Housing Statistics for Scotland, Quarterly Update – November 2014

November 2014

The Scottish Government
Riaghaltas na h-Alba

A National Statistics Publication for Scotland

Housing Statistics for Scotland, Quarterly Update - November 2014

Introduction

This is the first of a new style quarterly publication. It provides information on recent trends in:

- New house-building starts and completions by sector up to end June 2014 (with more up-to-date social sector information available up to end September 2014)
- The Affordable Housing Supply Programme (up to end September 2014)
- Local authority house sales including Right to Buy (up to end June 2014)

The background data used in this document can be found in the new house building, Affordable Housing Supply Programme (AHSP) and local authority house sales web tables.

Further information on how these statistics are collected and on how they should be interpreted is available from the Scottish Government website.

We welcome your views on whether this format of publication is useful and on how it might be improved. Contact details can be found on the final page.

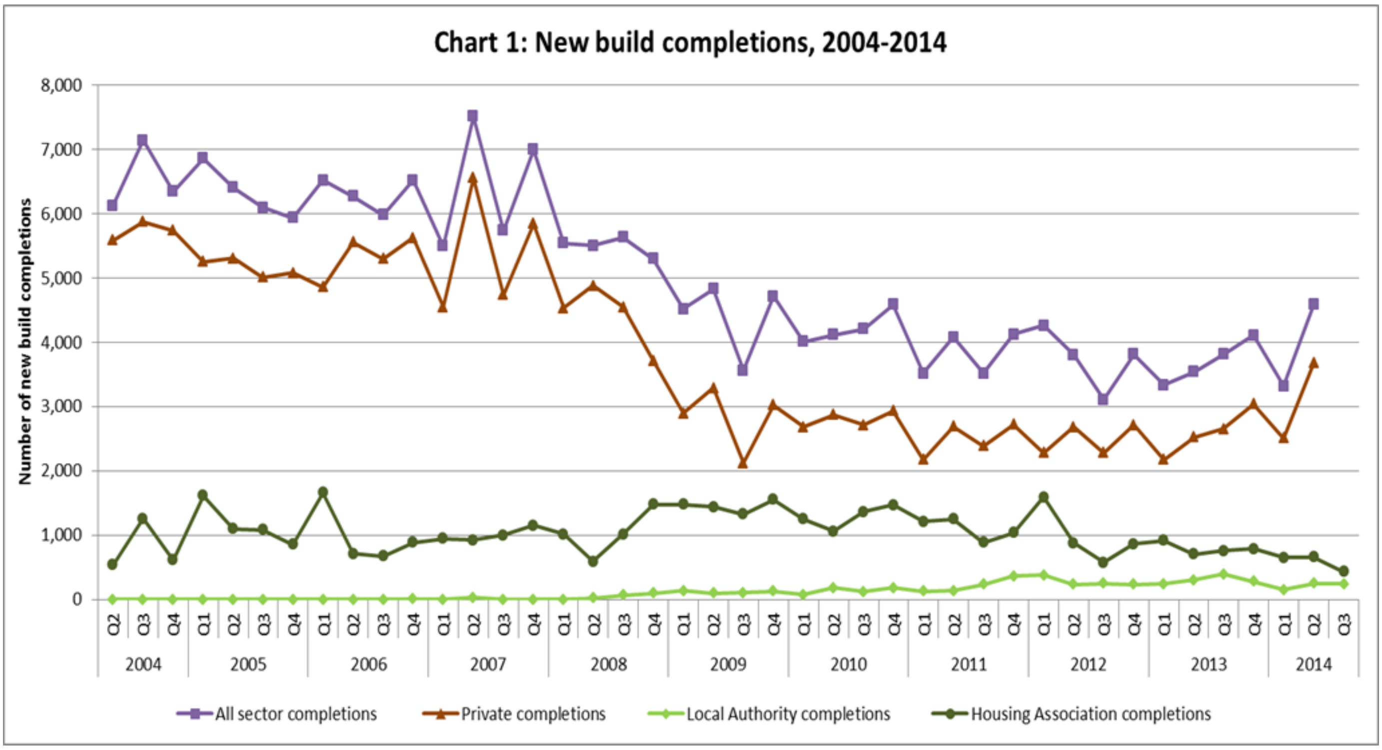


Chart 1: New build completions, 2004-2014

Key Points:

New build housing

All Sectors

- There were 4,583 new build homes **completed** between April and June 2014; 29% up on the same quarter in 2013 and 23% above the quarterly average since 2011. This brings the total for the year to end June 2014 to 15,824, up 15% (2,033 homes) compared to the 13,791 completed in the previous year.

- There were 3,492 new build homes **started** between April and June 2014; 5% down on the 3,679 started in the same quarter in 2013 and slightly (1%) below the quarterly average since 2011. This brings the total for the year to end June 2014 to 15,106 which is up by 13% (1,736 homes) compared to the 13,370 homes started in the previous year.

Private Sector

- Between April and June 2014, 3,676 **private sector** homes were **completed**; 44% above the quarterly average since 2011. This brings the total for the year to end June 2014 to 11,879 – up by 23% (2,188 homes) on the 9,691 completions in the previous year.

- There were 3,026 **private sector led starts** between April and June 2014, 13% above the quarterly average since 2011 and the second highest number since April to June 2008. This brings the total for the year to end June 2014 to 11,671, 16% (1,583 homes) higher than the 10,088 starts in the previous year.

Social Housing (Housing Association and Local Authority combined)

Social sector figures below are presented up to the end of June 2014 so as to be consistent with the reporting period used for figures on all-sector and private-led new builds. More up-to-date information (for July – September 2014) is available later in this report and through the web tables.

- There were 907 **social housing completions** between April and June 2014; 10% down on the same quarter in 2013. This brings the total for the year to end June 2014 to 3,945. This is a decrease of 4% on the 4,100 completions the previous year.

- Meanwhile 466 **social sector** homes were **started** between April and June 2014; 47% down on the same quarter in 2013. This brings the total for the 12 months to end June 2014 to 3,435 which is 5% more than the 3,282 started in the previous year.

Housing Association Homes

- There were 659 **housing association completions** between April and June 2014; 7% down on the same quarter in 2013. This brings the total for the year to end June 2014 to 2,864. This is a 7% (203 homes) decrease on the 3,067 completions the previous year.

- There were 197 **housing association approvals** between April and June 2014; 64% down on the same quarter in 2013. This brings the total for the year to end June 2014 to 2,525. This is a 22% (460 homes) increase on the 2,065 approvals in the previous year.

Local Authority Homes

- There were 248 **local authority completions** between April and June 2014; 19% down on the same quarter in 2013. This brings the total for the year to end June 2014 to 1,081. This is a 5% (48 homes) increase on the 1,033 completions the previous year.

- There were 269 **local authority starts** between April and June 2014; 18% down on the same quarter in 2013 This brings the total for the year to end June 2014 to 910. This is a 25% (307 homes) decrease on the 1,217 starts in the previous year.

Affordable Housing Completions

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off the shelf purchases and rehabilitations as well as new build.

- The latest information, for the year to end September 2014, shows that **approvals** are up 12% on the previous 12 months to 7,107 while **starts** are up 53% on the previous 12 months at 7,094. **Completions** are running at 6,326 for the year to end September 2014, down 9% on the previous 12 months. This include an increase in affordable rent (up by 17% or 131 homes), and a decrease in social rent (down by 18% or 804 homes) whilst affordable home ownership completions have remained steady (up by 1% or 11 homes).

Right to Buy Applications and Sales

- Following the announcement of the end of Right to Buy in July 2013 the number of applications and the number of sales both increased compared to the same quarter the previous year. The most recent figures available are for April – June 2014. During this period there were 886 **Right to Buy applications** (26% higher than in the same quarter the previous year) and 335 **sales** (46% higher).

Contents

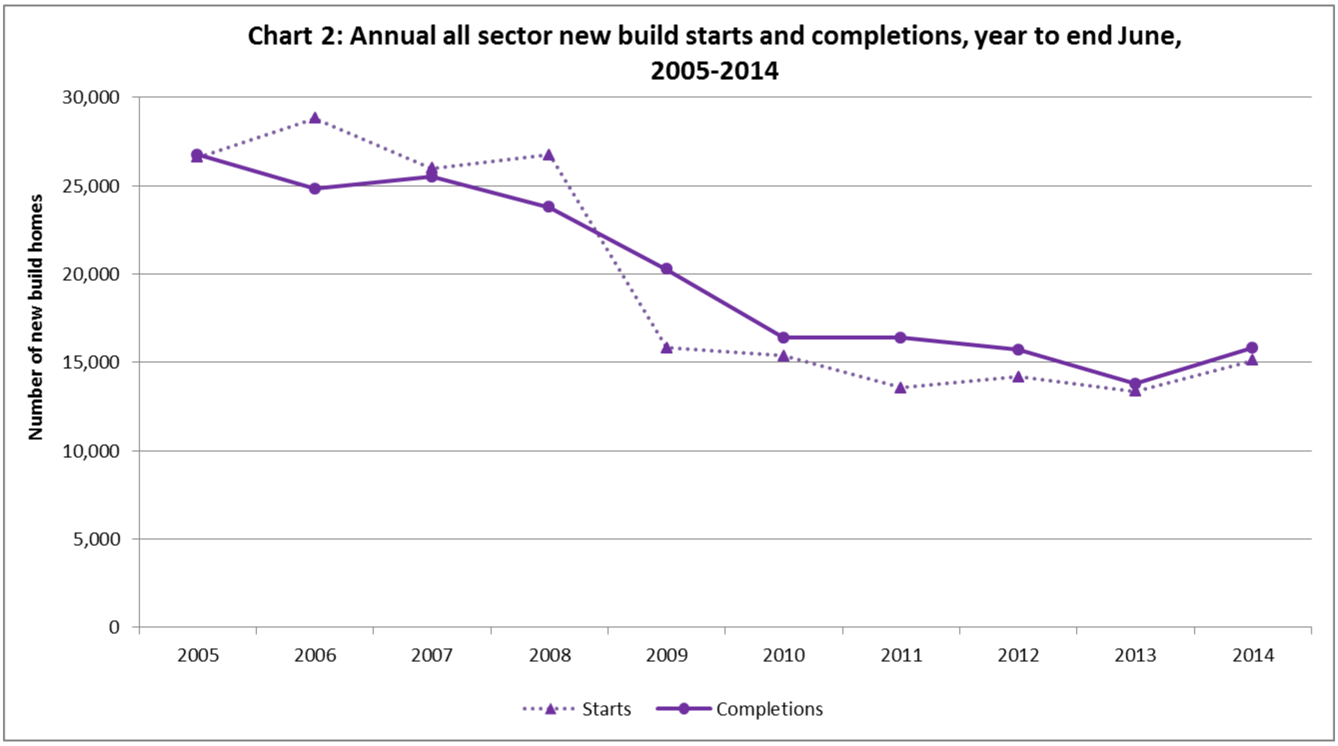
New build housing – all sectors

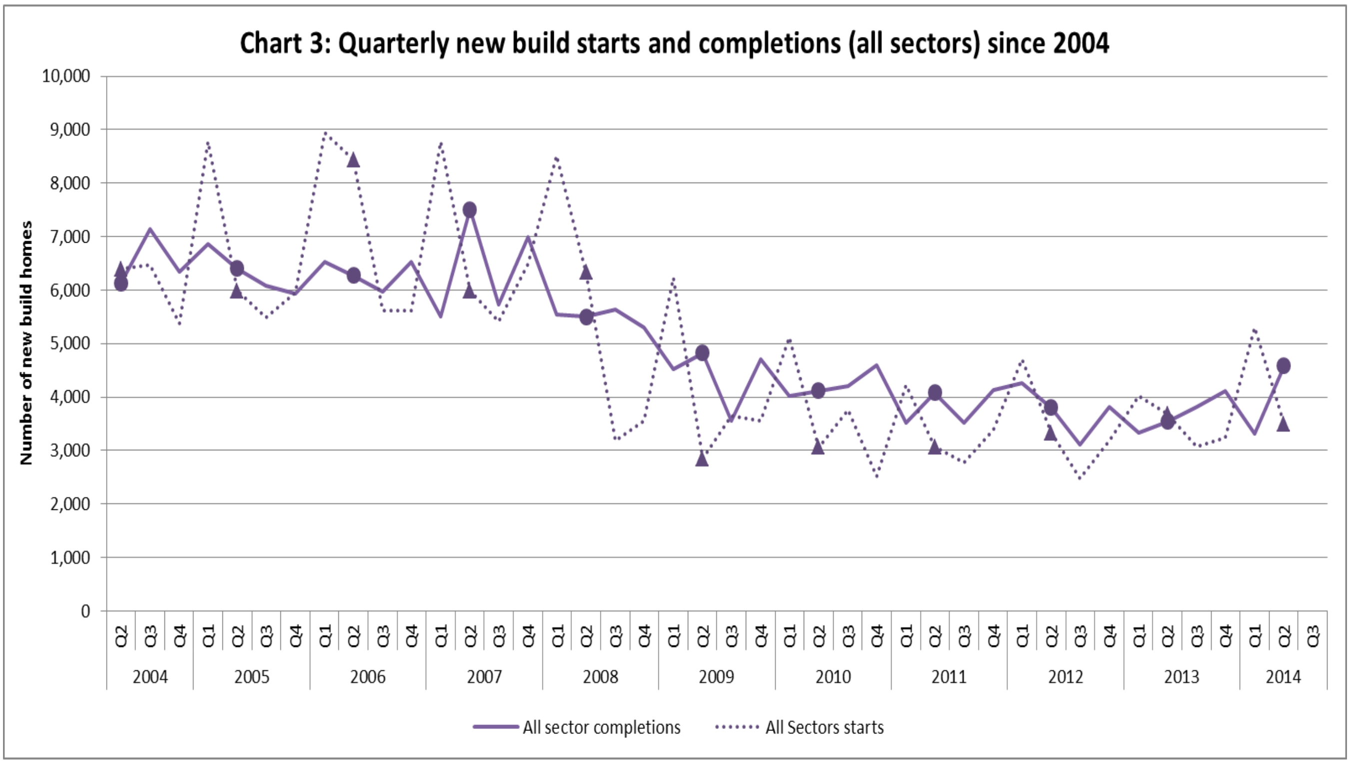
The new build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

Figures are presented for homes built on privately led (referred to throughout as private sector), local authority led (referred to as local authority sector) and housing association led (referred to as housing association sector) sites. For the private sector the latest information available is for the quarter ending June 2014. Whilst more up-to-date information is available for local authority and housing association new build, findings for these sectors are mainly presented up to June 2014 to simplify comparisons between sectors.

The figures have not been seasonally adjusted and so commentary tends to compare the latest quarter with the same quarter the previous year. To help with this, quarter 2 figures (from April to June) have been highlighted in charts to allow easy comparison over time. The peaks in the number of starts in quarter 1 (January to March) each year are due to large numbers of housing association approvals being granted near the end of the financial year.

Chart 1 (see page 1) shows the number of private sector, social sector and total new homes completed each quarter since 2004 while Charts 2 and 3, below, show annual and quarterly trends in starts and completions across all sectors.





<u>Historic trends</u>

Between 26,000 and 29,000 homes were started each year between 2005 and 2008 whilst slightly fewer (between 23,500 and 27,000) were completed.

All 3 charts clearly show the impact of the recession in the second half of the last decade with (private sector led) starts and completions falling dramatically throughout 2008 and the start of 2009. After this starts, and particularly completions, generally continued to fall more gradually to lows of under 14,000 per year although both have recovered slightly in the year to end June 2014 to over 15,000.

<u>Latest data</u>

Between April and June 2014, 4,583 new homes were completed. This is 29% up on the same quarter in 2013 and is also 23% above the quarterly average since 2011 which stands at 3,734. The latest quarter's figure brings the total for the year to end June 2014 to 15,824 which is up by 15% from 13,791 in the previous year – the first year-to-end-June annual increase since 2007.

During the same quarter 3,492 homes were started. This is down by 5% on the 3,679 homes started in the same quarter in 2013. It brings the total number of starts for the year to end June 2014 to 15,106 which is up by 13% compared to the previous year and is the highest year-to-end-June figure since 2010.

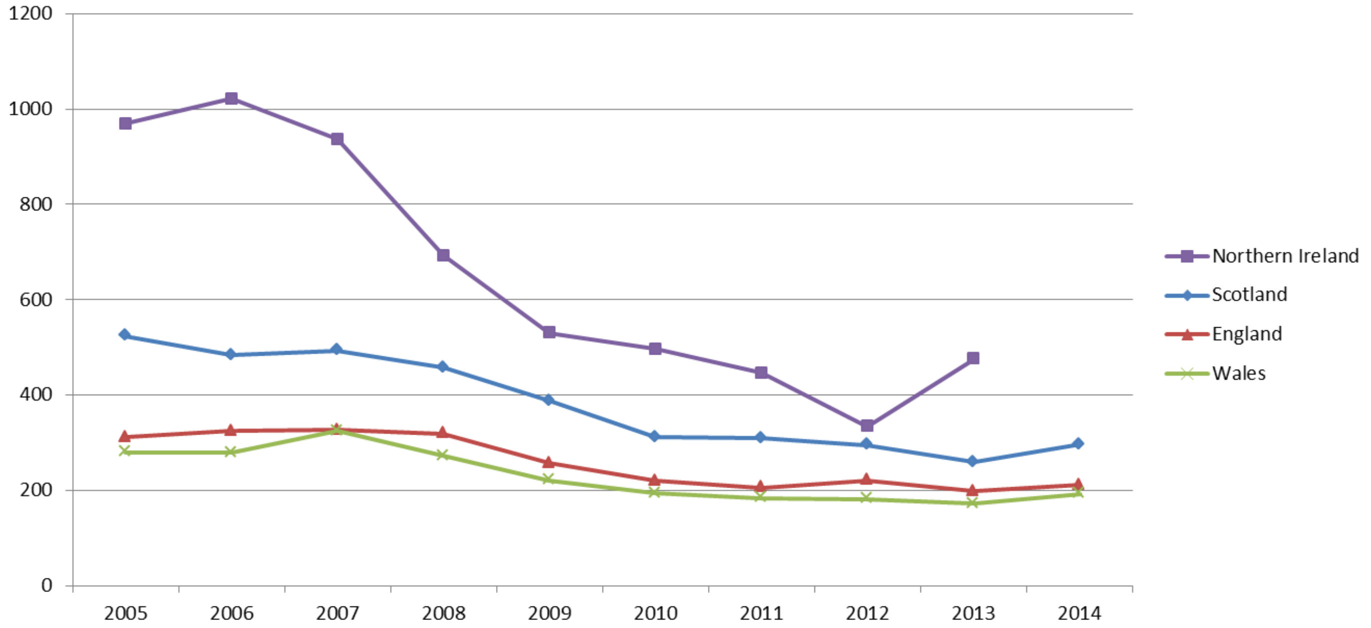
Comparison with the rest of the UK

Each of the countries of the UK produces its own statistics on New Build Housing and all use broadly consistent definitions. New build statistics for each of the countries of the UK, as well as for Great Britain and the UK as a whole can be found here:
https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building

As chart 4 shows, the rate of house building completions in Scotland has been below that of Northern Ireland but above that of England and of Wales throughout the 2005 to 2014 period. The rates in all countries generally dropped since 2005, but have risen in the latest year in Scotland, England and Wales. Data for 2014 is not currently available for Northern Ireland but the rate rose sharply in 2013[1].

The 15,824 homes completed in Scotland in the year to end June 2014 equates to a rate of 296 per 1,000 population. This is higher than the equivalent rates in England (211) and Wales (192) although lower than the latest available rate for Northern Ireland (476 in 2013).

Chart 4: New house building as a rate per 100,000 population for UK countries, years to end June, 2005-2014



Sub-national data

The information on new build housing in Scotland is collected and published at local authority level. Map A, below, shows new house building in the year to end June 2014, as a rate per 10,000 population.

The map shows that, in the year to end June 2014 the highest new build rates were observed in Midlothian, Aberdeenshire, and Orkney Islands and the lowest in Dundee City, South Ayrshire and Clackmannanshire.

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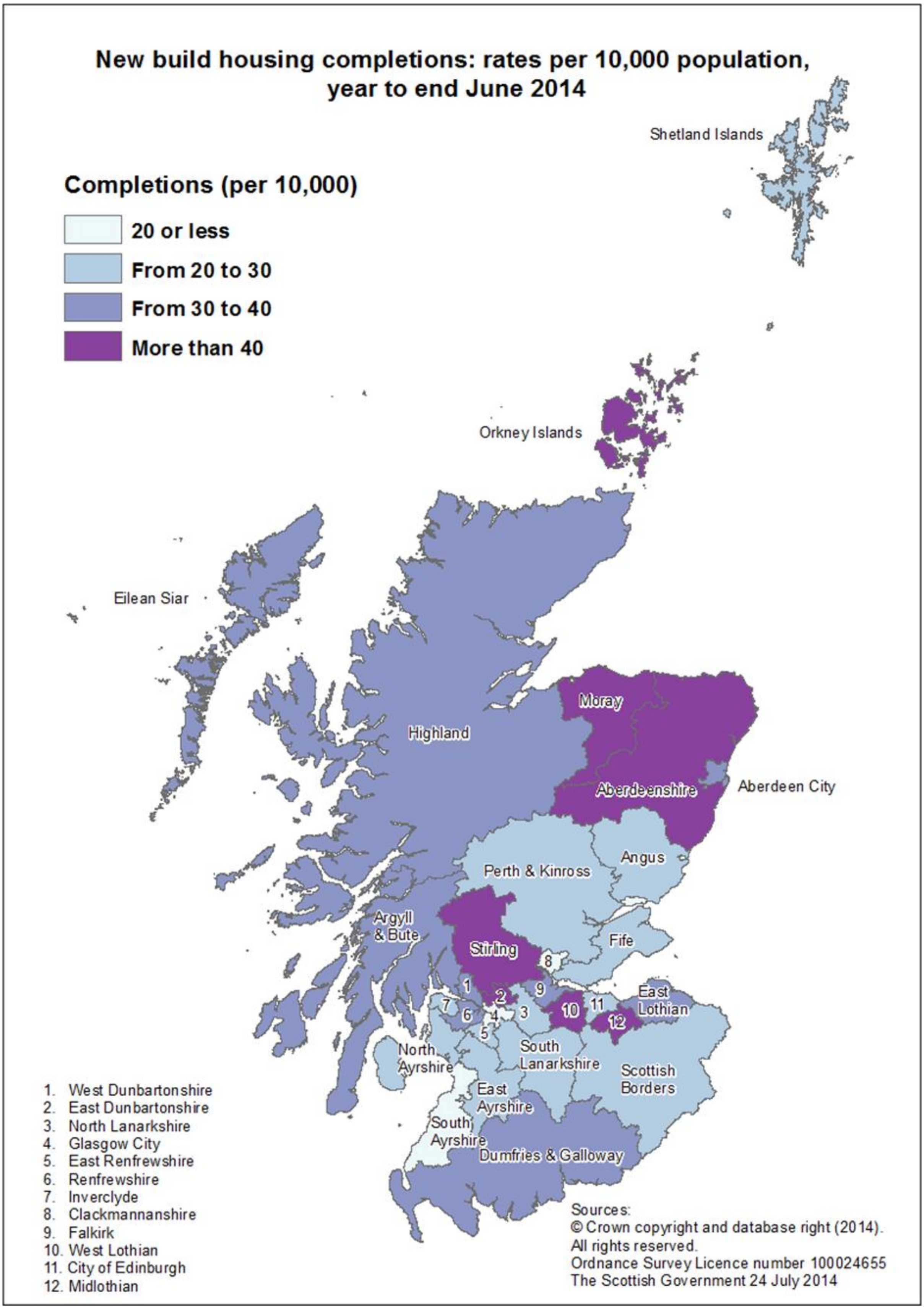
[1] Northern Ireland are currently reviewing their new build methodology and so no figures are available for the year to end June 2014.

Map A


New build housing completions: rates per 10,000 population, year to end June 2014
Completions (per 10,000)
20 or less
From 20 to 30
From 30 to 40
More than 40
Shetland Islands
Orkney Islands
Eilean Siar
Highland
Moray
Aberdeenshire
Aberdeen City
Angus
Perth & Kinross
Argyll & Bute
Stirling
Fife
East Lothian
North Ayrshire
South Lanarkshire
Scottish Borders
East Ayrshire
South Ayrshire
Dumfries & Galloway
1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian
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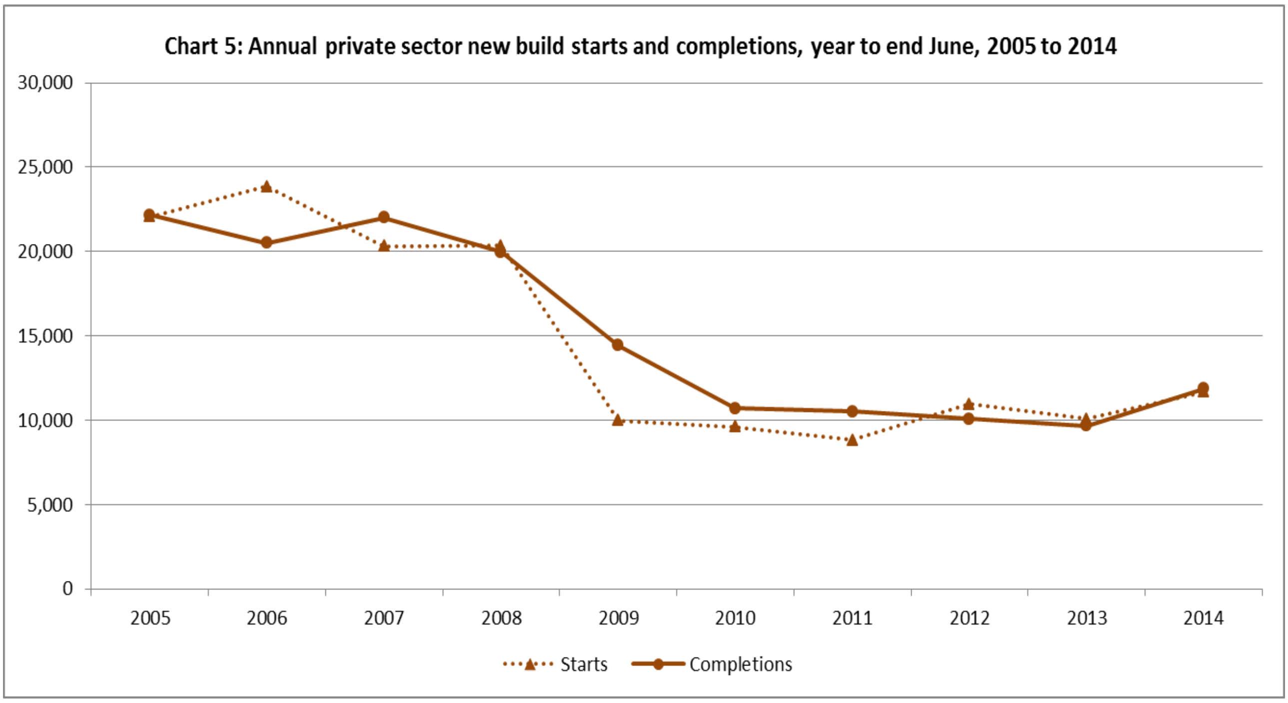
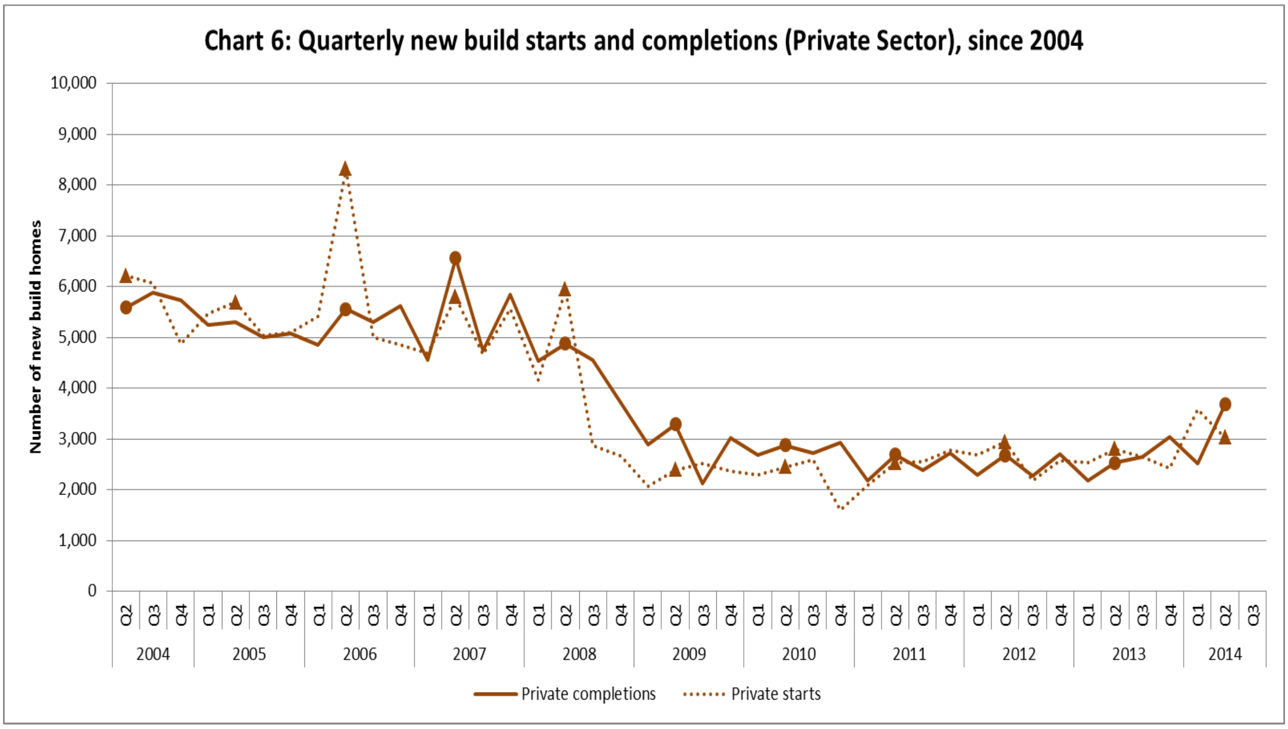
New build housing – Private sector

The private sector is the biggest contributor to overall house building, accounting for 75% of all homes completed in the 12 months to end June 2014.





<u>Historic Trends</u>

Between 2005 and 2008 the number of homes started and completed both remained fairly steady at around 20,000-24,000 each year. The private sector was hit particularly hard by the recession and the number of homes started and completed dropped to about 10,000 a year from 2010 before recovering slightly in the year to end June 2014.

Latest data

Between April and June 2014, 3,676 new private sector homes were completed. This is much higher (46%) than the number completed in the same quarter the previous year and also well above (44%) the quarterly average since 2011.

Meanwhile there were 3,026 private sector starts between April and June 2014 – up by 8% on the same quarter the previous year, 13% above the quarterly average since 2011 and the second highest number since April to June 2008 (the highest since April to June 2008 being recorded in January to March 2014). Over the longer term these starts should feed through to completions – further information is provided in the Notes section of this document.

The latest year's figures show increases – starts by 16% to 11,671 and completions by 23% to 11,879 although both remain well below pre-recession levels.

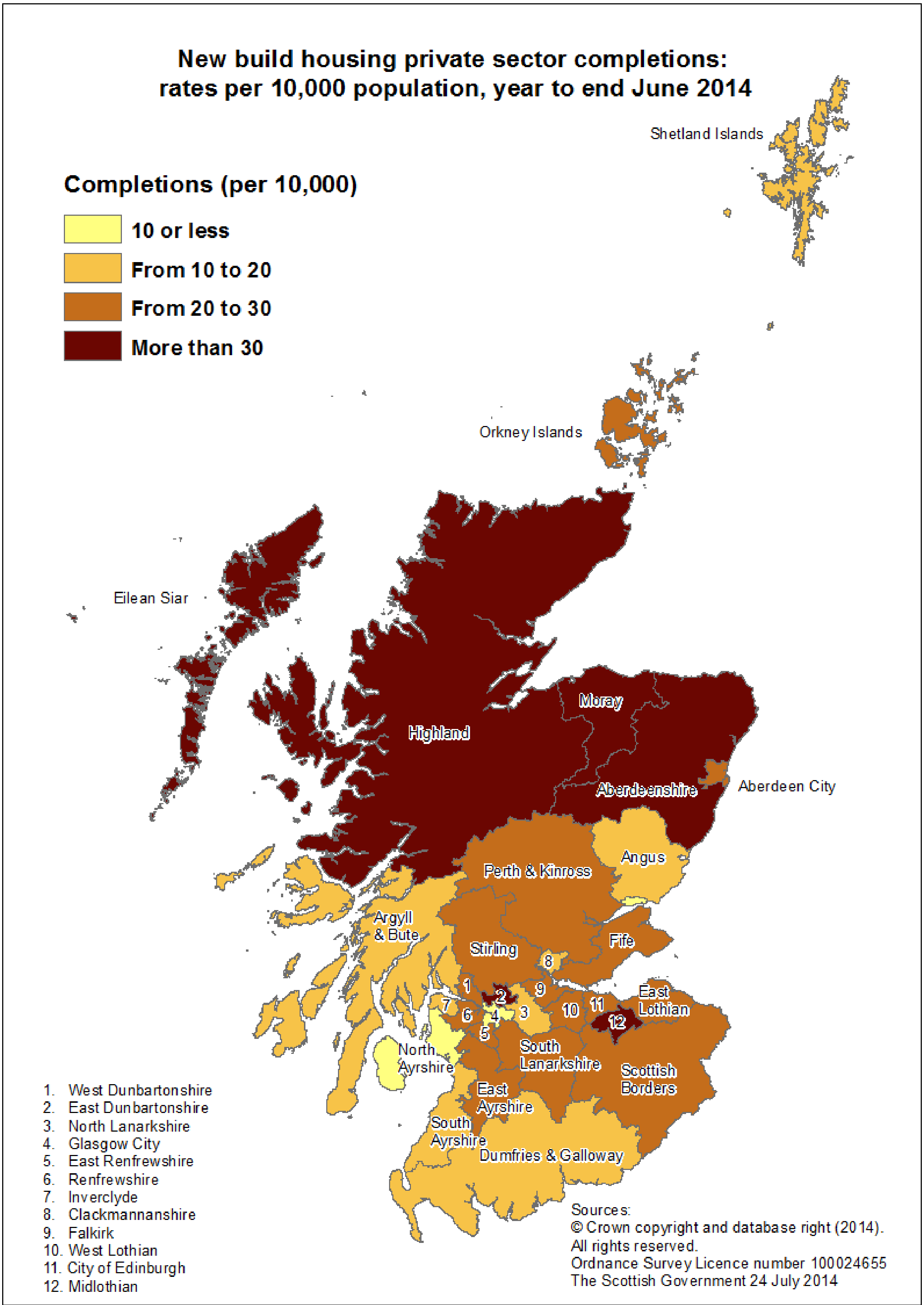
In September 2013 the Scottish Government introduced the Help to Buy (Scotland) scheme which aims to support buyers purchasing a new build home and to stimulate the house building industry.

Sub-national data

Map B shows the rates of private sector led new build completions in each local authority for the year to end June 2014.

The highest completion rates were found across much of the north of the country (Aberdeenshire, Moray, Eilean Siar and Highland) along with Midlothian and East Renfrewshire. The lowest rates meanwhile were found in Glasgow City, Dundee City and North Ayrshire.

Map B


New build housing private sector completions:
rates per 10,000 population, year to end June 2014
Completions (per 10,000)
10 or less
From 10 to 20
From 20 to 30
More than 30
Shetland Islands
Orkney Islands
Eilean Siar
Highland
Moray
Aberdeenshire
Aberdeen City
Angus
Perth & Kinross
Argyll & Bute
Stirling
Fife
East Lothian
North Ayrshire
South Lanarkshire
Scottish Borders
East Ayrshire
South Ayrshire
Dumfries & Galloway
1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian
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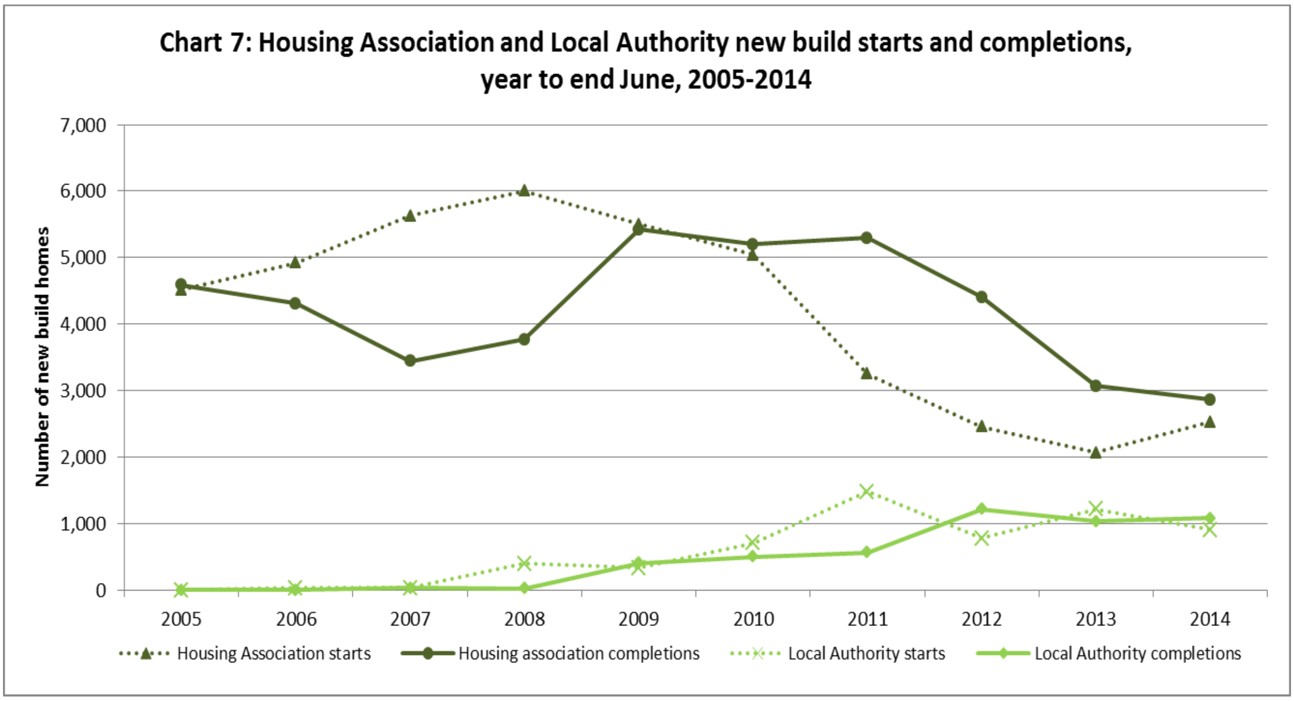
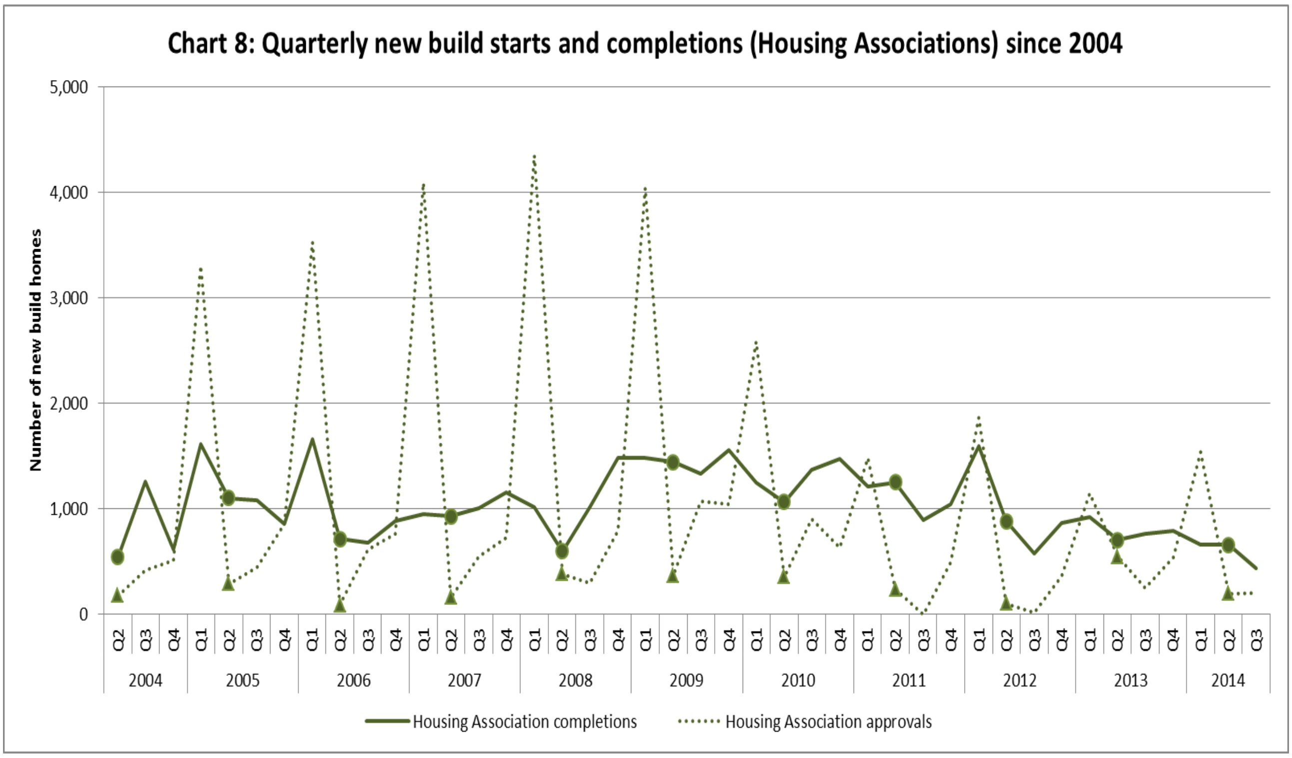
New build housing – Social sector

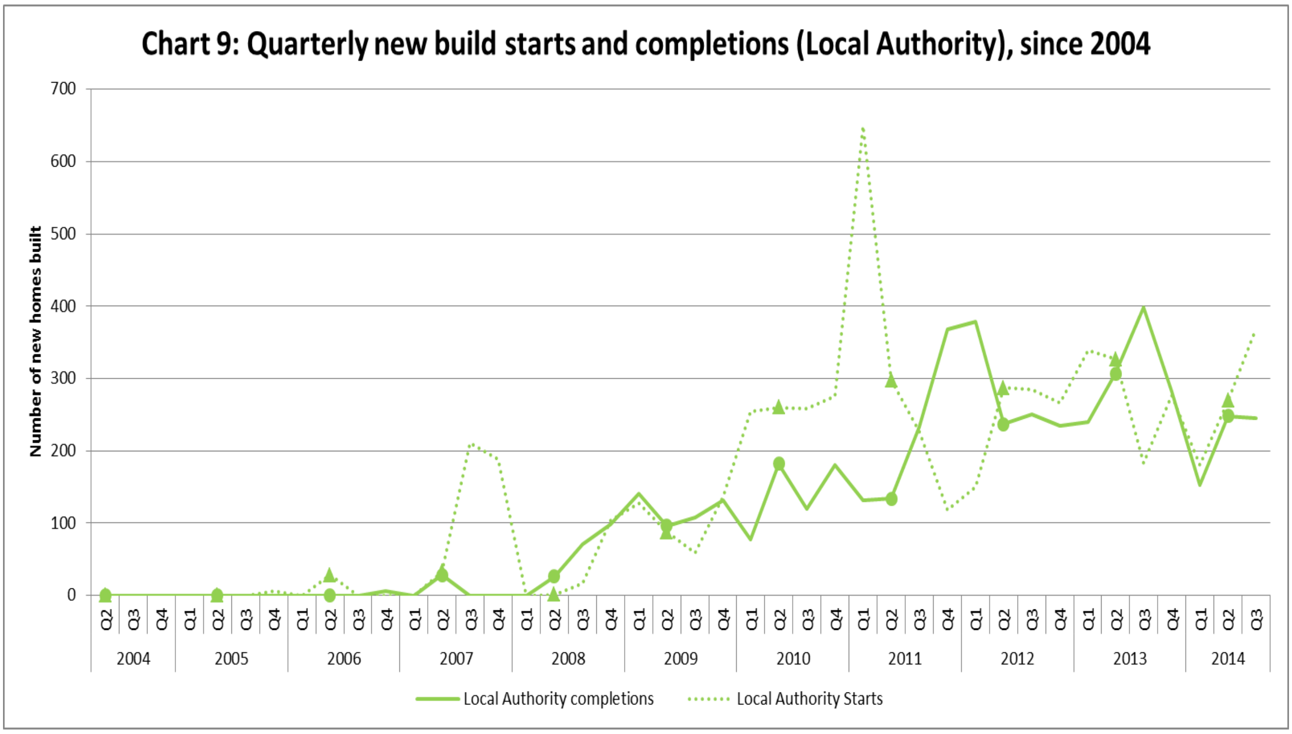
Social sector housing consists of local authority and housing association housing[2], and has accounted for 25% of all new build homes completed over the 12 months to end June 2014. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of September 2014. However, to enable easier understanding of how each sector contributes to the all sector totals described above, figures are mainly presented for the same time period to end June (although quarterly charts include the latest quarter's data).

The more up-to-date figures for the social sector and are presented later in this report.



[2] Housing association new build here relates to homes built for social rent and those built for low cost home ownership. It does not include mid-market rent which is included in the private sector figures.





<u>Historic Data</u>

Chart 7 shows the number of local authority and housing association homes started and completed each year (to end June) since 2005 whilst charts 8 and 9 show quarterly figures for housing associations and local authorities respectively.

Social sector house building has not followed the same pattern over time as the private sector, in that the number of homes being built did not suddenly drop following the recession. Between 2005 and 2012 the number of housing association completions generally fluctuated between 3,500 and

5,500 each year. More recently this has fallen to around 3,000 per year. The number of approvals meanwhile fluctuated between 4,500 and 6,000 from 2005 to 2010 before falling to between 2,000 and 3,000. The peaks in approvals[3] in quarter 1 (January to March) each year shown in Chart 8 have been caused by large numbers of housing association approvals being granted near the end of the financial year.

Almost no local authority homes were built between 2005 and 2007. From that point on there has been an increase in the number being built. Over 1,000 local authority homes have been completed in each of the last 3 years (to end June). In the 12 months to end June 2014, Local Authority housing has accounted for 7% of the total new build homes completed across all sectors.

Quarter 2: April – June 2014

907 social sector homes were completed between April and June 2014 (659 housing association and 248 local authority). This is 10% fewer than the 1,013 completed in the same period the previous year. This brings the total for the 12 months to end June 2014 to 3,945 which is 4% fewer than the 4,100 completed in the previous year. This decline is due to fewer housing association completions (2,864 homes which is 203 (7%) fewer than were completed in the previous year) despite slightly more local authority completions (1,081 homes which is 48 (5%) more than in the previous year).

Meanwhile 466 social sector homes were started between April and June 2014 (197 housing association and 269 local authority). This is down by 47% (408 homes) compared to the same quarter in the previous year. This brings the total for the 12 months to end June 2014 to 3,435 which is 5% more than the 3,282 started in the previous year. The increase is down to more housing association homes being started (2,525 homes which is 460 (22%) more than in the previous year) despite fewer local authority starts (910 homes which is 307 (25%) fewer than in the previous year).

Sub-national data

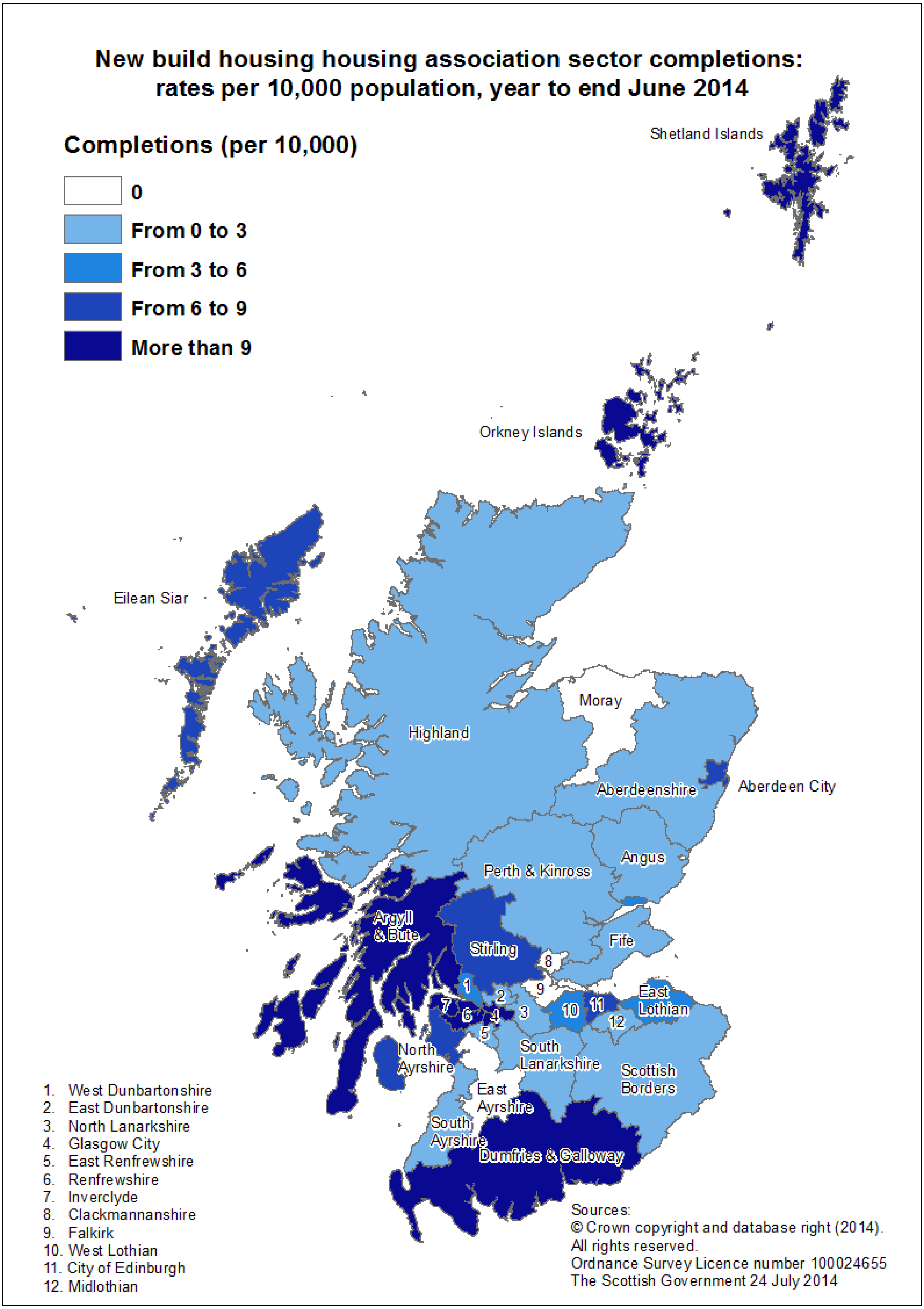
Maps C and D show the rates of housing association and local authority new build completions in each local authority for the year to end June 2014. The housing stock of 6 local authorities (Argyll & Bute, Dumfries & Galloway, Eilean Siar, Glasgow City, Inverclyde and Scottish Borders) has been transferred to housing associations and so these local authorities do not build new houses.

During this period rates of housing association new build were highest in Dumfries & Galloway, Orkney and Inverclyde whilst no new housing association houses were built in Clackmannanshire, East Ayrshire, Falkirk and Moray.

Meanwhile local authority new build rates were highest in the Lothians, Orkney and Moray. Beside the 6 stock transfer authorities a further 6 local authorities built no new houses during the year.

[3] Approvals are used rather than starts when looking at housing association new build. Approval is the point at which funding is granted.

Map C


New build housing housing association sector completions: rates per 10,000 population, year to end June 2014
Completions (per 10,000)
0
From 0 to 3
From 3 to 6
From 6 to 9
More than 9
Shetland Islands
Orkney Islands
Eilean Siar
Highland
Moray
Aberdeenshire
Aberdeen City
Angus
Perth & Kinross
Argyll & Bute
Stirling
Fife
East Lothian
North Ayrshire
South Lanarkshire
Scottish Borders
East Ayrshire
South Ayrshire
Dumfries & Galloway
1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian
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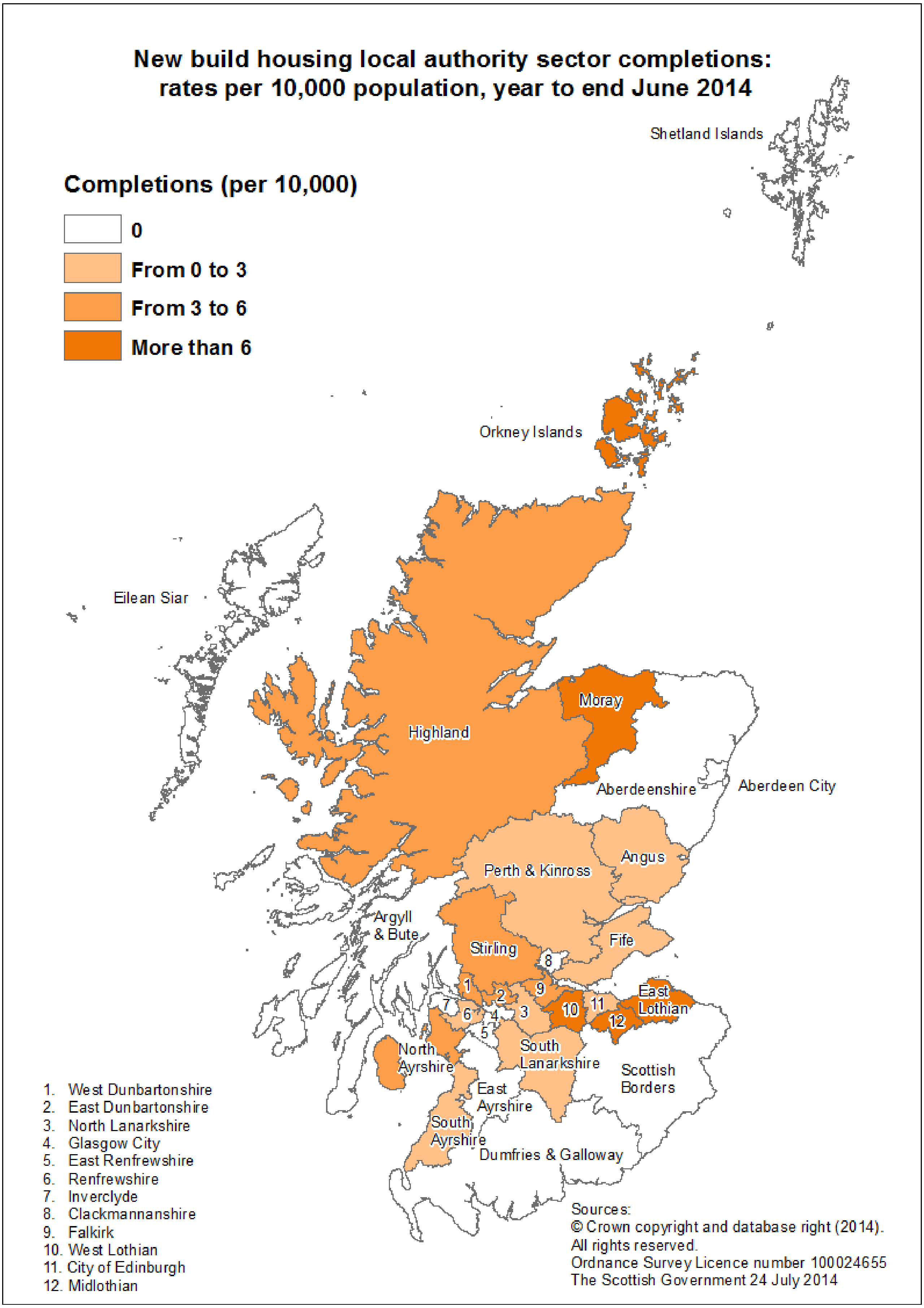
Map D


New build housing local authority sector completions:
rates per 10,000 population, year to end June 2014
Completions (per 10,000)
0
From 0 to 3
From 3 to 6
More than 6
Shetland Islands
Orkney Islands
Eilean Siar
Highland
Moray
Aberdeenshire
Aberdeen City
Angus
Perth & Kinross
Argyll & Bute
Stirling
Fife
East Lothian
North Ayrshire
South Lanarkshire
Scottish Borders
East Ayrshire
South Ayrshire
Dumfries & Galloway
1
2
3
4
5
6
7
8
9
10
11
12
1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian
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Latest data: July – September 2014

A total of 680 social sector homes were completed between July and September 2014. This is 41% fewer than the 1,159 completed in the same period the previous year. This brings the total for the 12 months to end September 2014 to 3,466 which is 22% fewer than the 4,433 completed in the previous year. This decline is due to fewer housing association completions (715 fewer houses were built which equates to a 22% reduction) and fewer local authority completions (252 fewer homes which also equates to a 21% reduction).

Meanwhile 568 social sector homes were started between July and September 2014. This is up by 30% (132 homes) compared to the same quarter in the previous year. This brings the total for the 12 months to end September 2014 to 3,567 which is 4% more than the 3,417 completed in the previous year. The increase is down to more housing association homes being started (168 more homes which equates to a 7% increase) despite slightly fewer local authority starts (18 fewer, a 2% decrease).

Affordable Housing

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off the shelf purchases and rehabilitations as well as new build. The social rent new build element of this covers largely the same houses referred to in the social sector new build section of this report. Statistics for the AHSP are available up to the end of September 2014. As a result they have been presented here for the year to end September. This differs from the figures in much of the remainder of this report which cover years to end June.

Changes in the funding programme in 2011 and 2012 have impacted on the timing of affordable housing activity as well as the level of activity and this should be borne in mind when making comparisons over time.

Approvals, starts and completions are all measured for the AHSP. Approval is the point at which funding is granted and, along with completion, is a significant part of the administration process meaning that the data should be of good quality. Starts meanwhile can be recorded at any point in the development, for example when site clearance begins or any point up to the beginning of ground works for foundations. As a result approvals are generally deemed a better measure than starts for AHSP data.

Chart 10: Annual Affordable Housing Supply Programme (AHSP) approvals and completions, year to end September, 2005 - 2014

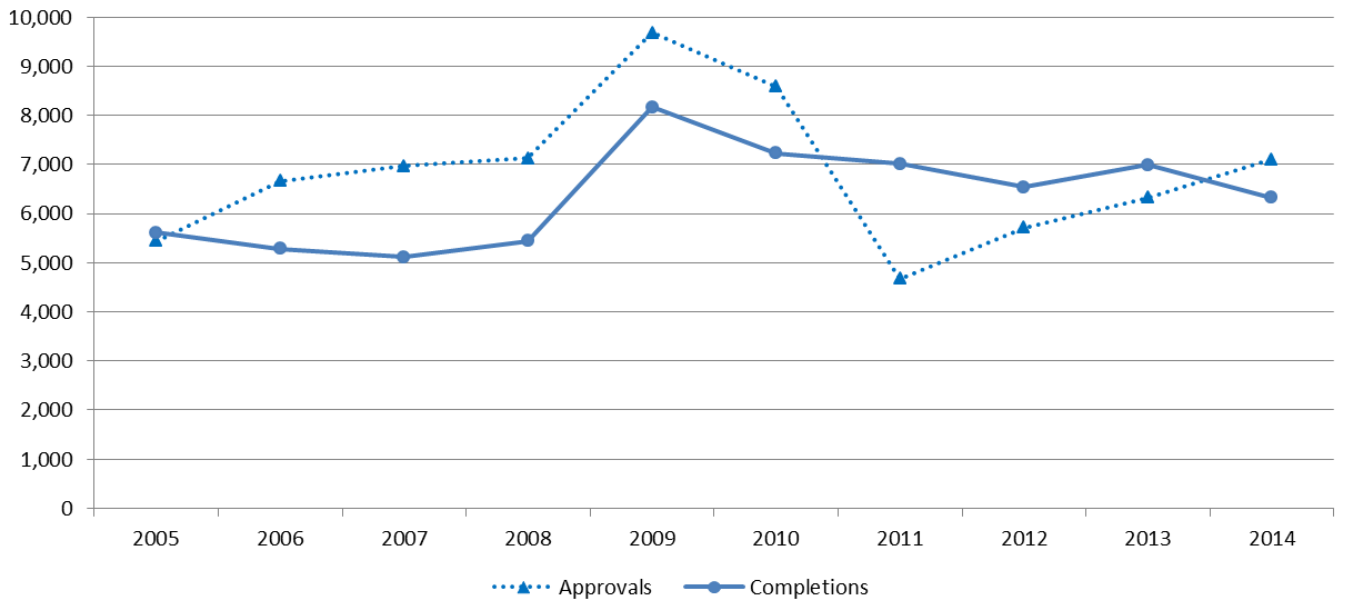
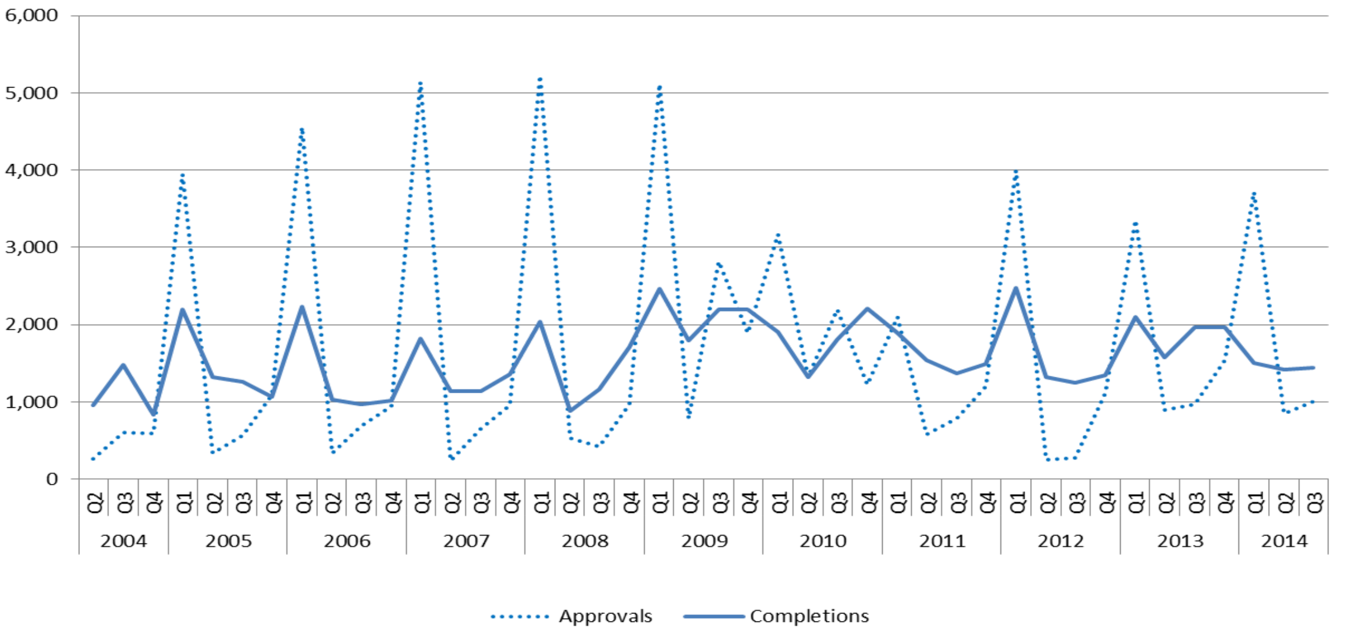
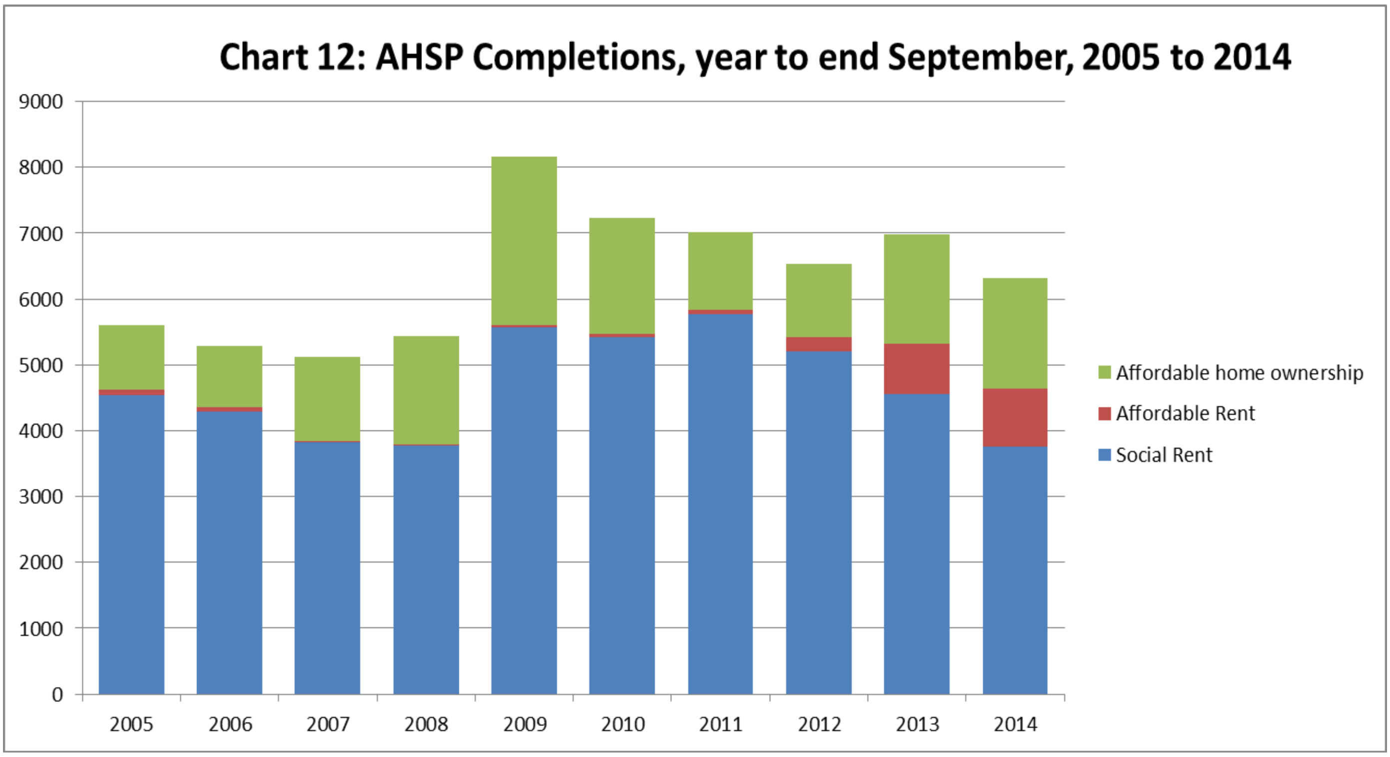


Chart 11: Quarterly Affordable Housing Supply Programme approvals and completions, 2004-2014



Between July and September 2014 1,440 affordable homes were completed. This is 524 (27%) fewer than in the same quarter the previous year. It brings the total for the 12 months up to the end of September 2014 to 6,326 - down 9% on the previous 12 months.

As chart 12, below, shows in the last year social rent completions have reduced (by 804 homes or 18%), affordable home ownership completions have remained steady and affordable rent (such as mid-market rent) completions have continued to grow (by 131 homes or 17%).



Meanwhile there were 1,002 affordable home approvals between July and September 2014. This is 40 (4%) more than in the same quarter the previous year. It brings the total number of affordable home approvals in the 12 months to end September 2014 to be 7,107, a total of 784 (12%) more homes than in the equivalent 12 months in the previous year.

The increases in the numbers of approvals can be attributed in part to the increase in subsidy rates introduced during 2013-14 which meant that councils and housing associations received an extra £16,000 per home.

Sales of social sector housing to sitting tenants (Right to Buy)

Most sales of social housing to tenants are sales under Right to Buy although a small number cover other sales such as voluntary sales by local authorities to sitting tenants.

In July 2013 the Scottish Government announced that the Right to Buy was to end for all tenants. Immediately following this announcement the number of applications and the number of sales both increased (by 39% and 44% respectively) compared to the previous quarter.

Since then applications and sales have remained at higher levels than in the equivalent quarter of the previous year. The most recent figures available are for April – June 2014. During this period there were 886 applications (26% higher than in the same quarter the previous year) and 335 sales (46% higher).

Throughout the year to end June 2014 there were 1,644 sales to sitting tenants. This is 35% more than in the previous year.

The provision to end Right to Buy with a two year notice period was included in the Housing (Scotland) Bill which received Royal Assent on 1 August 2014.

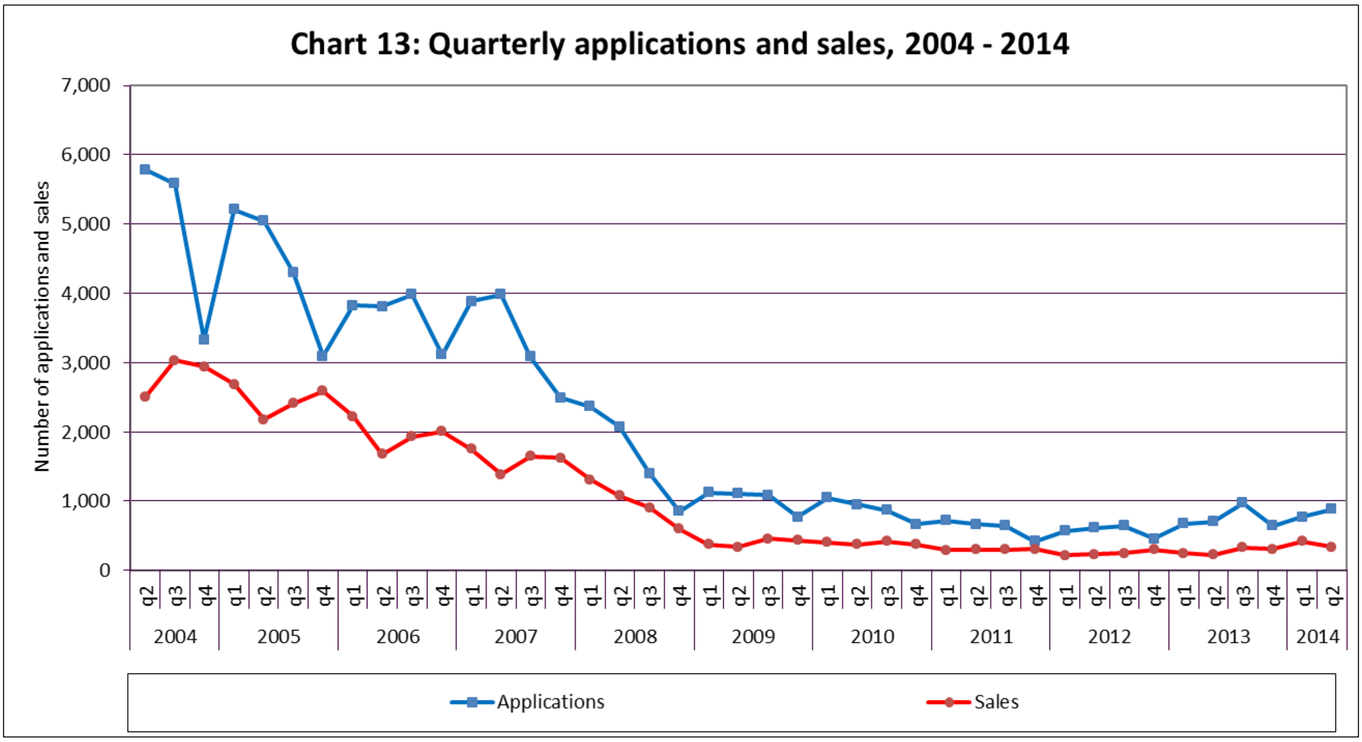


Chart 13: Quarterly applications and sales, 2004 - 2014
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Number of applications and sales
q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2 q3 q4 q1 q2
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
Applications
Sales

Notes

This document should be read along with the explanatory document which provides information on how the statistics are collected and what they do and do not tell us. Some additional notes are provided below.

Starts and completions

New build information is provided for starts (when the foundations are begun) and completions (when a building inspector deems the property complete). In general, the number of starts will be a strong indicator of the likely trend in completions over the longer term, but there may well be differences over the short and medium term depending on factors such as the housing market, economic climate, access to finance, and speed of construction. A wide range of factors can influence the length of time it takes for a new private dwelling to be constructed, including the type of property (house, flat etc.), and the overall size of the site. Depending on the size of the site, the average time from start to completion of the entire site can range from anywhere between around 1.5 years to 2.75 years. Individual homes, or blocks of homes, might be completed in shorter timescales if parts of the site are completed in advance of the rest.

Comparing over time

New build figures are not seasonally adjusted and so it's not always appropriate to compare the latest quarter's figure with the previous one. In particular Housing Association approvals tend to peak in quarter 1 of each year due to the way in which funding is allocated to these projects. This document generally compares the latest quarter's figures with those for the equivalent quarter in previous years or it compares the latest 12 month period with the previous one. For series where there is no obvious seasonal pattern it may also compare with the average quarterly figure over a period of time.

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Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

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How to access background or source data

The data collected for this statistical bulletin:
☐ are available via an alternative route

http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS

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If you are not satisfied with our service or have any comments or suggestions, please write to the Chief Statistician, 3WR, St Andrews House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail statistics.enquiries@scotland.gsi.gov.uk.

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