

April 2025

State of the market and what can we expect in 2025?

Homelessness is on the rise, over 112,000 households currently live in temporary accommodation, and the number is growing. A recent study revealed that only 2.5% of private rental homes in England were affordable for those on housing benefit in 2024, a significant drop from 12% in 2021-22, this despite an increase in Local Housing Allowance (LHA) rent levels after a four-year freeze. The lack of affordable housing is creating mounting financial pressures on local authorities across the country, here we look at what 2025 may have in store for the sector.

Renters Rights Bill

The Renters' Rights Bill, currently progressing through Parliament, aims to enhance protections for tenants in the private rental sector. While the Bill seeks to raise standards and increase access for all, its impact on the availability of affordable housing will depend on how landlords and investors respond to the new regulations. There is the potential for increased supply and demand imbalance should landlords exit the market.

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Government Investment

Just last month a £2 billion investment was announced, aimed at constructing up to 18,000 new social and affordable homes across England by 2029. This funding is an extension of the Affordable Homes Programme (AHP), which was initially launched in 2020 with a £12 billion budget over five years, averaging £2.4 billion annually. The new £2 billion allocation is intended to bridge the gap between the current funding, which is set to expire in 2026, and the next funding phase expected in the spending review later in 2025.

Housing charities have welcomed the investment but caution that it may not fully compensate for the net loss of social homes in recent years. Government statistics from February 2025 revealed a net loss of 7,723 social homes in England over the previous year, with sales and demolitions outpacing new constructions. Between 2012 and 2022, there was a net loss of 180,067 social homes in England.

In summary, while the investment is a positive step toward increasing the supply of social and affordable housing, ongoing efforts and sustained funding will be crucial to effectively tackle the housing crisis in England.

Preventative Measures

Whilst it is accepted that new housing supply is a must, how can we better prevent homelessness before it occurs? In December, the government confirmed a significant investment in homelessness prevention, allocating an additional £233 million for the fiscal year 2025-26. This increase brings the total funding for homelessness and rough sleeping services to nearly £1 billion, marking a record level of investment.

While this funding is a positive step, commentators note that a comprehensive, long-term strategy is essential to effectively address the root causes of homelessness and ensure sustainable solutions.

Hillingdon Council and Madison Brook Announce Partnership to Deliver High-Quality Affordable Homes

Hillingdon Council and **Madison Brook** are pleased to announce a new partnership to acquire and enhance a portfolio of high-quality, affordable homes. This initiative will provide more families and individuals with access to secure, well-maintained housing while supporting the borough's long-term housing strategy.

This collaboration aligns with the council's commitment to increasing the supply of affordable homes, which prioritises increasing the supply of affordable homes, improving housing standards, and ensuring long-term sustainability in the borough's housing provision. By working together, Madison Brook and the council are ensuring quality and affordability remain at the forefront of this initiative.

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Cllr Steve Tuckwell, Hillingdon Council's Cabinet Member for Planning, Housing and Growth said:

This partnership will help to accelerate our housing acquisition programme and ensure each home purchased is efficiently refurbished to our high quality standards. Purchasing properties is an effective way for us to quickly increase our housing stock, making more affordable homes available to residents in need and reduce our reliance on temporary accommodation.

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What models are delivering?

Madison Brook have established solutions that are proven to boost the supply of genuinely affordable homes to local authority partners across London and the South-East. One such programme is the Purchase & Repair Partnership with Hillingdon Council.

Purchase & Repair is a model that has been widely adopted, and allows our partners to invest in their local community, assembling high-quality and sustainable portfolios rapidly at a better cost. Key elements of the programme include:

- » **Speed** – our bespoke delivery model delivered 25+ homes a month in current contracts, with an average 12-weeks from acquisition to occupation.
- » **Cost saving** – assembled portfolios have saved Council partners over £2m a year in homelessness reductions costs against unsustainable alternatives such as commercial hotels.
- » **Quality** – agreed refurbishment briefs improve environmental performance, safety and future asset value growth - directly delivering on Councils carbon reduction plan.



- » **Grant funding** - Acquisitions and subsequent refurbishments meet Homes England/GLA grant requirements, allowing us to attract grant funding where available. This has reduced the total cost of acquisition per property by up to 40%.
- » **Tenant satisfaction** – we have worked closely with partners to drive suitable support and advice to residents. Success is measured by our 97% rent collection rate.
- » **Community** – we engage positively with the local communities we operate in. We establish supply chains with local trades and both apprenticeships and employment opportunities are provided.

If you are a local authority interested in understanding how this model can deliver the homes you require, then please get in touch with Head of Living Markets, Laurie Emsworth laurie.emsworth@madisonbrook.com

What next?

Temporary Accommodation Network

We are encouraged to be founding members of a recently formed alliance of organisations from across the housing sector, brought together by Consultants Campbell Tickell and law firm Devonshires, to address the nations escalating Temporary Accommodation crisis.

The aim of the network is to identify solutions, share best practice, and influence policymakers to positively impact on the current provision of TA as we await longer-term improvements to the housing market.

UKREiF 2025, Leeds

Meet the team at UKREiF! We are looking forward to attending the nations leading housing event this May, please reach out to organise a meeting or a more casual drink!

To discuss opportunities, explore partnerships, or learn more about our work, contact me at laurie.emsworth@madisonbrook.com or visit our website at www.madisonbrook.com.



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