Autumn Budget 2026 – A representation from Homes for the North

This submission to the HM Treasury consultation ahead of the 2026 Autumn Budget represents the vision of 18 developing Housing associations in the North for the future of housing, regeneration and community-building across the north of the country.

About Homes for the North:

Homes for the North (H4N) is an alliance of 18 housing associations working together alongside Mayors, Combined and Local Authorities and other partners, to deliver more homes and better places across the North, supporting communities and driving economic growth.

As long-term partners to Government, Mayors, Combined Authorities and local councils, we bring a strong, expert, collective voice to housing policy and regeneration across the North.

We work with partners across the public and private sectors to address the barriers that constrain housing delivery and economic growth for the benefit of our communities. Our focus is on unlocking more homes, improving housing quality and ensuring that housing investment supports long-term prosperity for Northern communities.

We believe that delivering more high-quality homes, alongside improving existing housing, is vital to long-term prosperity, sustainable growth, and better outcomes for people and communities across the North.

Homes for the North is made up of Accent Group, Be One Homes, Gentoo, Great Places, Guinness, Home Group, Incommunities, Jigsaw, Karbon Homes, L&Q, Onward, Places for People, Thirteen Group, Together Housing Group, Torus, Vico and Yorkshire Housing.

Housing associations are anchor institutions within their communities, using their assets, expertise and long-term presence to support inclusive growth, strengthen local economies and improve life chances. Through our work, we seek to maximise the contribution housing can make to economic growth, regeneration and place-making across the North.

Throughout this submission, we draw on findings from the interim Renew report. Renew is an inquiry led by the Northern Housing Consortium and supported Homes for the North and Muse, which is gathering evidence on the role housing-led regeneration can play in delivering growth, addressing housing need and supporting the long-term renewal of communities across the North.

Executive Summary:

In summary, the North does not need a wholly new set of institutions or programmes to deliver growth, aside from the Mayors and Authorities it currently has. However, it needs existing policy, funding and regulatory frameworks to be aligned with the realities of Northern housing markets and regeneration opportunities. By prioritising regeneration, enabling the renewal of existing communities, simplifying funding systems and treating housing as critical infrastructure, Government can unlock thousands of new homes, improve the quality of existing housing stock and drive long-term economic growth across the North of England.

Challenges ahead:

A housing delivery model that does not fully reflect Northern market realities

Housing need across the North remains acute. But many areas across the North continue to face viability challenges when it comes to housing delivery. This is driven by lower land and property values, higher remediation costs and weaker market demand than other parts of the country.

These factors frequently result in housing schemes becoming marginal or unviable despite strong local demand and clear strategic importance. Average new build house prices in the North are 23% below the England average and 40% below those in the South East, while private rents are around 40% lower than the national average, according to Land Registry house price data.

The Renew inquiry found that a typical regeneration scheme with development costs of £12 million may generate only £10 million in development value, creating a viability gap of £2 million before any abnormal costs are considered.

This challenge is particularly acute on brownfield and regeneration sites across the North, where abnormal infrastructure, remediation and assembly costs undermine development viability. Without targeted policy interventions and funding mechanisms that recognise these market conditions, many sites with the potential to deliver substantial housing growth across the North will remain stalled. Renew found that where a scheme requiring £12 million of investment also faces £5 million of abnormal remediation costs, the viability gap can increase from £2 million to £7 million.

The experience of Homes for the North member Thirteen Housing Group's Union Village development in Middlesbrough demonstrates these challenges in practice. The 145-home scheme brought a long-vacant 3.5-hectare brownfield site back into use after previous regeneration proposals stalled following the withdrawal of Housing Market Renewal funding. Delivery required a substantial public-private funding package, including £19 million from Thirteen, £7.6 million from Homes England's Affordable Homes Programme and £2.5 million from the Brownfield Housing Fund, illustrating the importance of flexible intervention where weak market conditions and regeneration costs undermine viability.

Similarly, Homes for the North member L&Q has highlighted the viability pressures affecting Trafford Waters, a strategic site with outline planning consent for up to 3,000 homes. Originally conceived as a high-rise apartment-led development, the scheme has faced significant viability challenges arising from increased construction costs, building safety reforms, Building Safety Regulator Gateway requirements, substantial infrastructure obligations and wider regulatory requirements. Combined with more modest sales values outside Manchester city centre, these pressures have necessitated a review of delivery models and risk slowing the delivery of much-needed new homes.

Regeneration barriers are preventing the renewal of communities

Many of the communities our members support contain ageing housing stock that no longer meets modern standards, reflects current community needs, or supports the transition to low-carbon, resilient sources of energy. The Renew inquiry estimates that between 84,000 and 112,000 social homes across the North will require regeneration within the next decade, while previous research suggests around 25,500 social homes could become non-compliant with regulatory requirements by 2030 without significant investment.

Housing associations, and indeed other Registered Providers, are increasingly facing situations where homes require substantial investment to address quality, energy upgrades and building performance issues. But refurbishment alone may not deliver long-term value for residents, landlords or the Treasury. For some of the North's oldest and most complex stock types, the cost of meeting modern standards can become prohibitive, diverting resources away from new housing delivery and wider place-based investment. Renew highlights examples where compliance costs on a single tower block can exceed £10 million, creating significant pressure on provider balance sheets and development capacity.

At the same time, existing funding frameworks continue to prioritise net additional housing delivery over the replacement and renewal of obsolete homes. This can make it more difficult to bring forward comprehensive regeneration schemes that would improve housing quality, support neighbourhood and community renewal, drive wider economic investment and create the high-quality homes that our communities need.

The experience of Homes for the North member Onward Homes highlights the challenges facing large-scale regeneration schemes in Northern markets. At Stoneygate in Preston, a regeneration opportunity with the potential to deliver 1,500 to 2,000 homes remains constrained by a viability gap of approximately £200,000 per home and a lack of flexible funding mechanisms capable of supporting estate renewal and wider regeneration objectives. While Onward Homes has land holdings within the area and is working with partners to explore future development opportunities, current funding arrangements make it difficult for schemes of this nature to progress.

The consequence is that opportunities to regenerate deprived neighbourhoods across the North, increase housing density around existing infrastructure, including train stations, and create more sustainable communities are often delayed or lost altogether. Renew estimates that housing-led regeneration could unlock and accelerate more than 500,000 homes across the North, including up to 112,000 homes through estate renewal, 320,000 homes on brownfield land, and around 100,000 homes through town and city centre regeneration. Yet without funding mechanisms that properly reflect Northern market conditions and support the replacement of ageing stock, many of these opportunities will remain unrealised.

The wider cost of inaction is equally significant. As stock ages further and regulatory requirements increase, providers face a growing risk of demolition without replacement or disposal of homes that can no longer be viably maintained.

The North's growth potential remains underutilised

Housing associations are among the North's largest investors, employers and place-makers. As long-term anchor institutions, our members invest far beyond housing delivery alone. We support local supply chains, employ local people, help residents learn new skills and our colleagues up- and re-skill, support health outcomes and community resilience too.

However, the full economic contribution of housing investment is not always recognised within public spending frameworks. Housing should increasingly be viewed as essential economic infrastructure, capable of unlocking private investment, supporting labour market mobility, improving productivity and delivering growth across communities that have historically experienced underinvestment. The Building Research Establishment estimates the direct cost of poor housing to the NHS at £1.4 billion a year in England, with wider impacts including additional care needs and lost productivity estimated to be far higher.

With the right policy environment, Homes for the North's members can help deliver not only more homes, but stronger local economies, revitalised town and city centres, and renewed communities that contribute directly to the Government's growth mission.

The regeneration of Park Hill in Sheffield demonstrates the transformative impact of long-term housing-led regeneration. Delivered through a partnership involving Homes for the North members Places for People and Great Places Housing Group, the scheme has transformed one of Europe's largest Grade II listed buildings into a thriving mixed-use community. Since regeneration began, Park Hill has delivered 455 new homes, accommodation for 356 students and more than 50,000 square feet of workspace across three phases. A further 125 homes are currently being delivered through

Phase 4, supported by £6.4 million of Homes England funding, with 20% of homes provided as affordable housing. The development has also created a vibrant neighbourhood with community facilities, independent businesses, green spaces and active travel infrastructure, demonstrating how housing-led regeneration can support economic growth, community renewal and place-making simultaneously.

This opportunity is also being demonstrated by Homes for the North member Riverside Housing Group through its £119 million Hallwood Park and Palace Fields regeneration programme in Runcorn. Linked to the wider Mersey Gateway growth corridor, the programme supports housing renewal, improved connectivity and economic growth, with analysis indicating that regeneration associated with the corridor could contribute to the creation or retention of up to 20,000 jobs.

The north of England has unique constraints, several of which act as barriers to delivering the renewal that our neighbourhoods need. This includes low property values and high land remediation costs.

Additionally, the North of England is facing a chronic shortage of housing to meet the needs of the communities we support. Lack of housing availability is stymying economic growth, redevelopment and opportunities for Northern regions, town and cities.

We can turn this around, particularly with the input and support of Mayors across the North that Homes for the North is already working with, but only with a clear strategy, partnership with Government at all levels and concerted, focussed action.

Our solutions:

Prioritise Housing-Led Regeneration as a National Growth Strategy

The Government should place regeneration at the heart of its long-term housing and growth agenda to support communities across the North.

Regeneration delivers multiple Government objectives through a single intervention: increasing housing supply, improving housing quality, supporting left behind communities and supporting economic growth. Yet too often regeneration remains harder to fund than greenfield development. Homes for the North recommends:

- Embedding regeneration as a core pillar of any future Long-Term Housing Strategy.
- Directing Homes England to prioritise large-scale housing-led regeneration schemes.
- Establishing a dedicated regeneration programme focused on communities with significant economic and housing renewal potential.
- Reviewing Treasury appraisal methodologies to better capture the wider economic, social and fiscal benefits of regeneration in lower-value markets.

This would unlock development in places where good growth and housing delivery objectives are most closely aligned.

Abolish Net Additionality to Enable the Renewal of Existing Communities

Current funding rules can prevent grant funding being used to replace outdated homes, even where demolition and redevelopment would deliver significantly better outcomes for residents and communities.

The result is that some of the North's most important regeneration opportunities remain financially challenging despite delivering public policy benefits. The renew enquiry found that between 84,000 and 112,000 social homes in the North will need regeneration in the next ten years, and repairs/maintenance absorb 37% of rental income in the North (vs 31% nationally).

Homes for the North recommends:

- Permanently abolishing the net additionality requirement within affordable housing funding programmes.
- Allowing funding to support the replacement of obsolete homes where regeneration delivers improved housing quality and wider community benefits.
- Creating clear guidance for housing-led estate renewal and neighbourhood regeneration.

This would unlock the renewal of thousands of ageing homes while increasing housing density and supporting wider economic regeneration and enabling communities to be provided with the homes they deserve.