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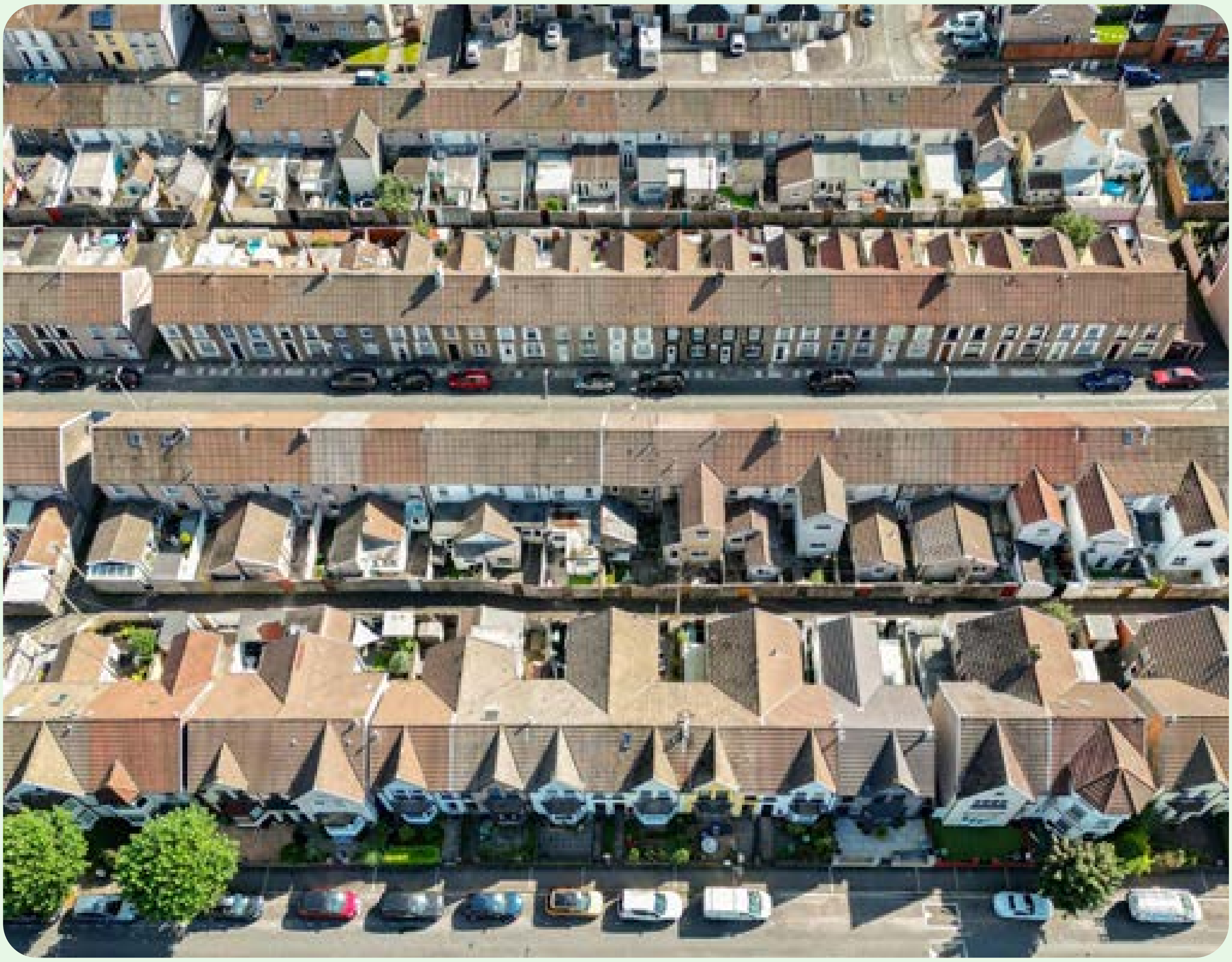
Migration and housing pressures in Wales

Research Briefing

September 2026



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It is widely accepted that Wales is experiencing a sustained housing crisis linked to structural supply shortages, affordability pressures, and high demand. This briefing outlines the current state of knowledge on the causes of this crisis, including the role of migration in shaping demand.

The briefing presents new analysis of Census 2021 data on the housing tenure of people born in Wales, born elsewhere in the UK, and born in non UK nations, offering an updated picture of how different population groups accessed social housing, private renting, and owner occupation in 2021.

It summarises recent evidence on population change, household formation and migration flows, discusses the fundamental structural drivers of the housing crisis, and highlights issues related to asylum seeker and refugee homelessness.

Finally, it outlines key housing-system policy interventions available to the Welsh Government.

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Definitions

Net migration means the balance between people moving into an area and people moving out of it.

Although there are **different ways to interpret the term 'migrant'**, this briefing generally refers to Wales residents who were born outside of Wales. This includes:

- Wales residents **born outside the UK**, including refugees, EU nationals, Commonwealth migrants, people who arrived on work visas (including NHS and care-sector workers), family-route migrants who joined British partners or children, and long-term residents who later became British citizens but whose country of birth remains recorded as outside the UK.
- Wales residents **born in other UK nations**, including those born in England, Scotland and Northern Ireland.

This briefing also refers to refugees and asylum seekers. The **Refugee Convention** defines these as follows:

- **Asylum seeker:** A person who has crossed an international border in search of protection but whose claim for refugee status has not yet been decided. Until they receive a decision as to whether or not they are a refugee, they are known as an asylum seeker.
- **Refugee:** A person outside of their country, who has a well-founded fear of persecution because of their race, religion, nationality, membership of a particular social group or political opinion. They are unable or unwilling to return there, for fear of persecution.

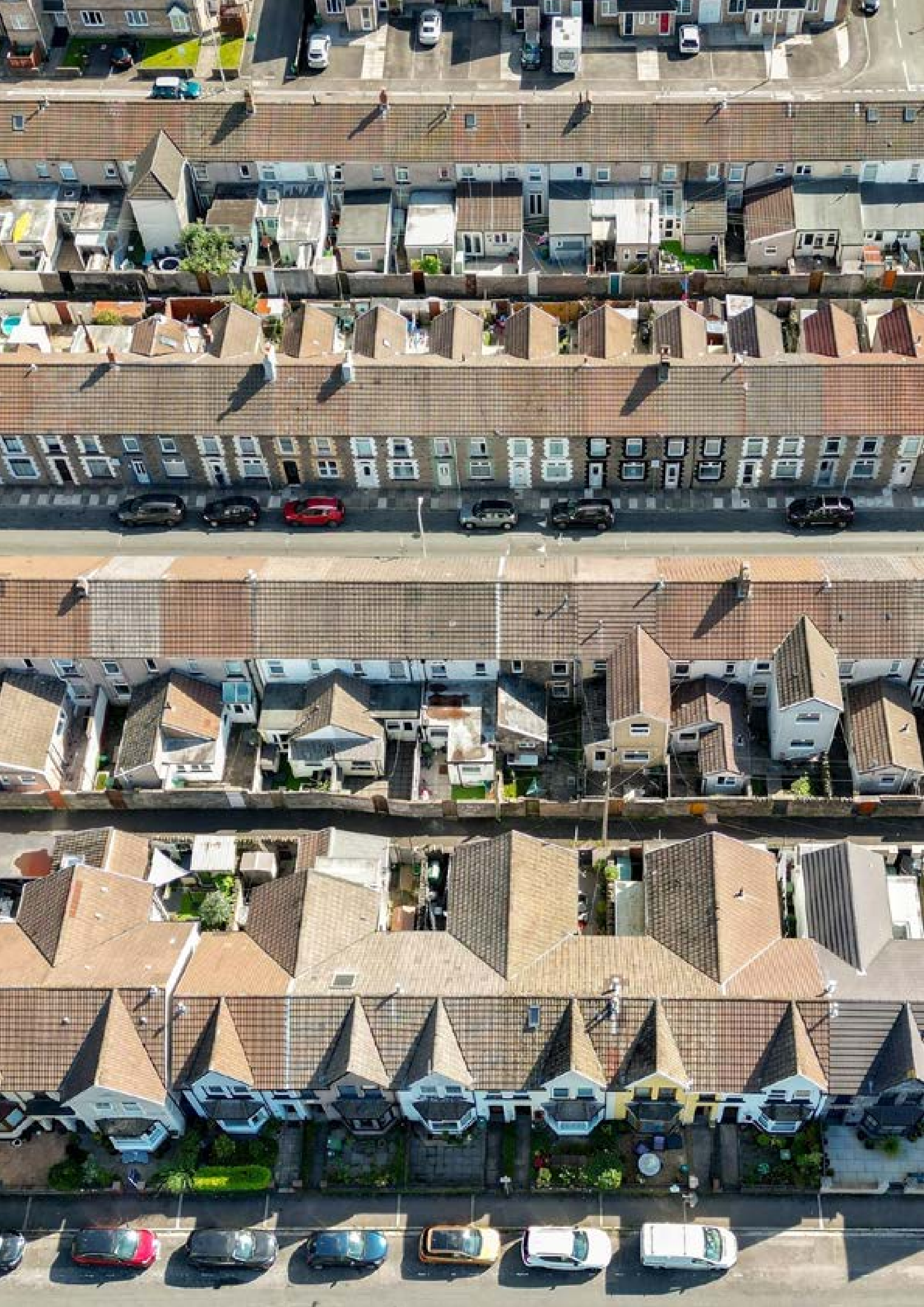
Explainer: Eligibility for social housing and housing-related benefits

A person's immigration status affects whether they are eligible to apply for social housing or housing-related benefits.

Migrants with a **No Recourse to Public Funds** (NRPF) condition attached to their immigration status, or those who are unlawfully present in the UK, are not normally eligible for housing-related benefit payments or an allocation of social housing.

Migrants who have gained citizenship, indefinite leave to remain, refugee status, humanitarian protection, or other forms of leave that include recourse to public funds are eligible. Some grants of **Discretionary Leave** include access to public funds, but not all.

Local authorities allocate social housing **according to a local allocation policy**, which sets eligibility and priority rules. These policies usually include a requirement to have **a local connection** to the area, although local authorities may choose to disapply this in certain circumstances (for example, for resettled refugees).



1. What does the 2021 Census tell us about country of birth and access to housing?

This chapter presents new analysis of Census 2021 data, showing how different population groups in Wales access social housing, private renting, and owner-occupation.

It is based on a **dataset** produced by the Office for National Statistics in response to a request from Senedd Research in June 2026.

The Welsh Government does not publish regular migration-related housing statistics. There is no routine data on migrants' housing quality, affordability, social housing allocations, or homelessness presentations.

Although the UK Government previously published **twice-yearly estimates of the population by country of birth**, these were **discontinued in 2022** due to issues with data collection and the reliability of these estimates.

As a result, the **2021 Census is the single comprehensive source** for understanding how people born in Wales, elsewhere in the UK and outside the UK, are distributed across different forms of housing.

The next Census will take place **in 2031**. In addition, the Welsh Government is planning a **Welsh Housing Survey** for 2027-28, comprising a social survey and a conditions survey based on physical home inspections. Headline results will be available from 2028-29. It is not yet known whether the survey will include questions on migration.

Key facts from this analysis

Overall population

The Census 2021 found that 28.7% of Wales's 3,051,547 residents were born outside Wales, including 21.9% (667,731) born in other UK nations (England, Scotland, Northern Ireland), and 6.8% (206,702) born outside the UK.

Of those **born in other UK nations**, 95.6% were born in England, 3.2% in Scotland and 1.1% in Northern Ireland.

People born outside Wales

Residents in Wales who were **born outside the UK** made up 5.8% of those living in social housing, 16.6% of those living in private rented housing, and 4.8% of those living in owner-occupied housing.

Residents in Wales who were **born in other UK nations** made up 15.0% of those living in social housing, 24.7% of those living in private rented housing, and 22.9% of those living in owner-occupied housing.

Tenure trends

A higher proportion of residents in Wales who were **born in Wales** were living in social housing (17.9%) than those born in other UK nations (11.1%) or outside the UK (13.7%).

A higher proportion of residents in Wales who were **born outside the UK** were living in private rented housing (35.9%) than those born in Wales (12.0%) or other UK nations (16.5%).

A higher proportion of residents in Wales who were **born in other UK nations** were living in owner-occupied housing (70.1%) than those born in Wales (67.7%) or outside the UK (47.0%).

Length of residence in the UK

The Census 2021 counted 22,054 Wales residents who had lived in the UK less than two years. They were concentrated mainly in private rented housing (68.7%), with 17.0% in owner-occupied housing, 7.0% in social housing, and 7.2% in other forms of housing.

Of all people living in social housing in Wales, 0.3% had lived in the UK less than two years, and 0.9% had lived in the UK less than five years.

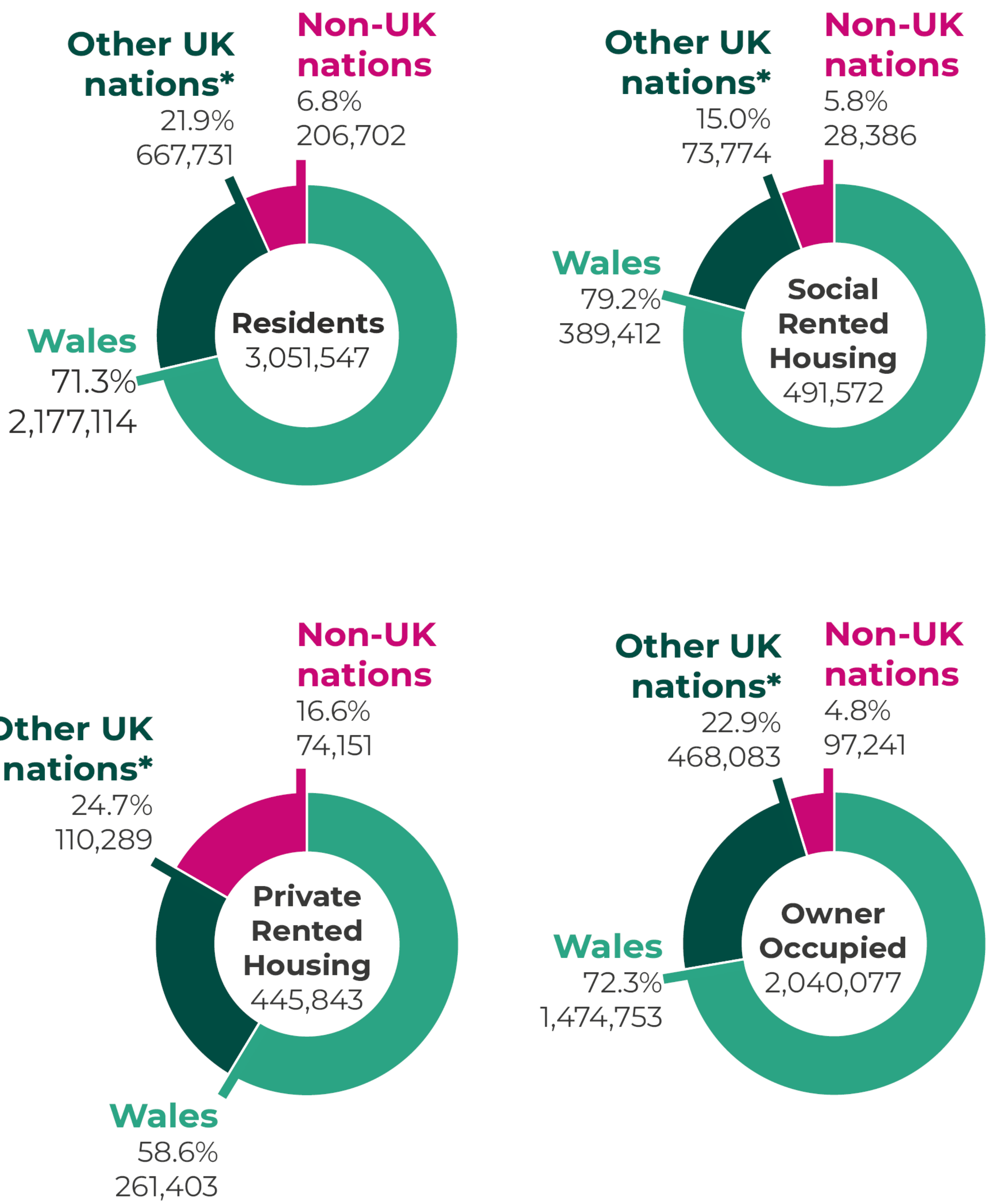
Broadly, the likelihood of living in social housing or owner-occupied housing in Wales increased in line with length of residence in the UK.

Table 1: Country of birth by tenure, all usual residents, 2021

Country of birth	Owner occupied	Social rented	Private rented (private landlord or letting agency)	Other private rented or lives rent free	Total
Wales	1,474,753	389,412	261,403	51,546	2,177,114
Other UK nations	468,083	73,774	110,289	15,585	667,731
Non-UK nations	97,241	28,386	74,151	6,924	206,702
Total	2,040,077	491,572	445,843	74,055	3,051,547

Source: Census 2021

Chart 1: Tenure by country of birth, all Wales (Census 2021)



*including England (95.6%), Scotland (3.2%), N. Ireland (1.1%), and GB/UK not specified (0.05%)

Chart 2: Country of birth by tenure, all Wales (Census 2021)

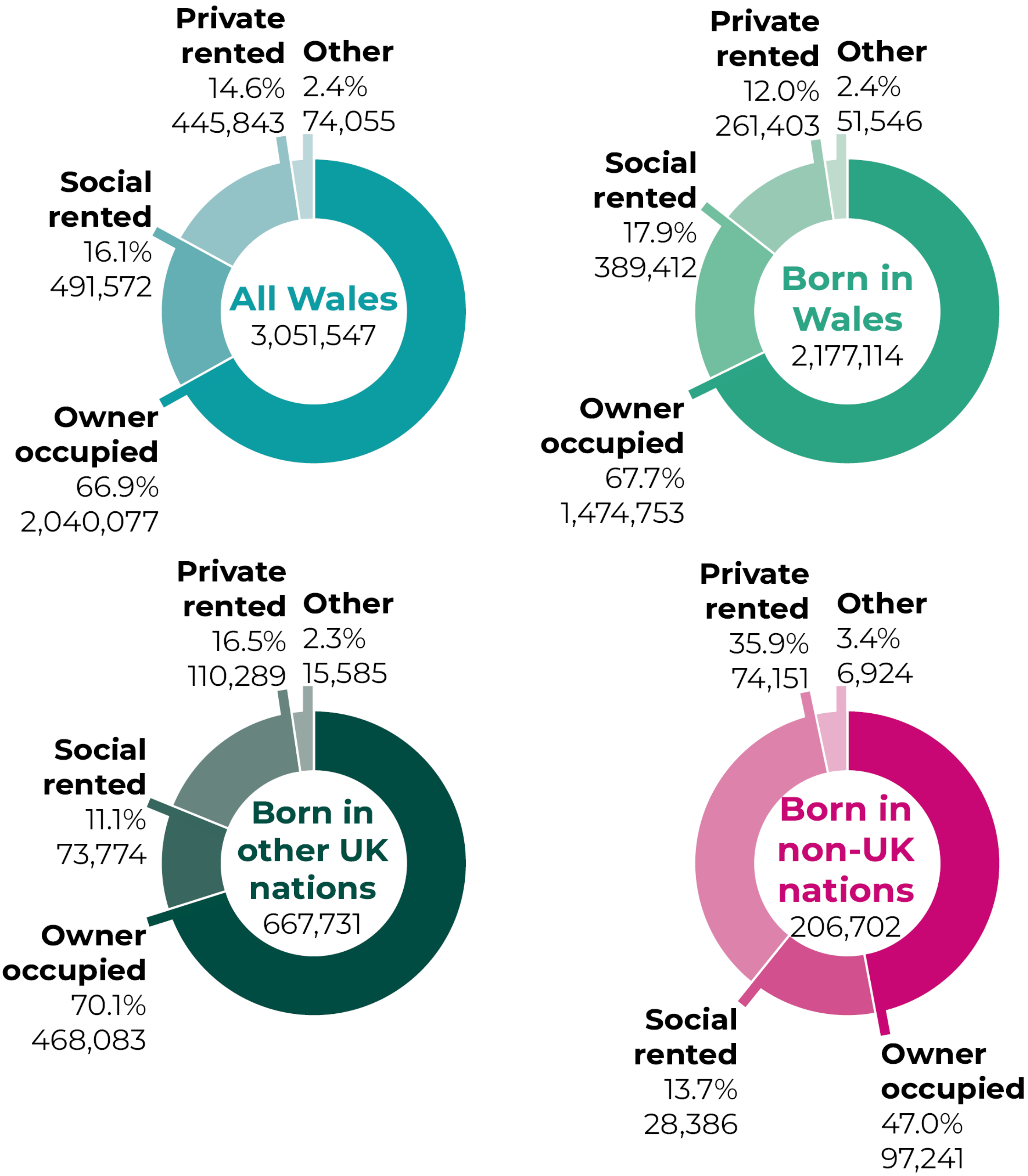
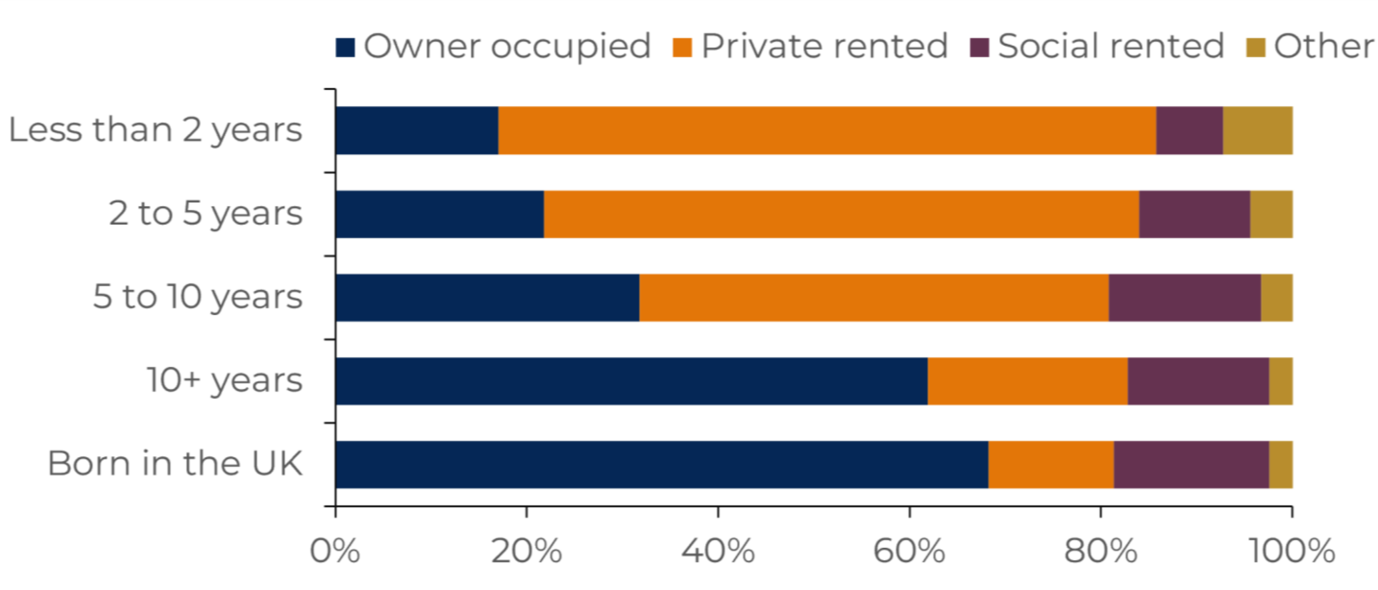


Chart 3: Length of residence in UK by tenure, all Wales (Census 2021)



2. What role does migration play in housing demand in Wales?

This chapter outlines the main factors which shape housing demand, and the ways in which migration may contribute to housing demand in Wales.

Housing demand is influenced by **a range of demographic, economic and social factors**, including population growth, rates of household formation, household incomes, the availability of mortgage credit, patterns of investment, welfare policy, and people's housing preferences and expectations. It is therefore **difficult to directly assess** the impact migration has in Wales alongside these other demand-side factors.

Migration can contribute to demand by increasing the population. Population growth generally leads to increased housing demand, as a larger number of people will usually require more homes to accommodate them. However, **household growth and rates of household formation** are usually a more useful measure when looking at housing demand, as they are a better reflection of how many homes (and of what size or type) are needed to accommodate people.

In Wales, an older population and decreasing fertility rates mean that nearly all of the population growth in recent years has come from migration (both international and within the UK). However, new demand for housing also stems from a growth in the number of households, which has historically been driven by increased life expectancies and a shift towards smaller households.

Which demographic changes are contributing to housing demand?

Population change

Net migration to Wales has fluctuated significantly over the past two decades. In the years following the Covid-19 pandemic, there was a rise in both net international migration and net migration from other UK nations to Wales.

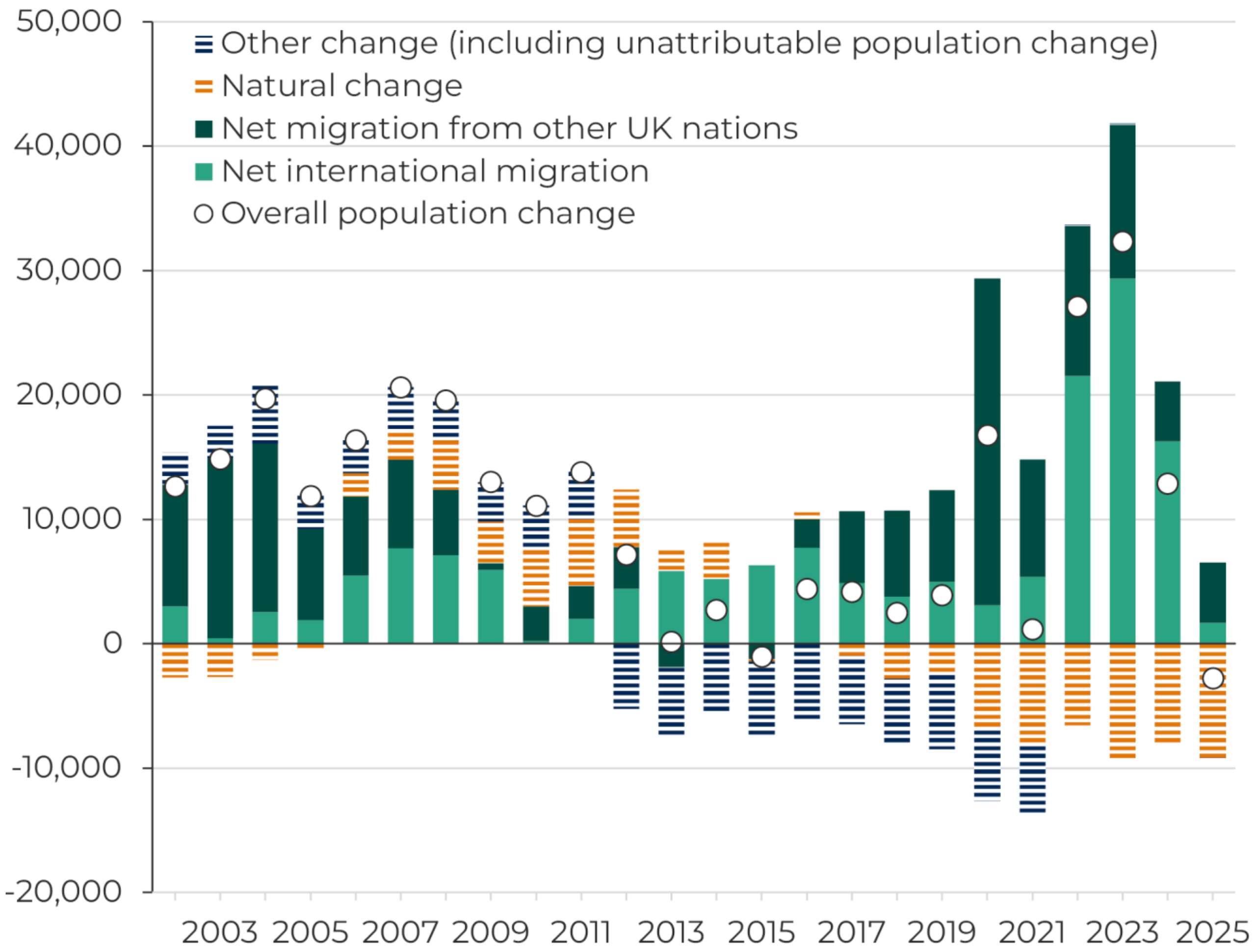
At a UK level, the **Migration Advisory Committee** attributed the post-pandemic rise in UK net international migration to:

- an increase in work visas (particularly in health and social care);
- an increase in student visas; and
- the opening of humanitarian routes such as the British National (Overseas) (BN(O)) and Ukraine schemes.

Population estimates for 2024-25 show that net international migration to Wales has now **fallen to its lowest level since 2010**. The Migration Observatory **has highlighted the fact that** most international migrants come to the UK for a period of only a few years, before emigrating again. This means that periods of high immigration tend to be followed by a period of high emigration.

Net migration from other UK nations rose slightly (1.6%) in 2024-25 compared to the previous year, but is lower than its peak in 2019-20. Combined with the impact of negative natural change – that is, fewer births than deaths – this meant that the population of Wales is estimated to have declined slightly (0.1%) last year for the first time since 2014-15.

Chart 4: Annual components of estimated population change in Wales, 2001-2025



Source: ***Estimates of the population for England and Wales*** *(mid-2001 to mid-2011, and mid-2011 to mid-2025 editions), Office for National Statistics. Other changes includes 'Unattributable Population Change', which are* ***differences between mid-year and Census-based population estimates*** *that cannot be explained by measured components of population change.*

There is limited data to identify what proportion of recent migrants stay in Wales and whether, or how, they would therefore be contributing to a growth in households or higher housing demand over the longer-term. At a UK level, the most recent data shows that in 2025, **around 55%** of people who entered the UK in 2020 still had a valid leave to remain 5 years later.

However, the length of time that international migrants stay in the UK varies significantly depending on the route by which they arrived, and their country of origin. The Migration Observatory **has estimated that** future 8-year stay rates could range between 26% for those arriving on study visas, to 89% for those arriving on family visas. It also notes that stay rates are uncertain and likely to change over time. A **May 2026 report** for the Migration Advisory Committee found that among Skilled Worker migrants in Wales, 78% were still in Wales after five years. This was one of the lowest stay rates in the UK nations and regions after Scotland (73%).

There is no data on the **number of unauthorised migrants** in Wales, although some studies have attempted to **estimate numbers at UK level**.

Household growth and formation

By 2024, the **number of households in Wales** had grown by 6.0% compared with mid-2012, outstripping the 3.5% growth in the population over the same period. The key trends driving this growth have been:

- **An ageing population:** by 2034, it is estimated that **1 in 4 (25.5%) people** in Wales will be aged 65 or over. Increasing life expectancies generally mean that people remain in their homes for longer, with fewer properties becoming available for use by new households.

- **A shift towards smaller household sizes:** smaller household sizes mean that the population is spread over a larger number of homes. Much of the growth in the number of households has come from a rise in single-person households, particularly amongst older people. Between mid-2012 and mid-2024, the number of single-person households grew by around 42,900, equivalent to around 54.5% of the total increase in households. Of these, around 58.9% were aged 65 or over. This trend **is projected to continue** over the coming decade, as the **baby boomer generation** moves into older age.

- **Increased levels of migration:** migration (from within the UK and international) is the main driver of population growth in Wales. Without any migration, estimates suggest the population in Wales would have decreased by around 44,900 between 2011 and 2025. This is because **the number of deaths has outnumbered births in Wales** since 2017. Net international migration is estimated to have added around 120,500 people to the total population between 2011 and 2025, whilst net migration from other UK nations has added around 92,300 people.

There is limited data on the extent to which higher rates of net migration to Wales has translated into an increase in the number of households.

In addition to population changes, there is **unmet demand** for housing within the existing population. This is where a household may be looking for a home but is unable to find one which is available and affordable to them. Other types of unmet demand **can arise from** households who are homeless, or living in accommodation that is unsuitable, unaffordable or overcrowded. The Welsh Government estimates **there is currently an unmet need for 9,400 homes** in Wales, based on the number of households that are homeless or in overcrowded accommodation.

What do we know about the demand for housing among migrants from within and outside the UK?

Migrants are not a homogenous group. Their use of housing is likely to **depend on multiple factors**, including the length of time they have lived in the UK, whether they are working or studying, and their rights to access social housing. This is on top of broader factors, such as age and household composition, income, and individual preferences for tenure or location. Population growth due to migration does not automatically translate into household growth, particularly if migrants are younger, live in larger households, or stay only temporarily.

There is comparatively little formal research on the housing characteristics or housing demand associated with people moving to Wales from elsewhere in the UK. Most available evidence on internal migration and housing **relates to England and Wales, or the UK as a whole**, rather than Wales specifically.

However, research **has highlighted some broad trends** in the housing characteristics of international migrants on a UK-wide basis. These include:

- **a higher concentration in private rented accommodation:** generally, international migrants to the UK are **less likely to be homeowners** and more likely to be living in private rented accommodation;
- **a broadly similar likelihood of being in social housing:** international migrants to the UK have **broadly similar** levels of occupation of social housing to those born in the UK;
- **larger average household size:** UK-wide data shows that households including people born outside of the UK are **larger on average** than those of the UK-born population. A study in 2011 found that non-EU migrants to the UK **consume less housing** per capita, as

a result of larger household size and lower rates of household formation; and

- **a higher likelihood of overcrowding:** households which include someone born outside the UK are also **more likely to be classified as overcrowded**.

Studies have highlighted **a range of factors and constraints** that are likely to influence the housing outcomes of people migrating to the UK. These include access to employment, access to resources and wealth accumulation, the impact of different housing or welfare policies, discrimination, language proficiency, and knowledge of housing systems.

However, research has found that housing characteristics of international migrants in the UK broadly **converge with those of the general population** over time, though this varies somewhat according to country of origin, and across different generations of migrants.

How does the Welsh Government estimate housing need?

The Welsh Government's most recent **estimates of additional housing need** were published in 2026. These estimates look at the number of additional housing units that may be needed in Wales over the coming years.

On average, it is estimated that between 7,300 and 9,800 additional homes will be needed in Wales each year between 2025 and 2030. There is also an estimated current shortfall of 9,400 affordable homes, though this figure is **likely to be an undercount**.

These figures are primarily based on estimates of **newly arising** housing need (using **2022-based local authority household projections**) and estimates of **existing** unmet housing need (including current households that are overcrowded or homeless).

To estimate newly arising housing need, statisticians look at the projected number of households for the years ahead. The projections are **based on assumptions about recent past trends** in the population, including births, deaths and migration. Household projections also **take into account** historical information about household composition and characteristics.

What's the impact of migration on the housing market?

Independent reviews find that international migration can add to demand in areas where supply is slow to respond, but its long-term impact on house price growth is **modest compared to other factors** such as income growth, credit conditions, interest rates, and long-term supply constraints. A 2026 **report for the Migration Advisory Committee** estimated that international immigration can explain approximately 4-6% of the total increase in UK house prices over the last three decades.

Analysis from the **Centre for Policy Studies** adds a further nuance: even **reducing migration to zero** would not resolve the UK's housing shortage, because decades of underbuilding have left a structural deficit of homes.

There is limited research quantifying the impact of internal UK migration on Welsh house prices. A **2024 study** examined the effects of the removal of the Severn crossing tolls, and identified that this led to increased house prices of up to 13.1% for properties within a 10-kilometre radius of the bridge, with properties in Newport and Monmouthshire more affected than those in South West England. However, this study assessed the impact of a transport intervention that altered cross-border commuting patterns, rather than isolating the broader role of internal migration in Wales's housing market.

A case study **published in 2023** examined how the local housing market in Brecon National Park has been affected by demand-side pressures arising from people seeking second homes, retirement properties, or homes in a rural area. It suggests that different areas have varying capacities to absorb this additional demand, and that the interventions required to manage change are therefore also likely to vary depending on the local area.

In summary: migration is one contributor to demand, but the housing crisis reflects deeper structural forces. The next chapter situates these demographic trends within broader debates about supply, finance, land, welfare, and the long-term drivers of the housing crisis.

Sources and further reading on migration and housing demand

- The Migration Observatory, **The Impact of Migration on UK Population Growth** (2026)
- The Migration Observatory, **Migrants and housing in the UK** (2024)

- The Migration Observatory, **Why are the latest net migration figures not a reliable guide to future trends?** (2024)
- Chartered Institute of Housing, **The growth in migration to the UK and its effects on housing** (2024)
- Meen, G. and Whitehead, C., Influences on household formation and tenure, in **Understanding Affordability: The Economics of Housing Markets** (2020)
- Civitas, **Rise and Fall: The shift in household growth rates since the 1990s** (2019)
- Bramley, G., Pawson, H., Pleace, N., Watkins, D. & Pleace, N., **Estimating Housing Need** (2010)

3. What do we know about the wider drivers of the housing crisis in Wales?

This chapter situates housing demand within a wider framework of supply, finance and structural factors. It outlines where there are different evidence-based perspectives on the underlying causes of the housing crisis in Wales.

Many analyses focus on symptoms – long waiting lists, rising rents, temporary accommodation – but a growing body of research highlights deeper structural causes across Wales and the UK.

Most academics agree the housing crisis stems from a combination of demand-side and supply-side pressures

On the **supply side**, academics agree that decades of underbuilding have left Wales with a **structural shortage of homes**. Construction costs and **land values** play a major role in shaping what gets built and at what price. Rising **materials costs** and **labour shortages** limit how quickly new supply can respond to demand, while high land prices – shaped by planning constraints, location, and investor expectations – push up the cost of new homes even in areas with slow population growth.

On the **demand side**, academics also agree that, while migration is a recognised demand factor, population growth alone does not explain house price inflation. Analysis of **long-term UK housing trends** shows that some areas with slower population growth – notably parts of London and the South East – have experienced the sharpest inflation, while regions with stronger population growth have not consistently seen the steepest price rises. Housing demand is influenced by a wide set of forces, as outlined in the previous chapter.

These are **points that most experts agree on**, though they may disagree on how much weight each factor carries.

The two main schools of thought

Although the evidence base is wide, debate often centres on two dominant explanations. These two perspectives are not mutually exclusive or competing, but different experts may emphasise one more than the other.

Planning-led explanations

This tradition argues that planning restrictions, complexity, and delays **increase uncertainty and cost pressures for builders**. They also argue that Local Development Plans **artificially limit** land availability, further inflating values in scarce pockets of developable land.

Researchers in this tradition, such as **Paul Cheshire and Christian Hilber**, emphasise that supply has struggled to keep pace with need for several decades. They argue that reducing barriers could reduce costs and increase supply.

Some planning researchers argue deregulation can **have unintended consequences**, such as lower design quality or ecological damage. These researchers argue that planning serves important environmental and community functions, and caution against large-scale relaxation of planning rules.

Financialisation-led explanations

A second tradition emphasises investor demand, land value inflation and the treatment of housing as a financial asset (known as 'financialisation'). Periods of low interest rates and more flexible lending – notably in the late 1980s, the early 2000s and again from 2013 to 2019 – allowed **mortgage credit to grow faster than wages**, increasing purchasing power and contributing to house-price inflation.

Economists describe these factors as 'credit conditions' – the rules and costs that determine how much households can borrow. When credit becomes cheaper or more generous, buyers can bid more for homes, and prices rise even if population growth is modest.

Investor and landlord demand – including buy-to-let, second homes, and global capital – has added further competition for homes, particularly in high-demand areas.

Academics such as **Josh Ryan-Collins** and **John Muellbauer** argue that these financial dynamics have pushed prices far beyond wages.

Economists in this tradition also emphasise the destabilising effects of mortgage-credit expansion on the wider economy. They argue that rapid growth in household debt and rising land values made housing markets more volatile and contributed directly to the 2007-08 financial crash. In this view, financialisation is not only a driver of house price inflation but a source of systemic macroeconomic risk.

However, some economists argue the **impact of financialisation is overstated**, suggesting credit conditions and investment trends do matter but are secondary to long-term supply constraints, which they see as the dominant driver of affordability pressures.

Other important perspectives

Alongside these two dominant traditions, other strands of research highlight additional structural pressures:

- **Welfare and poverty:** analyses by **Suzanne Fitzpatrick, Glen Bramley** and others show how stagnant wages, insecure employment and welfare reforms **intensify housing pressures** at the lower-cost end of the market.
- **Social housing decline:** decades of **low investment** have pushed more households into the private rented sector, increasing market demand.
- **Distribution and inequality:** Wales has **many more bedrooms than the population needs** overall, yet under-occupation and overcrowding coexist; this distributional lens shows that pressures are not only about total supply but also how housing space is allocated.

The key takeaway

There's consensus that the crisis is structural and long-term, but different academic traditions give different weight to finance, planning, land, distribution, welfare, and migration. Taken together, they show that **the housing crisis is not one problem with one fix**. It is the consequence of a set of connected systems that must be understood and addressed together.

The below table provides a brief summary of current debates on root causes and signposts to further reading. The range of policy solutions available to the Welsh Government is discussed in Chapter Five.

What's the capacity of the Welsh housing stock?

Data from the **2021 Census** suggests there are around 4 million bedrooms in occupied homes in Wales.

Even using a highly cautious interpretation of this data, **Wales has more than 1.5 million spare bedrooms** – that is, bedrooms beyond those required under the Census's standard measure of need.

More than one million households (1,028,445) told the Census they had at least one spare bedroom, with more than half of these (561,237) reporting two or more spare bedrooms.

Including long-term empty homes – of which there were just over 22,500 in 2025–26 – **adds around 50,000 bedrooms**, based on applying a cautious average of 2.2 bedrooms per home.

The Census also found that 2.2% of households (29,700) were living in overcrowded homes.

Most of this 'spare' space is in owner-occupied homes. The idea of encouraging people to 'right-size' into more appropriately sized housing is often discussed in the context of social housing. In the private sector, however, the options available to government to support or encourage such moves are more limited. Many of these are older households, and the housing system doesn't always provide suitable alternatives that would allow people to move if they wished to. As a result, unmet need and under-occupation can coexist in the same housing system.

What these figures suggest is that Wales's housing crisis is not simply a matter of supply and demand. As important as those factors are, the crisis also reflects deeper issues of distribution and inequality – about who has access to housing, and whether it meets their needs.

Table 2: Summary of current debates on root causes of the housing crisis, with further reading

Key driver	Summary	Further reading
Long-term collapse in housebuilding	Volumes of new housing completions have fallen over a period of decades.	Centre for Policy Studies, **The Case for Housebuilding** (2023) Charlie Winstanley, **Bricking It: The UK Housing Crisis and the Failure of Policy** (2025) Policy Press Kenneth Gibb and Nicholas Harrington, **Wicked Problems: Long-Term Trends and Structural Complexity in UK Housing** (2025) Palgrave Macmillan
Land values	At least half the value of a home is the value of the land it sits on. Land values drive housing unaffordability through planning constraints which limit how much land can be built on, and competition between investors for scarce, well-located land.	Josh Ryan-Collins, Toby Lloyd and Laurie MacFarlane, **Rethinking the Economics of Land and Housing** (2022) Bloomsbury Academic Edward Shepherd and Sahiti Bhalla, **Land value capture and viability in Wales** (2026) Cardiff University
Construction costs	Materials costs and labour shortages have pushed up the cost of delivering homes.	Chartered Institute of Housing Cymru, **Response to the Local Government and Housing Committee inquiry on social housing supply (Sixth Senedd)** (2024) Home Builders Federation, **State of Play Report: Challenges and opportunities facing SME home builders** (2025)

Planning barriers	Delays and complexity in the planning system push up land prices, artificially limit land supply, and increase uncertainty and costs for developers.	Paul Cheshire and Christian A. L. Hilber, **Housing and Planning: X election series**. (2024) Centre for Economic Performance Castell Group, **Response to the Local Government and Housing Committee inquiry on social housing supply (Sixth Senedd)** (2024) Centre for Cities, **The Housebuilding Crisis** (2023)
Social housing investment	Recent increases in Wales-level investment in social housebuilding have followed decades of low levels of investment.	Community Housing Cymru, **Response to the Local Government and Housing Committee inquiry on social housing supply (Sixth Senedd)** (2024) Audit Wales, **Affordable Housing** (2024)
Financialisation	Since the 1980s, changes in tax policy, mortgage regulation, interest rates and planning policy have influenced both housing demand and housing affordability in the UK, although there is debate about the relative impact of these factors and the policy objectives they served.	Emmet Kiberd and Abi O'Connor, **The Foundations of the Housing Crisis: how our extractive land and development models work against public good** (2024) New Economics Foundation Charlie Winstanley, **Bricking It: The UK Housing Crisis and the Failure of Policy** (2025) Policy Press Kenneth Gibb and Nicholas Harrington, **Wicked Problems: Long-Term Trends and Structural Complexity in UK Housing** (2025) Palgrave Macmillan

Mortgage lending practices	Modern banking systems expand the money supply through mortgage lending. Because land supply is fixed, credit expansion increases purchasing power, flowing directly into higher prices.	Josh Ryan-Collins, **Why Can't You Afford a Home?** (2018) Polity
Poverty and welfare reforms	Housing unaffordability and homelessness risk are viewed as symptoms of stagnant wages, insecure employment and welfare reforms.	Suzanne Fitzpatrick and Glen Bramley, **Homelessness in the UK: Who is most at risk?** (2018) Housing Studies 33:1
Migration and population growth	House prices are determined by demand relative to supply, and demand is largely driven by incomes and credit conditions, with population numbers having a small but limited effect in comparison with other demand drivers.	John Muellbauer, **Housing, Debt and the Economy: a tale of two countries** (2018) Oxford, Department of Economics Discussion Papers No 855 Paul Cheshire, A.L. Hilber and H.R.A. Koster, **Empty homes, longer commutes: the unintended consequences of more restrictive local planning.** (2018) Journal of Public Economics Thomas Rabensteiner, Navjot Sangwan and Luca Tasciotti, **Migration and housing costs: What does international evidence imply for the UK?** (2026) Migration Advisory Committee Centre for Policy Studies, **The Case for Housebuilding** (2023)

Distribution of existing housing stock	Wales's existing housing stock contains far more bedrooms than the population needs, yet those bedrooms are unevenly occupied, with widespread under-occupation and some overcrowding.	Danny Dorling, **All That Is Solid: How the Great Housing Disaster Defines Our Times, and What We Can Do About It** (2015) Penguin

4. What do we know about asylum seeker and refugee homelessness?

This chapter examines systemic homelessness pressures linked to the asylum system and to refugee resettlement schemes in Wales. It follows on from the previous chapter by exploring how structural housing pressures intersect with the asylum process.

Refugees and asylum seekers represent a small proportion of migrants, but scrutiny in the Sixth Senedd highlighted how the design of the asylum system, move-on arrangements, and data gaps create specific pressures for Welsh local authorities.

Asylum accommodation in Wales: systems and constraints

How is asylum accommodation organised, and who decides where it goes?

Immigration policy is not devolved, and therefore the UK Home Office is responsible for the delivery of housing and support services for asylum seekers across the UK.

In 2019, the Home Office **awarded seven regional contracts** (AASCs, or Asylum Accommodation and Support Contracts) to private providers for the provision of accommodation for asylum seekers. In Wales, the AASC provider is **Clearsprings Ready Homes**, and the contract is set to run until 2029.

What types of asylum accommodation exist?

The asylum support system uses three forms of accommodation, designed to meet short-term, longer-term and contingency needs:

- **Initial accommodation:** normally full-board hostel style residences, used while an asylum seeker waits for their application for longer-term accommodation and subsistence to be decided.

- **Dispersal accommodation:** usually furnished houses, flats or rooms in houses in multiple occupation.
- **'Contingency' asylum accommodation:** use of which has increased in recent years because of the limited availability of initial and dispersal accommodation. It has mostly been provided in the form of hotel rooms.

Where is asylum accommodation located and what does the data show?

The **most recent data (year ending March 2026)** shows there were **3,391 asylum seekers receiving support** in Wales, equivalent to 3.5% of the UK's supported asylum population. This included:

- 65 in initial accommodation;
- 3,143 in dispersal accommodation;
- 100 in contingency hotel accommodation (**all in Cardiff**); and
- 83 receiving subsistence support only.

Concentrations were highest in Cardiff (1,418), Swansea (677) and Newport (344).

The total number of asylum seekers receiving support in Wales in March 2026 (3,391) was 2.2% higher than in March 2025 (3,317) and 17.6% higher than in March 2023 (2,884).

In comparison with Wales, Scotland had 6,587 asylum seekers receiving support (equivalent to 6.8% of the UK's supported asylum population), Northern Ireland had 2,379 (2.4%) and England had 85,162 (87.3%). These proportions show that Wales and Scotland support fewer asylum seekers than expected if distributed strictly by **share of UK population**, while England supports more, and Northern Ireland's support is equivalent to its population share.

The Home Office uses an indexing tool to determine the location of dispersed accommodation, which considers market availability, population, and social pressures. Local authorities have **welcomed the principle** behind the indexing tool but raised concerns about transparency and whether local infrastructure is adequately considered.

A Sixth Senedd committee inquiry heard evidence about the **poor quality** of some asylum accommodation.

What concerns have Welsh local authorities and others reported?

Community tensions

Welsh press coverage has reported protests outside hotels in **Cardiff** and **Llanelli**, arising after a sudden change of use and limited notice to residents. Some protests have been met with counter-protests and solidarity demonstrations.

Press articles noted how **misinformation circulated rapidly** on social media, including exaggerated claims about numbers or safety, contributing to local unease.

Community tensions have also been reflected in Senedd business, where individual Members have **raised concerns** about the impact of asylum accommodation on local communities.

Procurement and market impacts

The **Welsh Local Government Association (WLGA)** has reported that providers often source dispersal accommodation without regard to local authority views on suitability, creating unfunded demands on local authorities and partner agencies.

Flintshire Council described Clearsprings' **procurement approach** as "aggressively attacking the market", reducing availability of private rented homes.

Safeguarding and information-sharing

The WLGA **reported** that the AASC contract "does not make provision for community engagement", and this gap in engagement has led to "serious community tensions and protests" and the "spread of disinformation". It also described gaps in safeguarding information shared between Clearsprings, the Home Office and local authorities, meaning that service providers are not always aware of service users' vulnerabilities and risks.

How do refugee resettlement routes shape local housing pressures?

Alongside the asylum system, Wales also receives refugees through several safe and legal routes, including programmes for Afghanistan, Ukraine and Hong Kong. In the year ending March 2026, **8,517 Ukrainians and 943 Afghans** arrived in Wales.

Data gaps remain significant. **There is no data on** the numbers of British National (Overseas) status holders from Hong Kong arriving in Wales, and no data on where people move after leaving initial resettlement accommodation.

These gaps have implications for how local authorities plan housing and support. In June 2026, the UK Parliament's Public Accounts Committee **stressed the need** for timely data-sharing so local authorities can plan housing and support.

The Home Office told the Public Accounts Committee it shares the **Place-Based Visibility Tool** with local authorities, providing a monthly cross-cohort view of protection-based migrants in each area. The tool is **not published**, and its precise scope and data fields are not publicly available.

Data on refused asylum seekers who have left asylum accommodation **is also limited**, creating further uncertainty for local authorities.

What do we know about refugee homelessness?

Evidence of homelessness risk

There are no published figures on the number of refugees who seek homelessness assistance from local authorities in Wales. Tai Pawb **told a Sixth Senedd Committee** in March 2024 that research shows "the majority of refugees" experience homelessness after being granted leave to remain, driven by short move-on periods and barriers to accessing housing.

The Welsh Government is currently piloting a new approach to homelessness data collection that includes **country of birth**, although it is unclear whether this will extend to immigration status.

Research has **highlighted specific systemic barriers** faced by homeless migrants and **refused asylum seekers**, including language barriers, lack of resources, lack of understanding about entitlements and support, lack of access to legal advice, and vulnerability to exploitation due to housing precarity and poverty.

Pressures on local authorities

The **WLGA states** that Welsh homelessness legislation – which gives priority need status to anyone sleeping rough – places a disproportionate burden on Welsh authorities compared to England. These "significant additional pressures", it says, increase periodically in response to UK Government initiatives to speed up asylum claims.

Similar claims have been **made in Scotland**, where there are further differences in homelessness legislation, including no local connection or priority need tests.

The Migration Observatory states the rate of UK asylum decisions has **increased rapidly** since 2023, leading to **a sharp increase** in the number of people receiving homelessness support in English local authorities after leaving Home Office asylum accommodation.

Equivalent data for Welsh local authorities is not available nationally. In a response to a Freedom of Information request in June 2026, **Cardiff Council stated** that 238 out of 2,172 homelessness presentations (11%) in 2024-25 were due to applicants being required to leave Home Office asylum support accommodation.

Move-on arrangements

One factor contributing to these pressures is the move-on period that applies when refugees are granted leave to remain. The previous **Welsh Government explored** whether to include the Home Office in the "ask and act duties" in the **Homelessness and Social Housing Allocation (Wales) Act 2026**. This would have required advance notice being given to local authorities when refugees are granted leave and evicted from asylum accommodation. The Home Office did not support inclusion, though existing contracts already stipulate that notifications should take place.

What support do refugees receive through housing-related support services?

Data on number of refugees accessing housing-related support services (i.e. services funded in Wales by the Housing Support Grant) is not routinely published. Floating **support services** assisted 77 refugees in 2023-24 at a **cost of £174,443** (0.1% of the Housing Support Grant budget). Data on other housing-related support, such as accommodation-based support or rough sleeper outreach, is not available.

In addition to Housing Support Grant services, the Welsh Government funds refugee move-on support through its **Nation of Sanctuary programme**. This support is focused on integration and transition after leave to remain is granted, and is funded separately from the Housing Support Grant. Nation of Sanctuary spending **totalled £63.87 million** between 1 April 2019 and 31 March 2025. Data on the scale or outcomes of move-on support is not routinely published.

What does all this mean for Welsh homelessness policy?

The Welsh Government has no control over where asylum seekers are accommodated in Wales. Decisions are made by the Home Office and delivered through private accommodation providers. However, the evidence shows that the asylum system and refugee resettlement programmes create specific pressures for Welsh homelessness services. These stem from structural housing shortages, procurement practices, data gaps, and move-on arrangements, all of which shape the context in which Welsh local authorities are able to respond.

5. What can the Welsh Government do about the housing crisis?

This chapter summarises the main policy levers available to the Welsh Government in addressing the root causes of the housing crisis.

The housing crisis has been described by some academics as a **"wicked problem"** with multiple actors locked in a "harmful status quo". There's an undeniable tension between the interests of those who don't own housing assets and those who do, which presents governments with a set of difficult challenges.

Among the drivers of the housing crisis identified in this briefing, the Welsh Government's ability to influence housing outcomes is **strongest on the supply side**. Through planning policy, **land assembly**, social housing investment, and regulation of the private rented sector it can shape what gets built, where, and at what price.

By contrast, the main **drivers of demand** – interest rates, mortgage markets, welfare policy, immigration rules, and the wider macroeconomic environment – sit largely with the UK Government.

This imbalance means Welsh policy can meaningfully reshape supply over time, but it cannot fully control the demand pressures that interact with it.

The below table provides a brief summary of key policy responses available to the Welsh Government.

Market vs. non-market housing – are both equally important?

A central debate in housing policy concerns how far market housing can contribute to meeting overall housing need.

Some analysts argue that all additional supply, whether market (i.e. private) or non-market (i.e. social and affordable), **helps ease pressure**. Supporters of this argument note that most homes are built, bought and rented **through private routes**, and that private developers can increase output more quickly than social landlords. They also highlight the role of planning policy and **section 106 agreements** in securing a proportion of affordable housing.

A section 106 agreement is a legal agreement between a planning authority and a developer or landowner, to offset the negative impacts of a development and make it acceptable in planning terms.

Others contend that **market supply does not reliably improve affordability** for low-income households. They point out that private developers typically prioritise products that **maximise profit rather than meet need**, and that market output is cyclical: when prices stagnate or fall, developers often reduce or pause delivery rather than lower prices. Supporters of this view contend that market housing is essential for overall volume but insufficient for households unable to compete effectively in the market.

Most analysts agree that Wales requires **both market and non-market supply**, but views differ on how far market housing can close the affordability gap or reduce homelessness pressures.

Table 3: Summary of key housing-system policy interventions available to the Welsh Government

(Interventions are grouped into demand-side and supply-side categories, though in practice many have cross-cutting effects).

Overarching	
Type of intervention	**Examples**
Governance tools	Strategic frameworks Institutions and capacity-building Data and digital infrastructure Setting and monitoring housing standards
Demand-side interventions	
Increasing households' ability to pay	Discretionary welfare payments (although welfare benefits are non-devolved) Rent regulation

Support for home ownership	Help to Buy Shared ownership Homebuy Land Transaction Tax reliefs Help to Stay mortgage support Right to Buy (ended in 2019)
Interventions to prevent homelessness	Homelessness legislation Rent arrears payments Private rented sector access support: deposit schemes, advance rent payments Reforming security of tenure
Restricting access to social housing or homelessness support	Local connection tests Adjusting priority for certain groups (but eligibility rules are non-devolved, meaning immigration law cannot be overruled)
Supply-side interventions	
Type of intervention	**Examples**
Social and affordable housebuilding	Direct funding: Social Housing Grant, Transitional Accommodation Capital Programme Partnerships and risk-sharing to unlock institutional investment Long-term certainty in policy and funding
Influencing market housing delivery	Land allocation in development plans Viability policy Public land release for mixed-tenure schemes Infrastructure investment Support for build-to-rent
Planning and land-use policy	Reform of planning processes Assembly of public land Land-use designations Planning obligations (section 106 agreements)

	Land-related taxes: land value tax, vacant land tax Other land value capture mechanisms
Infrastructure investment	Transport Utilities Schools Healthcare services
Bringing back empty properties	Empty Homes Grant Houses into Homes loan scheme Town centre regeneration Council tax premiums Enforcement tools
Reducing second homes and short-term lets	Council tax premiums Land Transaction Tax measures Licensing Planning change of use
Incentivising the private rented sector	Leasing Scheme Wales Land Transaction Tax incentives Rent Smart Wales regulation
Reducing construction costs	Building regulations and environmental and safety standards Workforce support Education and training Procurement levers: Modern Methods of Construction (MMC) procurement frameworks, standard design templates, bulk purchasing

Sources and further reading on policy interventions:

- Welsh Government, **Affordable Housing Taskforce report and recommendations** (2025) and **progress update** (2026)
- Local Government and Housing Committee, **Social Housing Supply** (2024) and **follow up** (2026)
- OECD, **Global Compendium of Land Value Capture Policies** (2022)
- United Nations and Housing Europe, **#Housing 2030: Effective policies for affordable housing in the UNECE region** (2021)
- Welsh Government, **Future Wales: the National Plan 2040** (2020)
- Welsh Government, **Independent Review of Affordable Housing Supply: final report** (2019)
- Crisis, **Everybody In: How to end homelessness in Great Britain** (2018).