuable, and the future Welsh Government can offer funding where appropriate with the confidence that they will be put to good use.”*

In its inquiry into social housing supply, the Local Government and Housing Committee made a recommendation that a strategy should be developed to attract more people into the social housing supply construction industry more generally. This was rejected by the Welsh Government which responded saying that *“significant actions are already being taken”* including measures to raise awareness of careers in construction and enhancing work-related learning opportunities. It also highlighted the construction and built environment vocational qualifications that were available. It committed to monitoring and reviewing the current offer.

Despite the position of the Welsh Government on this, our discussions with local authorities and housing associations confirmed that there was still more to be done.

The public sector and government is going to have to make a conscious decision to invest in this. We've got a golden opportunity here with retrofit.

Local authority strategy officer in conversation with the Bevan Foundation

Recognising this opportunity, a number of social landlord-led green skills projects have been taken forward including Ty Gwyrddfai⁶⁹ and Codi Group's Green Careers Pathway⁷⁰

Spotlight – Ty Gwyrddfai Decarbonisation Hub

Tŷ Gwyrddfai is a decarbonisation hub in Penygroes, Gwynedd, created by Adra housing association, Bangor University, and Grŵp Llandrillo Menai to drive retrofit skills, innovation, and low-carbon housing solutions across north-west Wales. Opened in 2024, it transforms a former industrial site into a centre for training, research, and community-focused decarbonisation work. Tŷ Gwyrddfai accommodates the head office for Tîm Trwsio, Adra's in-house repairs and maintenance contractor which employs over 150 staff.

The on-site training facilities are managed by Busnes@LlandrilloMenai, the commercial arm of Grŵp Llandrillo Menai. They deliver tailored decarbonisation and construction skills to young people and existing members of the construction workforce, especially in areas such as exterior wall insulation, installation and servicing of solar panels, air source heat pumps and battery storage.

The Hub also provides Bangor University with a research and development facility dedicated to testing and trialling new decarbonisation technology and materials, including two chambers designed to replicate the inside and outside of a house for climate testing.

Academi Adra is also delivered from the hub. Academi Adra is an employment & skills programme. The programme's main aim is to help upskill Adra's tenants, as well as the people living in the communities that they serve and ensure that they have access to quality training and supported employment opportunities.

4.4 Supporting proactive and specialist action

In section 2 of this report we outlined the numerous opportunities available to make use of existing dwellings and buildings. Many of these involve acquiring properties which are actively being marketed for sale. However, there are also those which will require proactive and sometimes specialist action.

4.4.1 Enabling action on empty dwellings and buildings

Some empty dwellings and buildings may be acquired easily. However many more will require additional action to identify ownership or prompt action to encourage or incentivise a sale. Although our discussion focuses on empty properties, we recognise that a proactive approach is equally needed in reaching out to owners of occupied dwellings with the options to sell to a social landlord.

The main facilitator of action on empty dwellings and buildings is the local authority as the appropriate body to whom complaints about the impact of individual properties will be made; local authorities also hold the enforcement powers to take action.

The key responsibilities to identify and take action to bring them back into would normally sit with an Empty Property or Homes Officer, who, according to the Welsh Government's empty homes handbook⁷¹ would:

- identify and monitor empty properties using council tax records, local intelligence, and site visits.
- maintain and update a database of long-term empty residential properties.
- engage with property owners to understand barriers to occupancy.
- offer advice and support to help owners bring properties back into use, e.g., through repairs, letting, or sale – including sale to a social landlord.
- negotiate voluntary solutions before considering enforcement.
- use legal powers around enforcement where necessary, such as Empty Dwelling Management Orders (EDMOs), Compulsory Purchase Orders (CPOs) and Enforced sale procedures

Where such an officer (or team of officers) sits in a local authority's individual structure will vary. They could be part of the housing team, environmental health department, or planning and regeneration team. This will also differ for residential and commercial empty properties.

The report of a taskforce to address the challenges of affordable housing supply in Wales clearly recognised the importance of working with empty properties. However, it also recognised that the capacity to do so varies considerably across local authority areas.

Some councils have a dedicated empty property team, whereas others are constrained by the lack of trained Empty Housing Officers who have the skills and enforcement powers needed to bring empties back into use. Local Authorities should have at least one dedicated empty homes officer.

Welsh Government's Affordable Housing Taskforce ⁷²

The Bevan Foundation's own recent snapshot survey confirmed these variations in capacity. We were unable to collect a full picture of the situation in every area, but we did find that whilst some authorities had one or two officers, others had no dedicated resource; often the role was combined within a wider housing or environmental health post. Elsewhere only a part time officer was in post.

A dedicated officer would be better, but we are balancing needs with budgets.

Local authority housing manager in conversation with the Bevan Foundation

Additionally, it became immediately clear that there was also no clear correlation between the number of chargeable empty homes in a local authority area and the officer resource available to address them.

Empty property officers are funded in a variety of ways across Wales with many authorities now making use of the money generated by their council tax premium on long term empty homes. The Bevan Foundation's 2025 report *Understanding how taxes on property and land are used in Wales*⁷³ provided more detail on how premiums are used across Wales and the significant variations between authorities. We concluded that there is clear potential for local authorities to make greater use of these powers if they wish to further boost revenues from council tax. Greater transparency is still needed on how additional income is being spent and a discussion should be had about ringfencing funds for housing-related activities.

Other examples of funding sources for empty homes work currently being used by local authorities included their general fund and Welsh Government revenue funding provided for housing support. We also heard about partnership arrangements with housing associations, where the association provided funding for an empty homes officer in return for an allocation of social housing grant to be used for acquisitions.

We understand that the Welsh Government are currently reviewing the efficacy of current funds and approaches to bringing empty properties back into use. There was a consistent opinion across local authority that Welsh Government should be doing more to increase capacity for proactive action on empty dwellings and properties.

Welsh Government should be doing more to support and promote the role of Empty Property Officers throughout Wales, not just insisting local authorities have a local Empty Property Action Plan and providing funding for grant which need resources to promote.

Local authority housing manager in conversation with the Bevan Foundation

A call was made to us for practical support for the often isolated, but wide-ranging role of the empty property officer.

You work across so many teams to try to co-ordinate a response to individual properties ... it can be very isolating. You also need to be a jack of all trades and no about everything from VAT exemptions to compulsory purchase.

Former empty homes officer in conversation with the Bevan Foundation

We need a network of officers across Wales and a central unit supporting local officers that can support the more complex cases, trace heirs, support enforcement, bring bona vacantia⁷⁴ and publicly owned assets and land back into use and deal with some of the empty properties that aren't necessarily on the council tax register but have development potential.

Lead member of housing at a local authority in conversation with the Bevan Foundation

This call mirrors the national approach taken by the Scottish Government, where funding is made available to Shelter Scotland and the Scottish Empty Homes Partnership.

Spotlight – Scottish Empty Homes Partnership (SEHP) ⁷⁵



The Scottish Empty Homes Partnership is a national programme that works to bring privately owned empty homes back into use across Scotland. It is funded by the Scottish Government and delivered by Shelter Scotland.

It supports the Scottish Government's goal of returning long-term empty homes to use as affordable housing where possible. The objectives of the partnership include:

- encouraging every local authority to adopt a strategic approach to bringing empty homes back into use
- promote evidence-based benefits of bringing empty homes back into use to encourage diverse involvement in empty homes work across Scotland
- support the network of dedicated Empty Homes Officers through the provision of training and best practice sharing
- running the Empty Homes Advice Service which provides advice and support primarily to members of the public affected by issues relating to empty homes
- Running the recently launched National Matchmaker scheme which matches empty homeowners to purchasers through a dedicated property portal.

The work of the SEHP's Partnership Officer serves to amplify the work being undertaken by Empty Home Officers across the country and provide opportunities for them to network and learn from each other. For 2025/26 the Government committed £2 million for SEHP which support three key strands of work:

- Funding for additional Empty Homes Officer capacity - £750,000 is available to provide match-funding to support local authorities to increase their current capacity for empty homes work – this may currently be part of a wider or part time role. With this support, authorities will publish a strategic empty homes plan

(framework). The partnership will provide induction and wider support to the network of new officers. There are currently four out of the 32 local authorities in Scotland without a dedicated empty homes officer or other empty homes professional.

- Funding for the national and local initiatives - A further £700,000 is available to increase the number of empty homes returned and to deliver outputs that can be scaled up or utilised by other local authorities. Some of these projects are national, such as building public awareness and a compulsory purchase pilot. Local projects will showcase different approaches that be replicated elsewhere.
- Funding for the SEHP - A team of officers are employed by Shelter Scotland to take forward national projects as well as providing support and guidance to local authority-based officers and amplifying the work which they do.

5. Conclusions and recommendations

This report has clearly evidenced the opportunities that exist in Wales to make use of existing dwellings and buildings to boost the supply of social homes. The logical place to start is the wasted resource of empty dwellings. However there are also opportunities to return homes into the social housing stock which have been lost through the right to buy, as well as to take advantage of changes in private ownership. We have also evidenced the numbers of vacant buildings within existing communities which could be re-purposed where additional homes are most needed.

The benefits of working with existing building in this way are often overshadowed by the perceived advantages of building from new, but that does not mean that they are not insignificant. Working with existing dwellings can deliver homes more quickly as well as having the potential for cost savings. There are also wider environmental benefits to improving the energy efficiency of private sector homes – which are lagging behind the social sector – and reusing the embodied carbon already spent in existing properties. The use of existing dwellings and buildings provides an opportunity to provide homes in the heart of existing communities and to benefit from existing infrastructure connections.

The barriers to tenure change and re-purposing are however also significant, although we would argue not insurmountable if viewed with pragmatism and flexibility. There are clear steps which the next Welsh Government could take to improve both the financial and special support required.

A significant barrier to address however, is the policy conflict between aspirational, zero carbon standards for any homes brought into the social housing stock and the need to boost supply. It is right to ensure that tenants have the guarantee of a good quality home, but we must be pragmatic and led by what tenants need and want. Current standards are driving up costs and making many existing dwellings unsuitable for acquisition – including former social homes of the same design and layout as those already owned by social landlords.

Calls for broader flexibility or a lowering of standards for acquisition have been met with a Welsh Government response that they do not want to create two-tiers of accommodation standards. We would counter this argument by making the case that temporary accommodation could itself be regarded as a “second” tier of accommodation. Here, thousands of households may experience accommodation which does not even meet the lowest standards as they wait in hope for a gold standard social home.

As the Bevan Foundation called for in our manifesto document⁷⁶, the next Welsh Government must fully realise the potential of existing dwellings and buildings to address the shortage of social homes. We recommend that this is done by:

- **Ensuring that tenure change opportunities are maximised**
 - The suitability of existing dwellings and conversions for social homes needs to be assessed on a property-by-property basis. The merits of each individual dwelling should be assessed against a set of guiding principles, allowing for balance between physical factors such as room sizes with wider considerations on demand and suitability.

- The Transitional Accommodation Capital Programme (TACP) funding requirement to sell a dwelling after 10 years if it does not meet the Welsh Housing Quality Standard needs greater flexibility.
 - A review of the Welsh Development Quality Requirements (WDQR) and the Welsh Housing Quality Standard (WHQS) to establish the elements which prevent tenure change, provide pragmatic flexibility and prioritise the elements which are most important and beneficial to existing and future tenants.
 - In particular, a critical review is needed to assess the merits of requiring all social homes to meet an Energy Performance Certificate rating of A.
- **Enhancing financial support for tenure change**
 - Distinct and enhanced funding is needed for social housing schemes which make use of existing dwellings and buildings. This should clearly recognise the wider benefits and cover additional costs.
 - Land Transaction Tax rules should be amended to ensure that they do not stifle tenure change and re-purposing for social homes by exempting all types of social landlord as well as community groups.
 - The next Welsh Government must call on the UK Government to review VAT rules which favour new build development over working with existing dwellings and buildings.
 - **Supporting the retrofit process**
 - To ensure that tenure change is not viewed in isolation to the wider decarbonisation of the housing stock, future retrofit plans need to recognise the benefit of bringing private sector homes into social ownership.
 - For decarbonisation to happen at scale and across all tenures, there is a need to address skills shortages in this area through strategic action.
 - **Supporting specialist and proactive action**
 - A Welsh Government funding package is needed to increase capacity for empty homes (and buildings) work at a local authority level, and to provide initial match funding for dedicated officer posts.
 - A network for empty homes/property officers is needed to provide support, build awareness, share experience and promote the role of bringing empty dwellings and buildings back into use.
 - There is potential for local authorities to make greater use of Council Tax premiums on empty dwellings, but greater transparency is also needed on how additional income is being spent and funds should be ringfenced for housing-related activities.

Annex 1 – what we did

We have used a number of different methods to inform our research.

Data analysis

Our analysis uses a range data sets provided by both Welsh Government on Stats Wales website and the Office of National Statistics (ONS). In particular, we make use of:

- the data provided by the 2021 Census
- Energy Performance Certificate (EPC) data
- Welsh Revenue Authority Land Transaction Tax (LTT) data
- Council Tax data in relation to chargeable properties

Insight from the work of others

The report also draws upon the work recently undertaken by others in Wales and beyond, informed by our review of relevant research, Welsh Government documents and consultations, Senedd Committee evidence and local authority plans and strategies.

Conversations with local authorities and wider stakeholders

We had discussions with a range of organisations involved in the development of social homes. These included social landlords – housing association and local authorities – and a range of professional/representative bodies. We also had discussions with Welsh Government officials, local authority members and strategy officers, empty homes officers, surveyors, developers and community representatives.

A roundtable discussion to inform the report's recommendations was attended by:

- National Energy Actions (NEA)
- Chartered Institute of Buildings (CIOB)
- Habitat for Humanity Great Britain
- Clwyd Alyn Housing Association
- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Carmarthenshire County Council
- Swansea Council
- The Welsh Government

The Bevan Foundation's housing research is supported by a cross-sector Advisory Group. Membership includes:

- Shelter Cymru
- Housing Justice Cymru
- Cwmpas
- Community Housing Cymru
- Chartered Institute of Housing Cymru
- Cymorth Cymru
- Welsh Local Government Association
- Cardiff University.

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