A National Statistics publication for Scotland

The Scottish Government
Riaghaltas na h-Alba

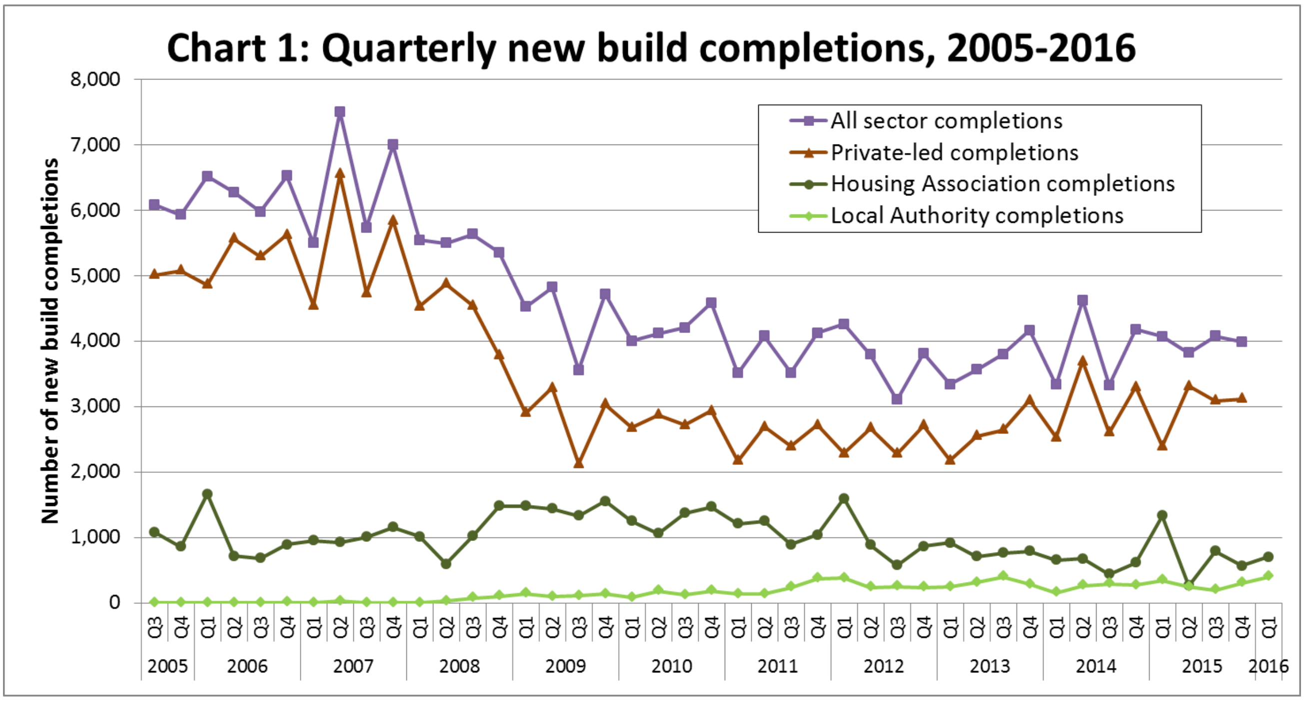
PEOPLE, COMMUNITIES AND PLACES

Housing Statistics for Scotland Quarterly Update (published 14 June 2016)

This quarterly statistical publication provides information on recent trends in:

- **New build housing starts and completions** by sector (up to end December 2015, with more up-to-date social sector information available up to end March 2016)
- **The Affordable Housing Supply Programme** (up to end March 2016)
- **Local authority house sales including Right to Buy** (up to end December 2015)

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, along with an explanatory note.



Key Points

New Build Housing – All Sectors:

There were 3,988 new build homes **completed** between October and December 2015; a 5% decrease on the same quarter in 2014. This brings the total for the year to end December 2015 to 15,954, up 3% (479 homes) compared to the 15,475 completed in the previous year.

There were 3,585 **new build homes started** between October and December 2015; 12% fewer than the same quarter in 2014. This brings the total for the year to end December 2015 to 17,231 which is up by 3% (508 homes) compared to the 16,723 homes started in the previous year.

New Build Housing – Private-led Housing:

Between October and December 2015, 3,120 **private sector led** homes were **completed**; 5% down on the same quarter in 2014. This brings the total for 2015 to 11,917, which is 2% (205 homes) lower than the 12,122 completions in the previous year.

There were 2,491 **private sector led starts** between October and December 2015, 23% down on the same quarter in 2014. This brings the total for 2015 to 12,896, which is 0.2% (27 homes) lower than the 12,923 starts in the previous year.

New Build Housing – Social Sector Housing (Housing Association and Local Authority combined):

There were 868 **social housing completions** between October and December 2015; 2% down on the same quarter in 2014. This brings the total for the year to end December 2015 to 4,037. This is 20% increase on the 3,353 social sector completed in the previous year.

Meanwhile 1,094 **social sector** homes were **started** between October and December 2015; 29% more than the same quarter in 2014. This brings the total for the 12 months to end December 2015 to 4,335; a 14% increase on the previous year.

More up-to-date figures show that, in January to March 2016, 1,098 social sector homes were completed (35% fewer than the 1,677 completions in the same quarter in 2014), and 1,910 were started (5% more than the same quarter in the previous year). This brings the total completions for the 12 months to end March 2016 to 3,458 (an 18% decrease on the 4,221 social sector homes completed in the previous year). Total starts over the 12 months to end March 2016 are now at 4,418 (13% more than the 3,902 started in the previous year).

New Build Housing – Housing Association Homes:

There were 567 **housing association completions** between October and December 2015, which is 8% fewer than the same quarter in 2014. This brings the total for the year to end December 2015 to 2,954. This is a 24% (568 homes) increase on the 2,386 completions over the previous year.

There were 785 **housing association approvals** between October and December 2015; 54% more than the same quarter in the previous year. This brings the total for the year to end December 2015 to 2,893. This is an increase of 12% (320 homes) on the 2,573 approvals in the previous year.

More up-to-date figures show that a total of 700 Housing Association homes were completed between January to March 2016, a 48% decrease on the 1,334 homes completed in the same period in the previous year. This brings the total completions for the 12 months to end March 2016 to 2,320, which is a decrease of 24% on the 3,064 homes completed in the previous year. A total of 1,610 Housing Association homes were approved between January to March 2016, which is 1% more than the same quarter in 2015. This brings the total approvals for the 12 months to end March 2016 to 2,906, a 10% increase on the 2,634 approvals in the previous year.

New Build Housing – Local Authority Homes:

There were 301 **local authority completions** between October and December 2015, which is 12% more than the number that were completed in the same quarter in 2014. This brings the total for 2015 to 1,083. This is a 12% (116 homes) increase on the 967 completions the previous year.

There were 309 **local authority starts** between October and December 2015; 9% lower than the number in the same quarter in 2014. This brings the total for 2015 to 1,442. This is a 18% (215 homes) increase on the 1,227 starts in the previous year.

More up-to-date figures show that, in January to March 2016, 398 local authority houses were completed (an 16% increase on the same quarter in the previous year), and 300 were started (up by 30% on the same quarter in the previous year). This brings the total completions for the year to end March 2016 to 1,138, 2% fewer than the 1,157 completions in the previous year. Total starts for the 12 months to end March 2016 now stands at 1,512 which is an increase of 19% on the 1,268 local authority homes completed in the previous year.

Affordable Housing Supply – up to end March 2016

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 quarterly statistics for the year to end March 2016 show that **affordable housing supply completions** have totalled 6,518 for the year up to March 2016, down 8% on the previous year. This includes a decrease in affordable rent completions (down by 8% or 87 homes), and social rent completions (down by 12% or 523 homes), and an increase affordable home ownership completions (up by 4%, or 59 homes). Meanwhile, there were 7,945 affordable housing approvals over the year up to end March 2016, up by 26% or 1,648 homes. There were 7,682 new affordable houses started, up by 16%, or 1,041 homes, compared to the previous year.

Affordable Housing Supply Completions - Scottish Government Target to deliver 30,000 affordable homes, including 20,000 social rented homes and 5,000 council homes, between 2011-12 and 2015-16

The Quarterly statistics show that over the full period of the target between 2011-12 and 2015-16 there were a total of:

- 33,490 affordable housing supply completions, of which:
- 22,523 were for social rent, including 5,992 council house completions
- 3,473 were for other affordable rent
- 7,494 were for affordable home ownership

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. The most recent figures available are for October to December 2015. During this period there were **913 Right to Buy applications** (47% higher than in the same quarter the previous year, and 42% higher than in the same quarter in 2013) and **475 sales** (1% higher than in the same quarter in the previous year, and 53% higher than in the same quarter in 2013).

Contents

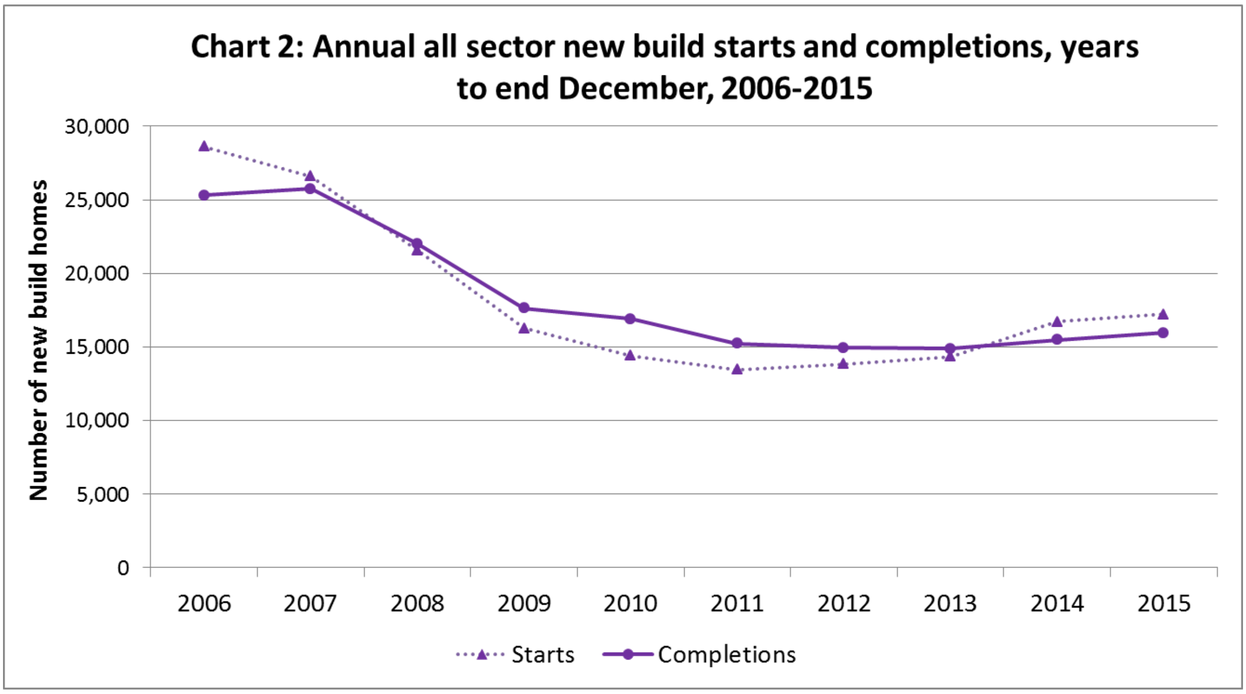
New Build Housing – All sectors

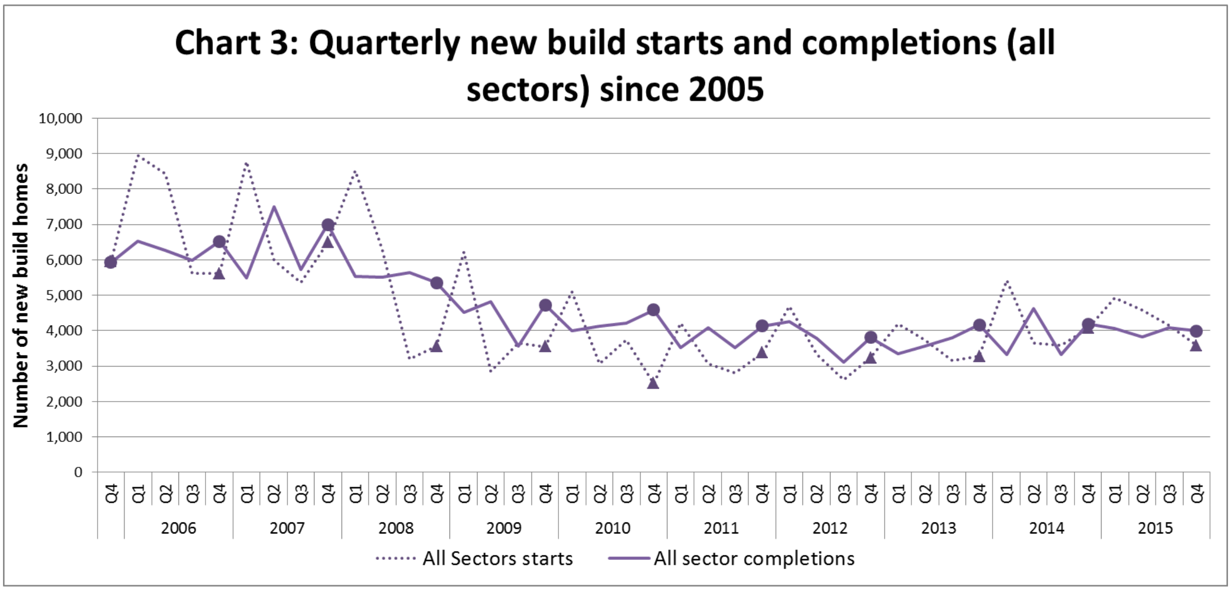
The new-build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

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 December 2015. 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 December 2015 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 4 figures (from October to December) have been highlighted in the charts to allow easy comparison over time. Some of 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 2005, whilst Charts 2 and 3, below, show annual and quarterly trends in starts and completions across all sectors.





Trends over the last ten years:

Chart 2 shows that between 26,000 and 29,000 homes were started each year between 2006 and 2007 (years to end December) whilst completions were slightly lower, around 25,000 to 26,000.

Charts 1 to 3 all clearly show the impact of the recession in the second half of the last decade, with private sector led completions in particular falling throughout 2008 and the start of 2009. Home completions for all sectors fell more gradually between 2010 and 2011, before increasing through 2014 and 2015.

Trends to end December 2015:

There were 3,988 new build homes **completed** between October and December 2015; a 5% decrease on the same quarter in 2014. This brings the total for the year to end December 2015 to 15,954, up 3% (479 homes) compared to the 15,475 completed in the previous year.

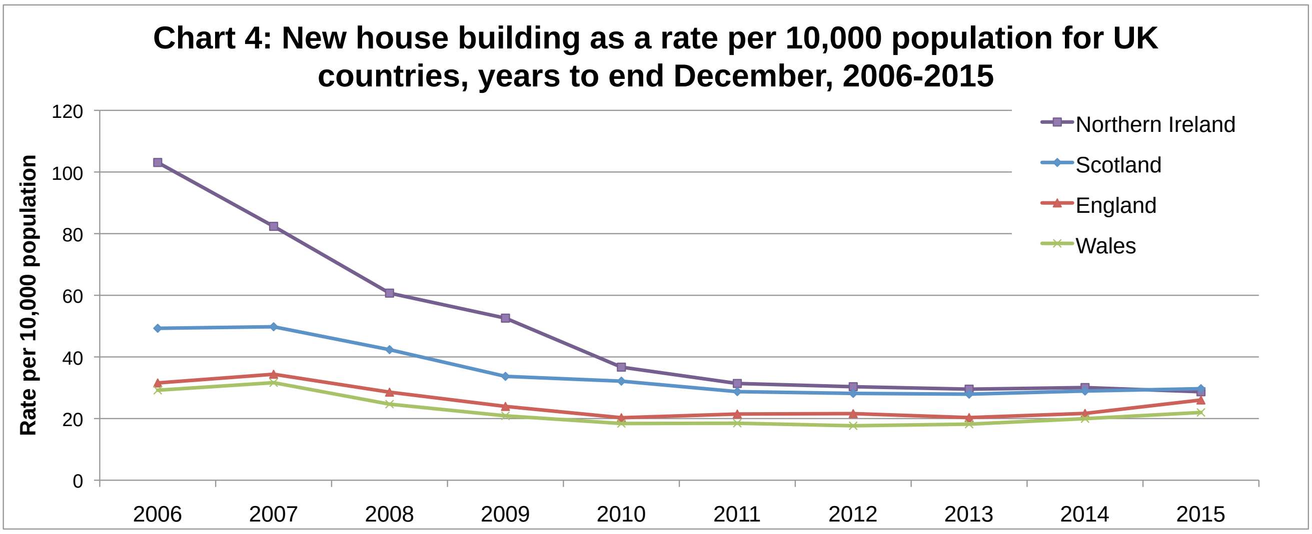
There were 3,585 **new build homes started** between October and December 2015; 12% fewer than the same quarter in 2014. This brings the total for the year to end December 2015 to 17,231 which is up by 3% (508 homes) compared to the 16,723 homes started in the previous year.

Comparison with the rest of the UK from 2006 to 2015:

Each of the countries of the UK produces their 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 Wales throughout the 2006 to 2014 period. In 2015, the Northern Ireland rate dropped slightly below that of Scotland for the first time since 2006. The rates in all countries have generally dropped since 2005/06, but have risen over the latest two years in Scotland, England and Wales.

The 15,954 homes completed in Scotland in the year to end December 2015 equates to a rate of 30 per 10,000 population. This is higher than the equivalent rates in England (26), Wales (22) and Northern Ireland (29).

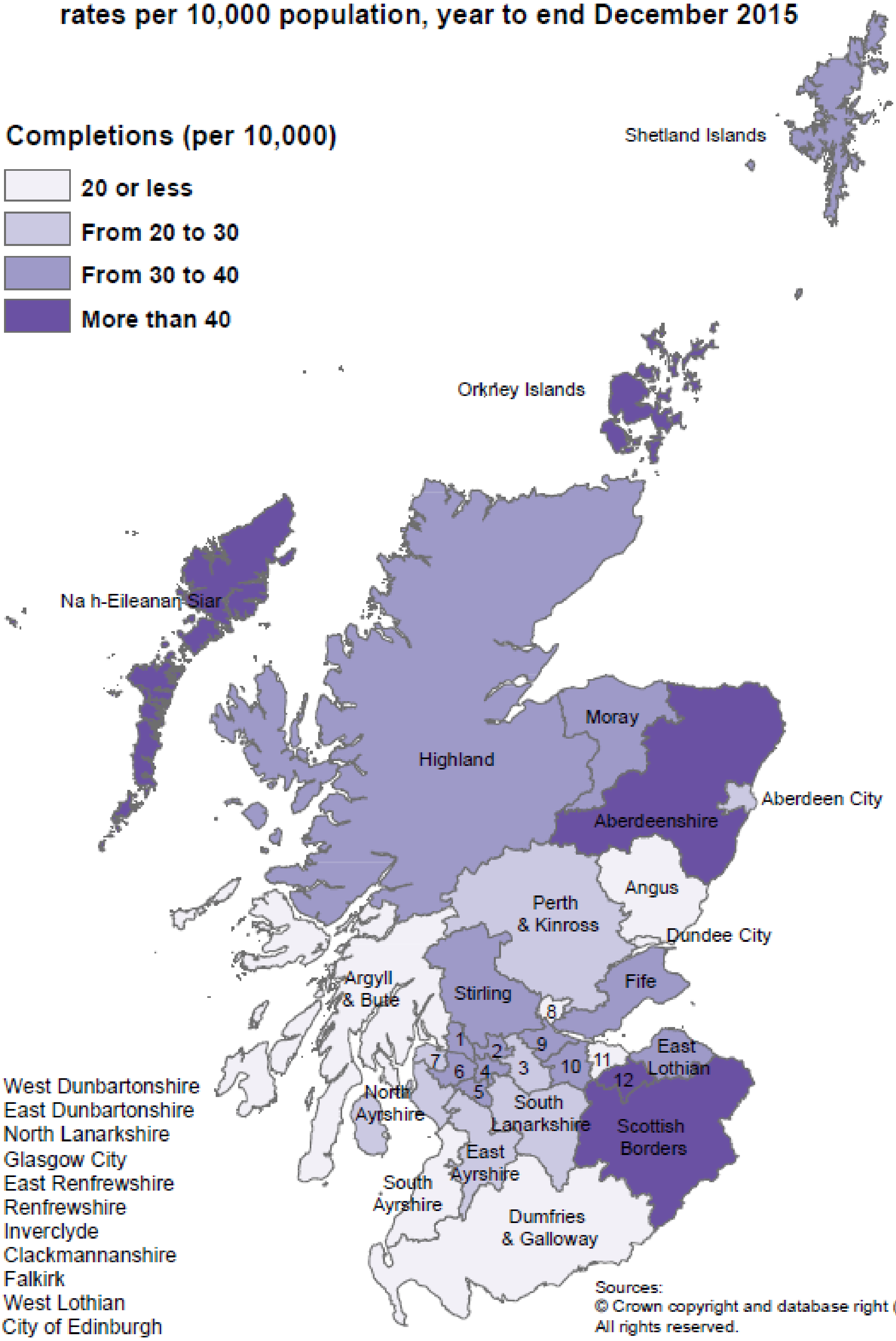


Sub-national figures for the year to end December 2015:

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 December 2015, as a rate per 10,000 population.

In the year to end December 2015 the highest new build rates were observed in Midlothian, Na h-Eileanan Siar, Aberdeenshire and Orkney Islands, and the lowest in Argyll & Bute, Dundee City, Clackmannanshire, and Dumfries & Galloway.

Map A: New build housing - all sector completions: rates per 10,000 population, year to end December 2015



1. West Dunbartonshire
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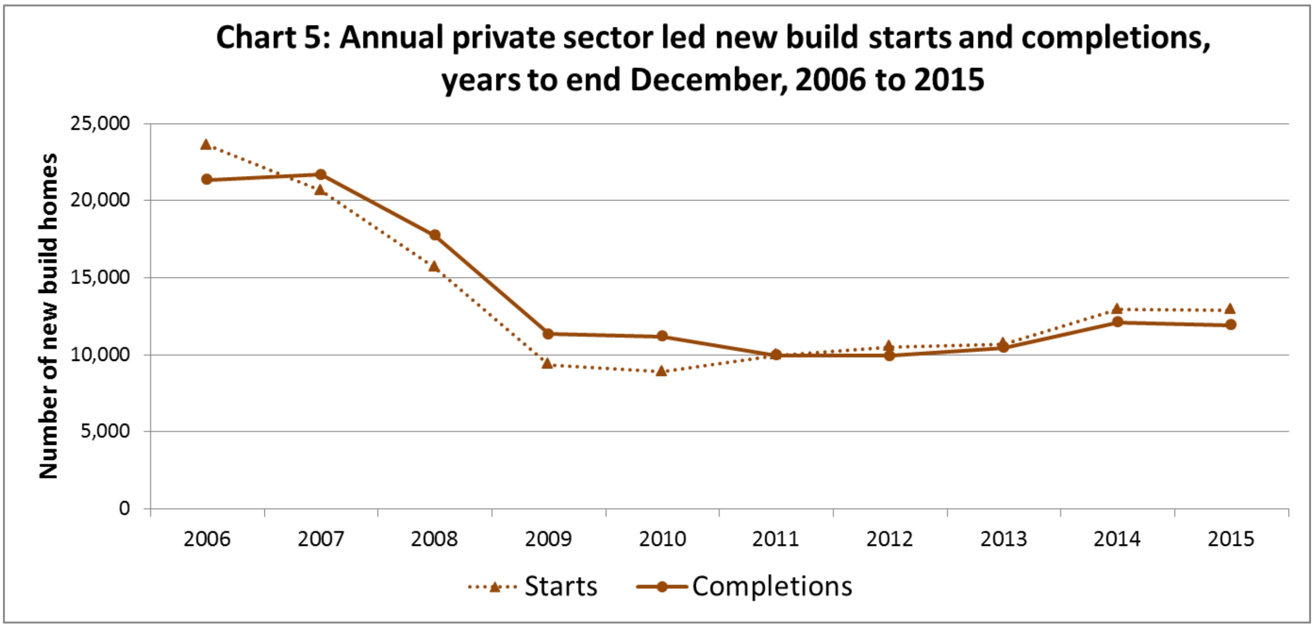
11. City of Edinburgh
12. Midlothian

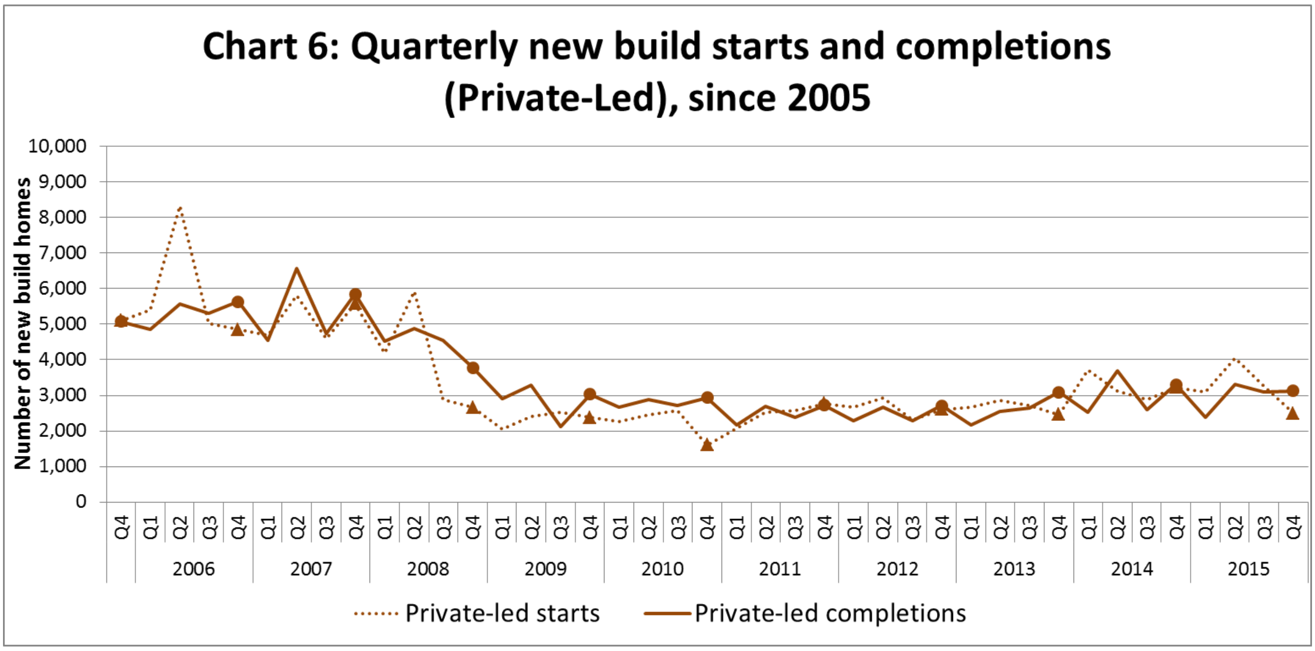
Sources:

The Scottish Government 14th June 2016

New Build Housing – Private-led Housing

The private sector is the biggest contributor to overall house building, accounting for three-quarters (75%) of all homes completed in the 12 months to end December 2015.





Trends over the last ten years:

Between 2006 and 2008 (years to end December) the number of private sector homes started were around 16,000 to 24,000 while completions were around 18,000 to 22,000. The private sector was hit particularly hard by the recession. The number of homes completed dropped steeply throughout 2009 then continued to decrease more gradually to around 10,000 in 2012. Since then the number of homes completed has increased, bringing completions through the year to around 12,000 in 2014 and 2015.

In September 2013 the Scottish Government introduced the Help to Buy (Scotland) scheme which has aimed to support buyers purchasing a new build home and to stimulate the house building industry. Further information on the scheme, along with monitoring information setting out numbers of sales, is available at http://www.gov.scot/Topics/Built-Environment/Housing/BuyingSelling/help-to-buy/MonthlyStats

Trends to end December 2015:

Between October and December 2015, 3,120 private sector led homes were completed; 5% down on the same quarter in 2014 (see Chart 6).

This brings the total for 2015 to 11,917 – down by 2% (207 homes) on the 12,122 completions in the previous year.

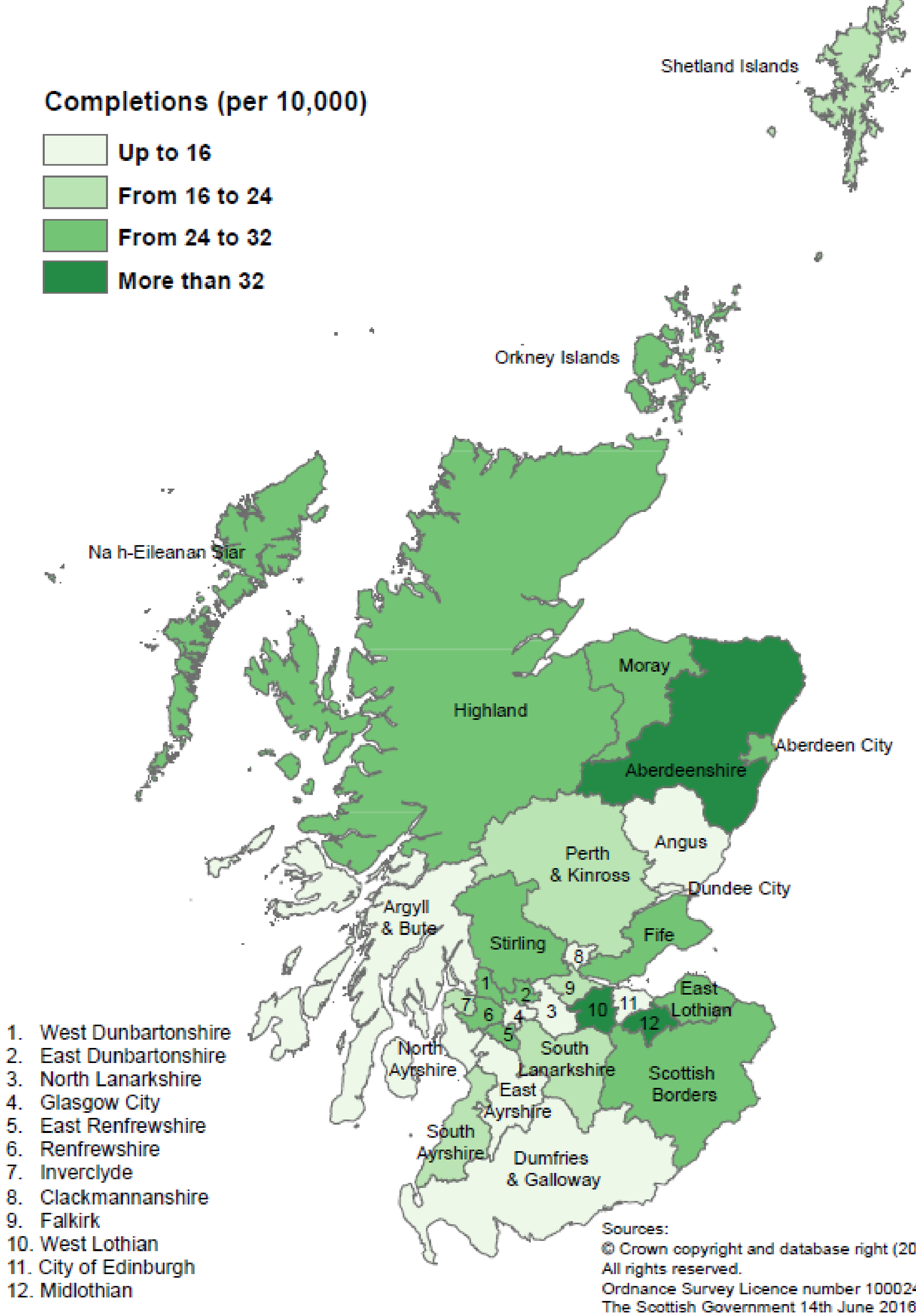
Meanwhile there were 2,491 **private sector led starts** between October and December 2015, 23% down on the same quarter in 2014. This brings the total for 2015 to 12,896, 0.2% (27 homes) lower than the 12,923 starts in the previous year.

Sub-national figures for the year to end December 2015:

Map B shows the rates per 10,000 head of population of private sector led new build completions in each local authority for the year to end September 2015.

The highest completion rates have been in Midlothian, Aberdeenshire and West Lothian. The lowest rates meanwhile have been in Argyll & Bute, Dundee City, Angus and Dumfries & Galloway.

Map B: New build housing - private sector completions: rates per 10,000 population, year to end December 2015



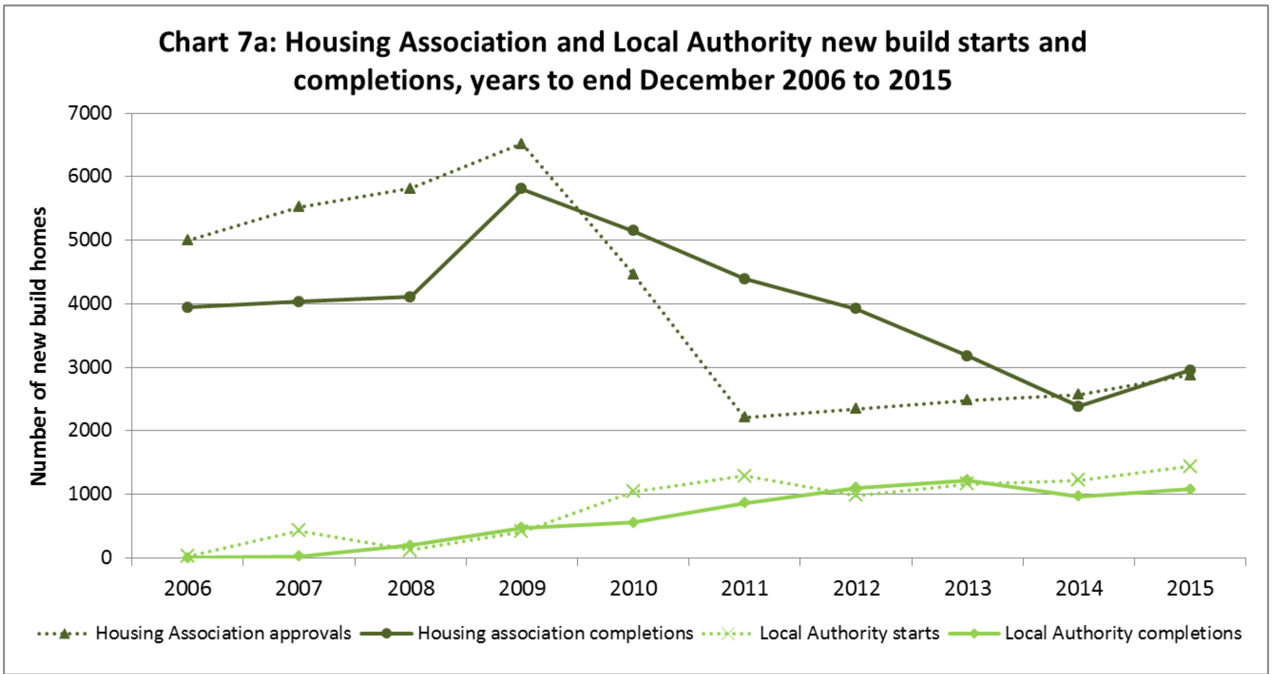
Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 14th June 2016

New Build Housing – Social Sector

Social sector housing consists of local authority and housing association housing, and has accounted for a quarter (25%) of all new build homes completed over the 12 months to end December 2015. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of March 2016. However, to enable easier understanding of how each sector contributes to the all sector totals described previously above, figures are also presented for the same time period to end December (although quarterly charts include the latest quarter's data).

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



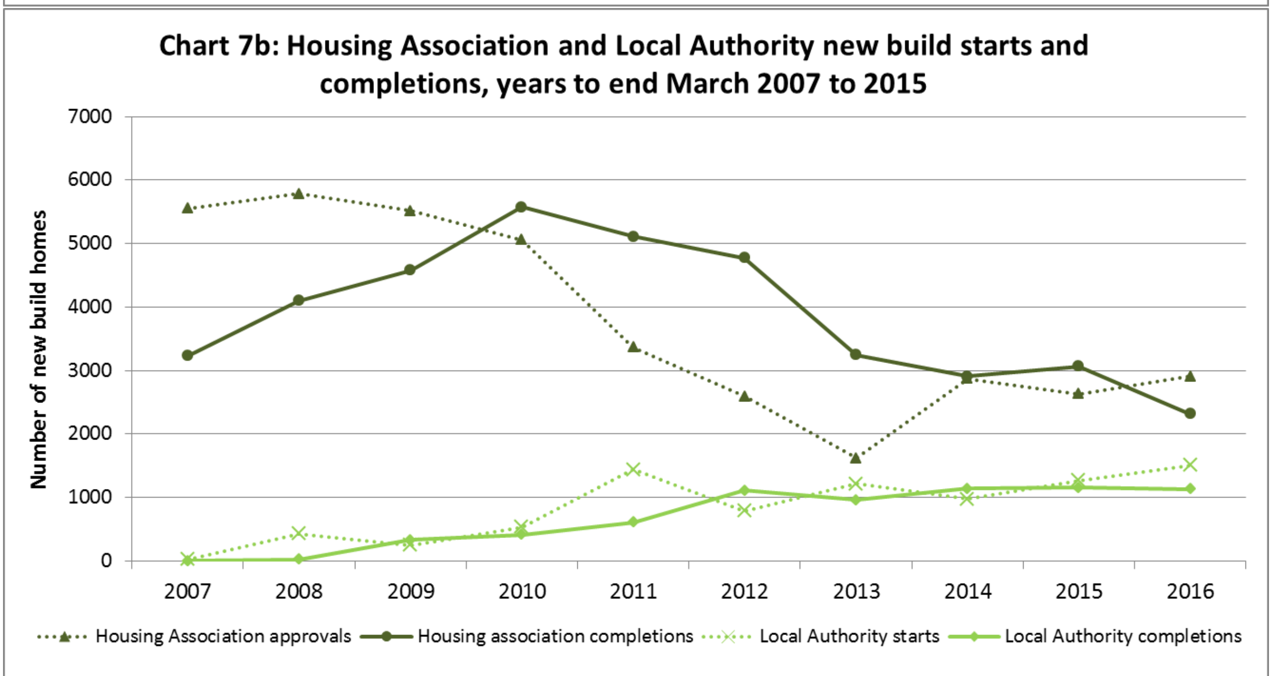


Chart 8: Quarterly new build approvals and completions (Housing Associations) since 2005

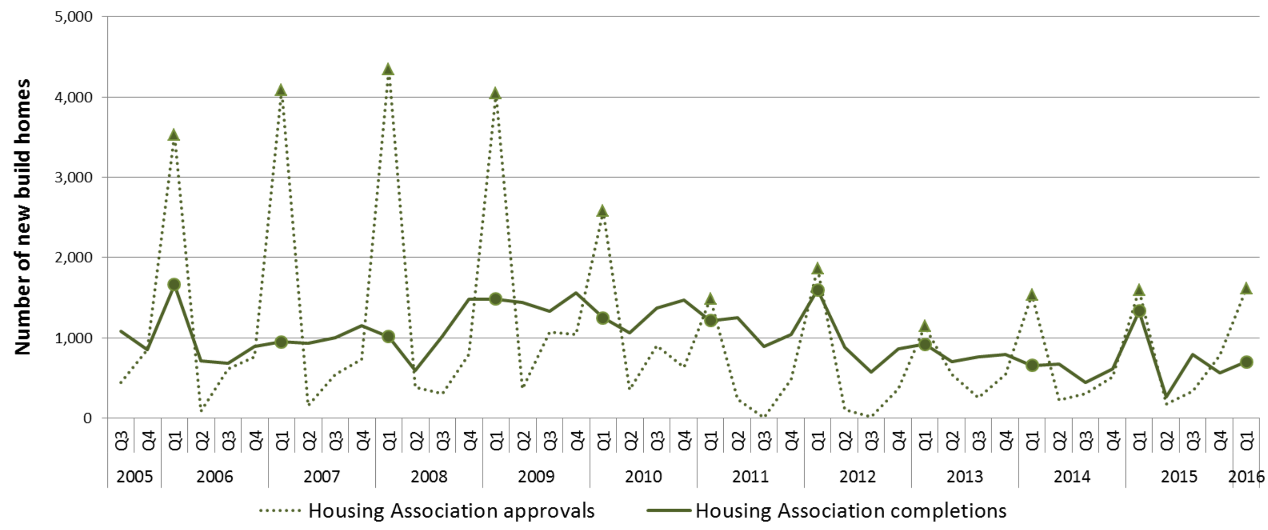
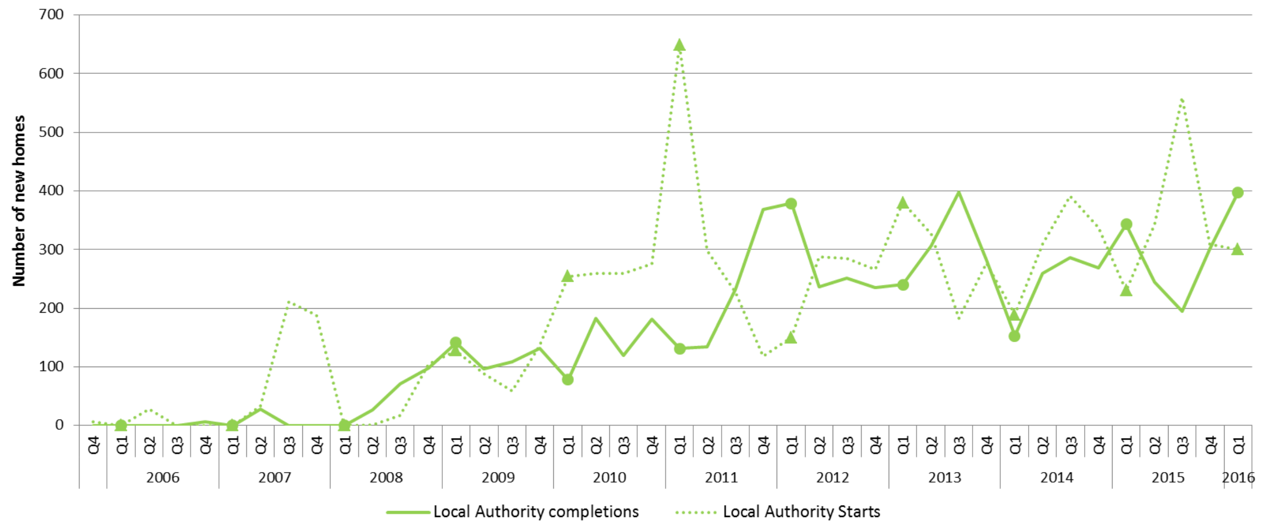


Chart 9: Quarterly new build starts and completions (Local Authority), since 2005



Trends over the last ten years:

Chart 7a shows the number of local authority and housing association homes started and completed each year (to end December) since 2005, whilst Chart 7b shows the same information but up to end March (the most recent information available). Charts 8 and 9 show quarterly figures for housing associations and local authorities respectively.

Social sector house building has not followed the same pattern as the private sector over time, as the number of homes being built did not suddenly drop in 2008 following the recession.

Between 2006 and 2008 (years to end December) the number of housing association completions were around 3,900 to 4,100 each year before increasing to over 5,800 in 2009. Completions have since fallen each year since 2011, dropping to around 3,000 in the year to end December 2015.

The number of housing association approvals meanwhile increased from around 5,000 to 6,500 from 2006 to 2009 (years to end December), before falling to around 2,200 in 2011. The figures then increased steadily each year to around 2,500 in 2014 and 2,900 in 2015.

Very few local authority homes were built from 2006 to 2007 (years to end December). The number gradually increased from around 200 in 2008 to over 1,100 in 2012 and remained fairly steady since then. Local Authority housing has accounted for 7% of the total amount of new build homes completed across all sectors in the 12 months to end December 2015.

Trends to end December 2015:

868 social sector homes were completed between October and December 2015 (567 housing association and 301 local authority). This is 2% fewer than the 883 completed in the same period in 2014. This brings the total for the 12 months to end December 2015 to 4,037 which is 20% more than the 3,353 completed in the previous year.

Meanwhile 1,094 social sector homes were started between October and December 2015 (785 housing association and 309 local authority). This is up by 29% compared to the same quarter in 2014. This brings the total for the 12 months to end December 2015 to 4,335 which is 14% higher than the 3,800 started in the previous year.

Sub-national figures for the year to end December 2015:

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 December 2015. 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 areas do not build new local authority houses.

In the year to end December 2015 rates of housing association new build completions were highest in Glasgow City, Na h-Eileanan Siar, Shetland Islands, and Scottish Borders, whilst no new housing association houses were built in East Ayrshire, Midlothian, Moray, South Ayrshire and West Lothian.

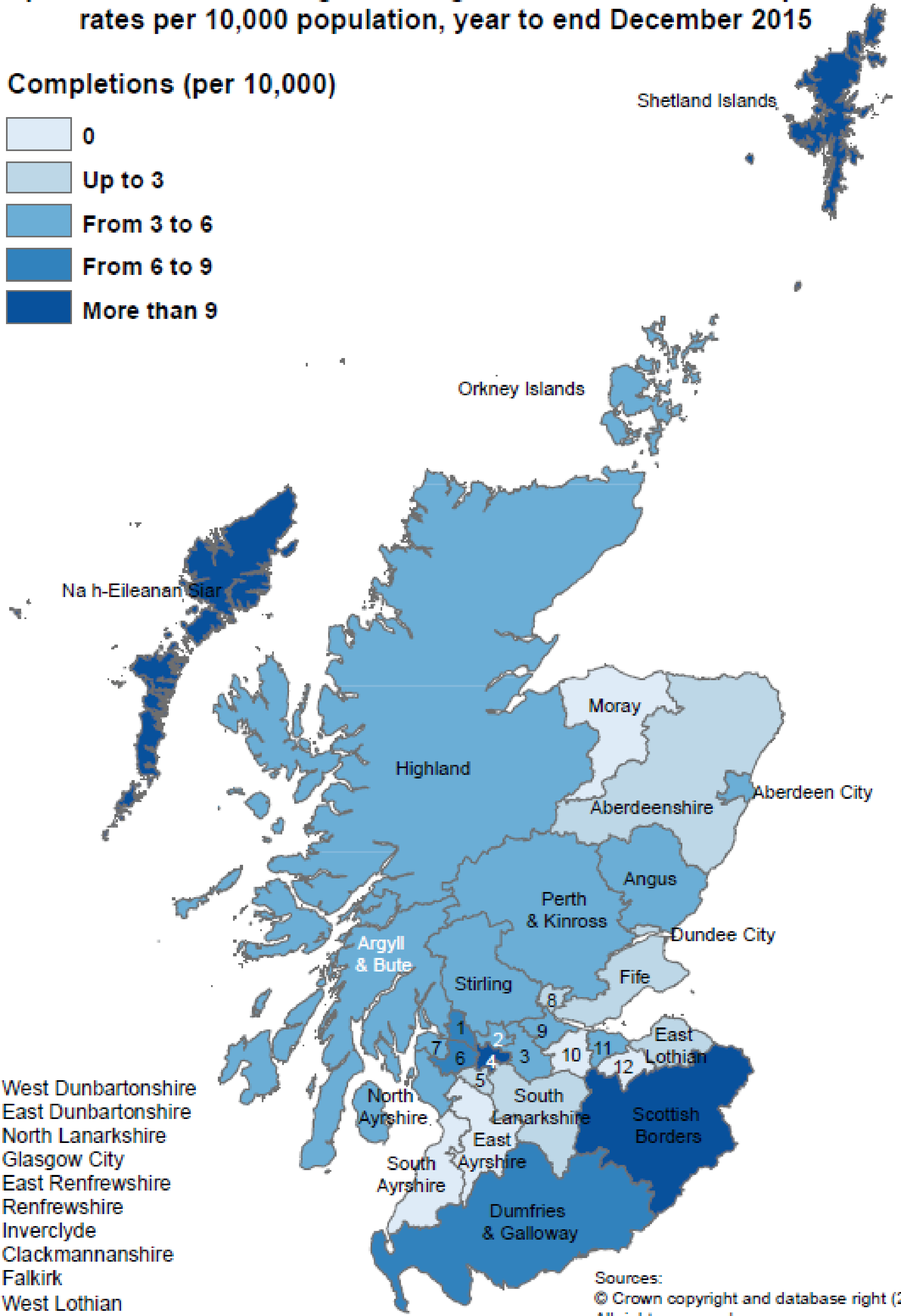
Meanwhile local authority new build rates were highest in East Ayrshire, the Orkney Islands, and Moray. Beside the 6 stock transfer authorities mentioned above Aberdeen City, Clackmannanshire, Dundee City, East Renfrewshire, Renfrewshire, the Shetland Islands and South Ayrshire built no new houses during the year.

Latest data to end March 2016:

A total of 1,098 social sector homes were completed between January and March 2016, 35% less than the 1,677 homes completed in the same period in 2015. This brings the total for the 12 months to end March 2016 to 3,458, which is 18% fewer than the 4,221 completed in the previous year. The decrease in the 12 months to end March 2016 is mostly due to a decrease in Housing Association led completions, which decreased by 24%, although the number of local authority led completions in the 12 months up to March 2016 also decreased slightly (by 2%).

Meanwhile 1,910 social sector homes were started between January and March 2016. This is up by 5% compared to the same quarter in the previous year. This brings the total for the 12 months to end March 2016 to 4,418 which is a 13% increase (516 homes) on the 3,902 starts in the previous year. The increase in the 12 months to end March 2016 is a result of Local Authority starts increasing (by 244 homes) and Housing Association approvals increasing (by 272 homes). See Charts 8 and 9.

Map C: New build housing - housing association sector completions: rates per 10,000 population, year to end December 2015



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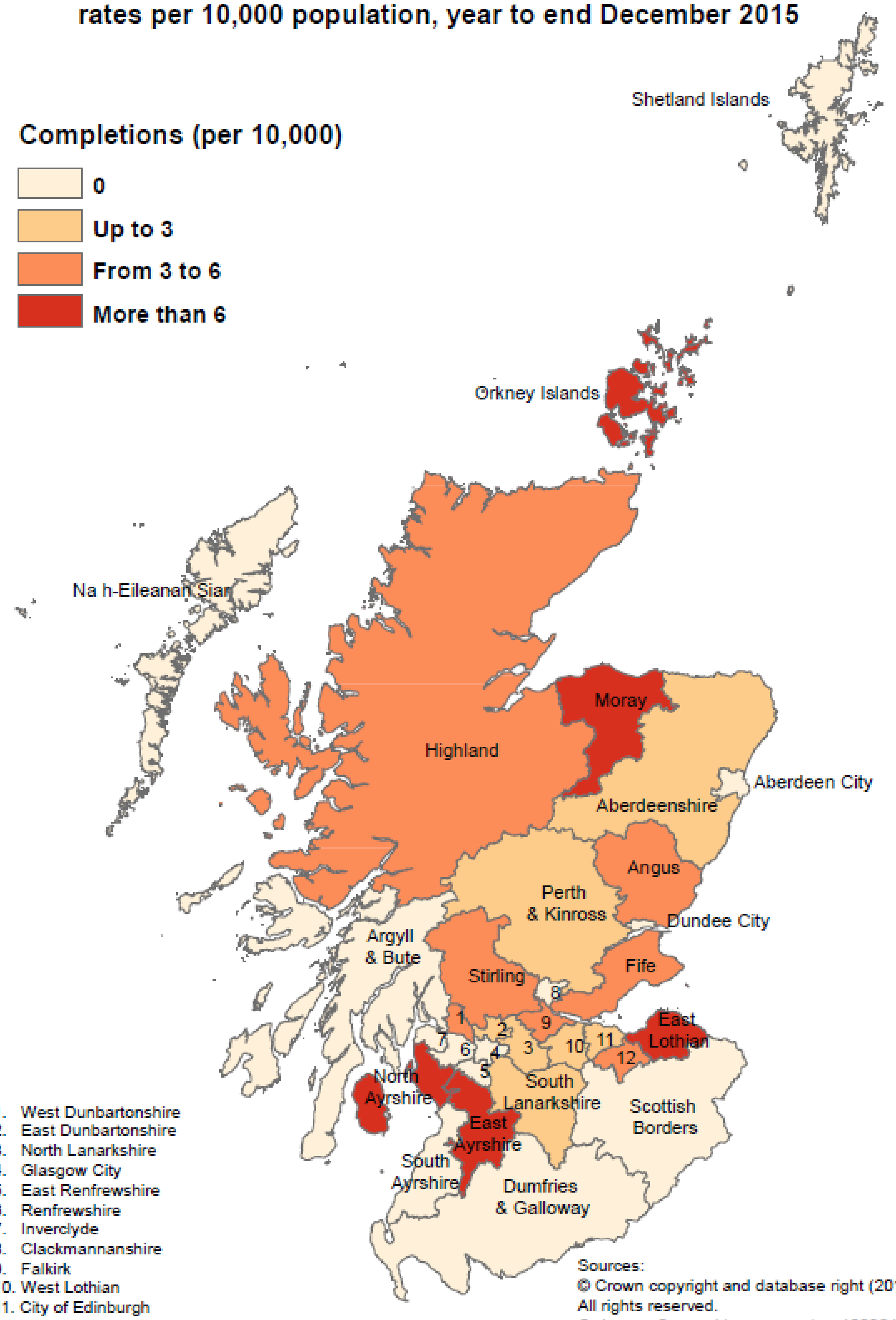
Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 14th June 2016

Map D: New build housing - local authority sector completions: rates per 10,000 population, year to end December 2015



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Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 14th June 2016

Affordable Housing Supply up to end March 2016

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 March 2016. As a result they have been presented here for the year to end March. This differs from the figures in much of the remainder of this report which cover years to end December.

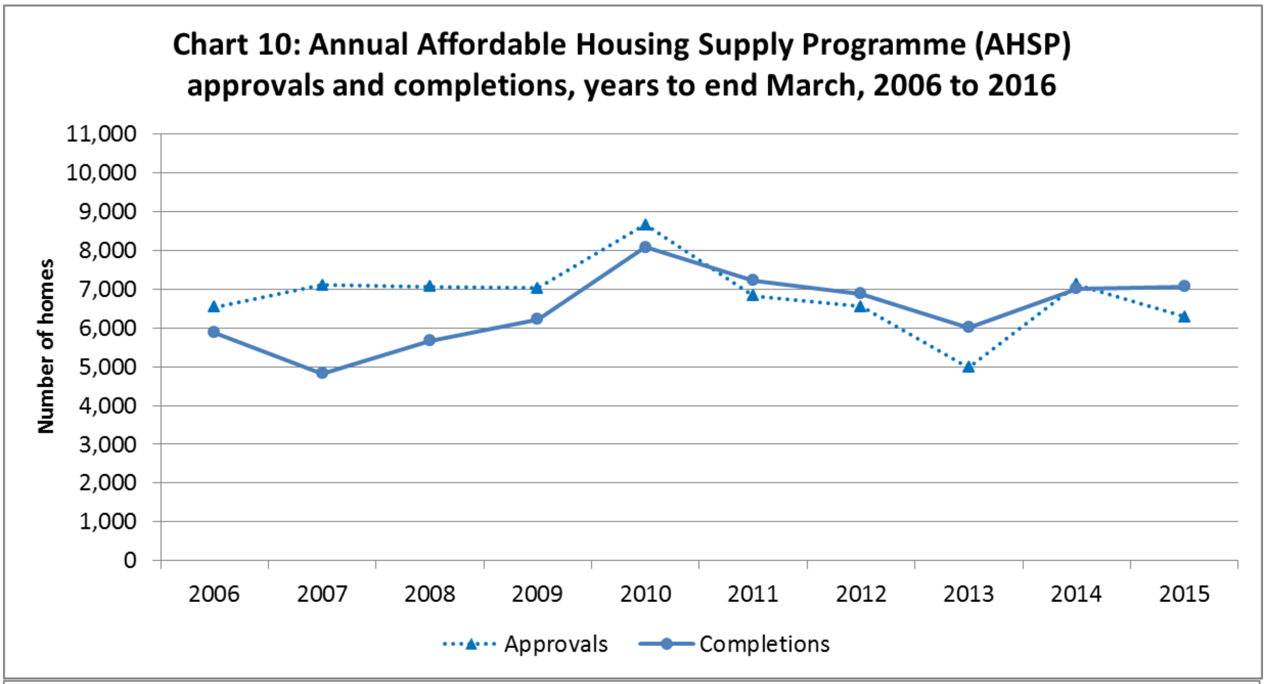
Changes in the funding programme in 2011 and 2012 impacted on the timing of affordable housing activity as well as the level of activity and this should be borne in mind when making comparisons over time.

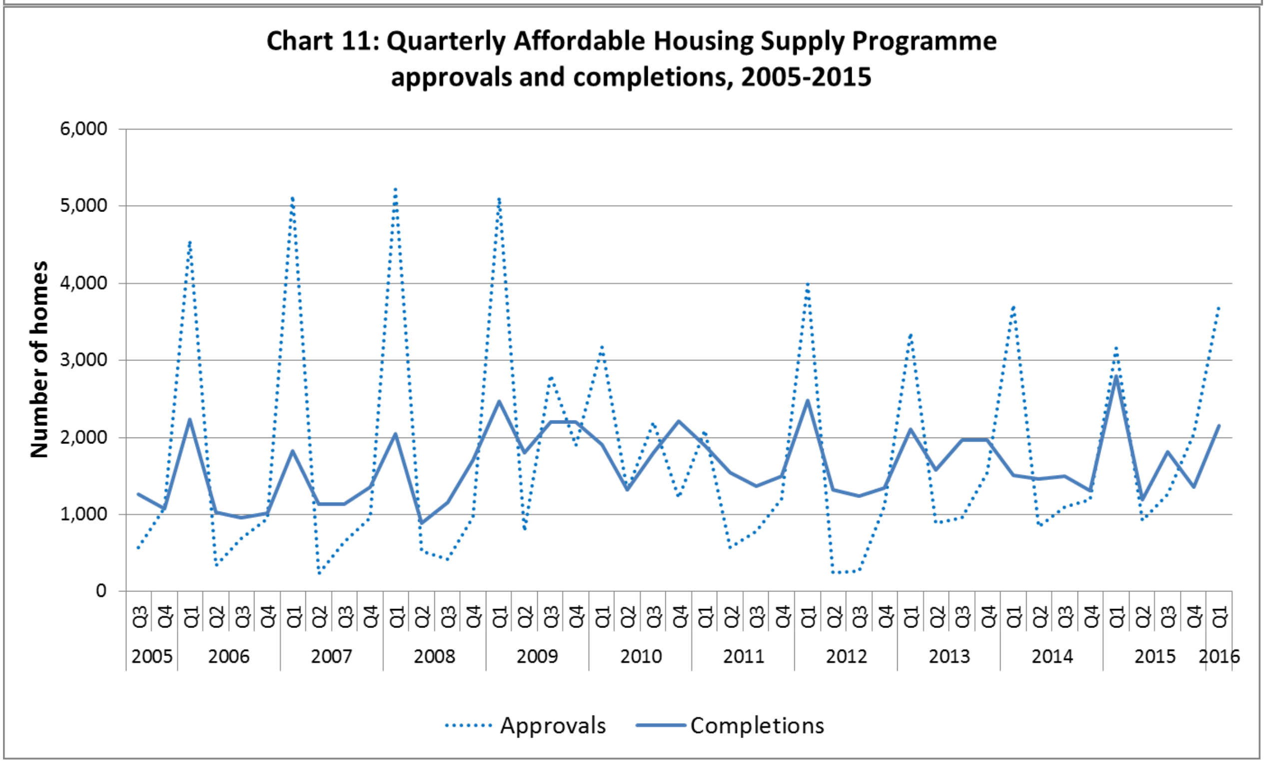
Approvals, starts and completions are all measured for the AHSP. Approval is the point at which funding is granted and, along with completion, is a significant part of the administration process meaning that the data should be of good quality. Starts meanwhile can be recorded at any point in the development, 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.

Social Rent includes Housing Association Rent, Council House Rent as well as Home Owner Support Fund Rent

Affordable Rent includes Mid-Market Rent (MMR), National Housing Trust (NHT) Rent as well as other programmes such as the Empty Homes Loan Fund (EHLF) and Rural Homes for Rent (RHfR)

Affordable Home Ownership includes Open Market Shared Equity (OMSE), New Supply Shared Equity (NSSE), Shared Ownership (LCHO) as well as other programmes such as Home Owner Support Fund Shared Equity.





A total of 2,153 affordable homes were completed in the quarter between January and March 2016. This is lower than the same quarter in 2014, with a 23% decrease, or 645 fewer homes than the same quarter last year.

Between January and March 2016 a total of 3,708 affordable homes were approved. This is 553 (18%) more than in the same quarter in the previous year. It brings the total for the year to end March 2016 to 7,945 approvals, up 26% on the previous year.

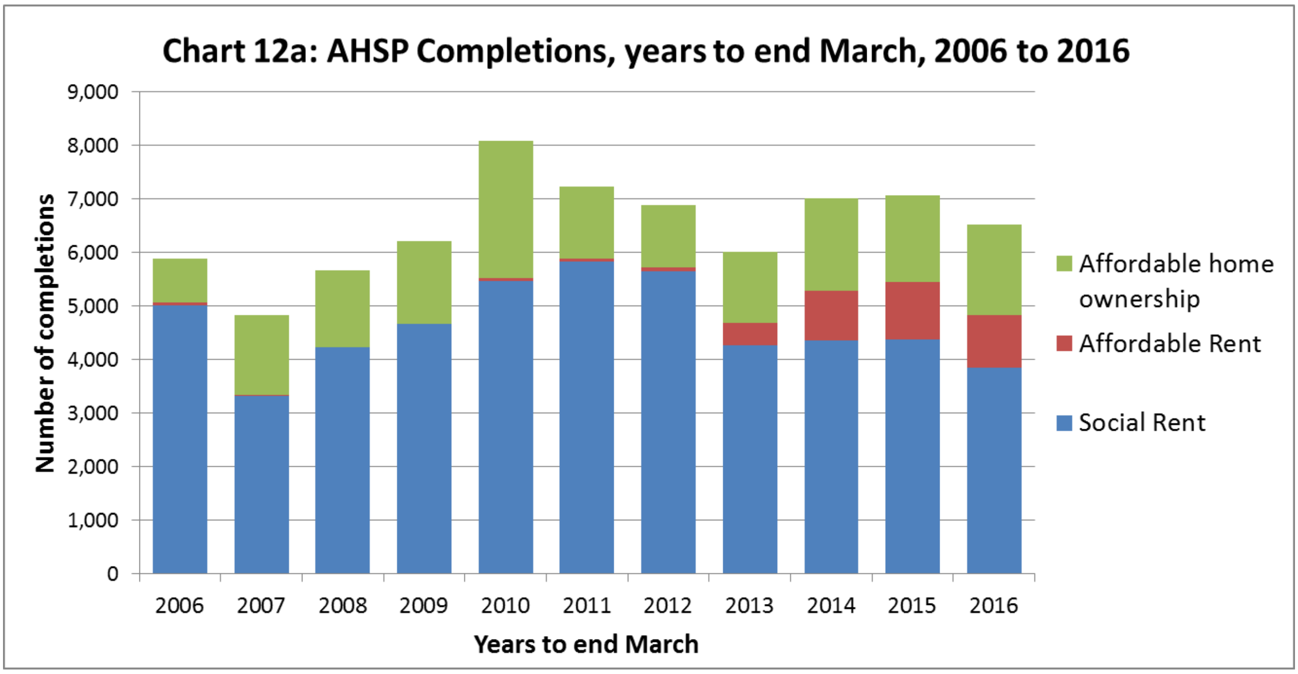
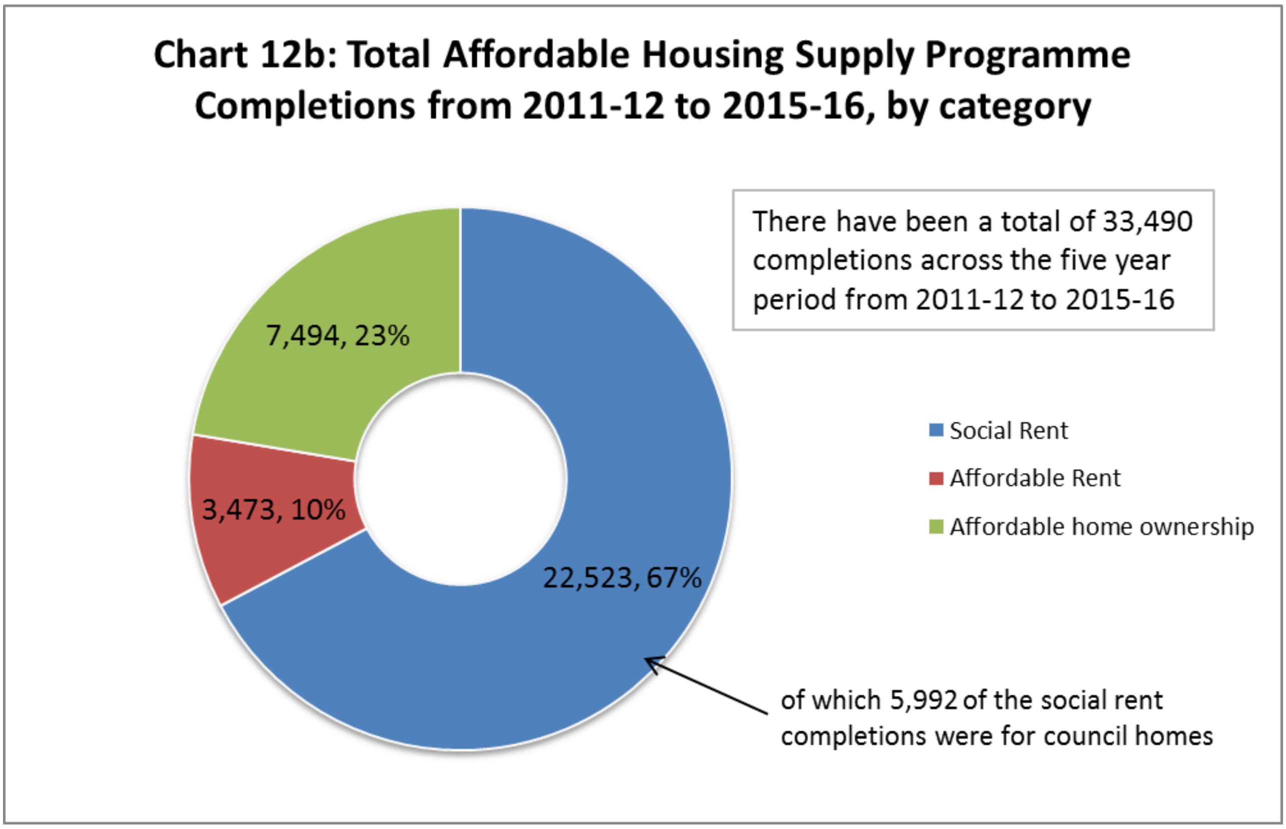


Chart 12a above shows that in 2016 (year to end March), total affordable housing supply programme completions have decreased compared to 2014 and 2015. The decrease was mostly caused by social rent (a decrease of 12%, or 523 fewer homes than then previous year), along with a decrease in affordable rent completions (decrease of 8% or 87 fewer homes than the previous year). Affordable Home ownership completions increased on the previous year by 4%, or 59 homes).

Affordable Housing Supply Completions - Scottish Government Target to deliver 30,000 affordable homes, including 20,000 social rented homes and 5,000 council homes, between 2011-12 and 2015-16

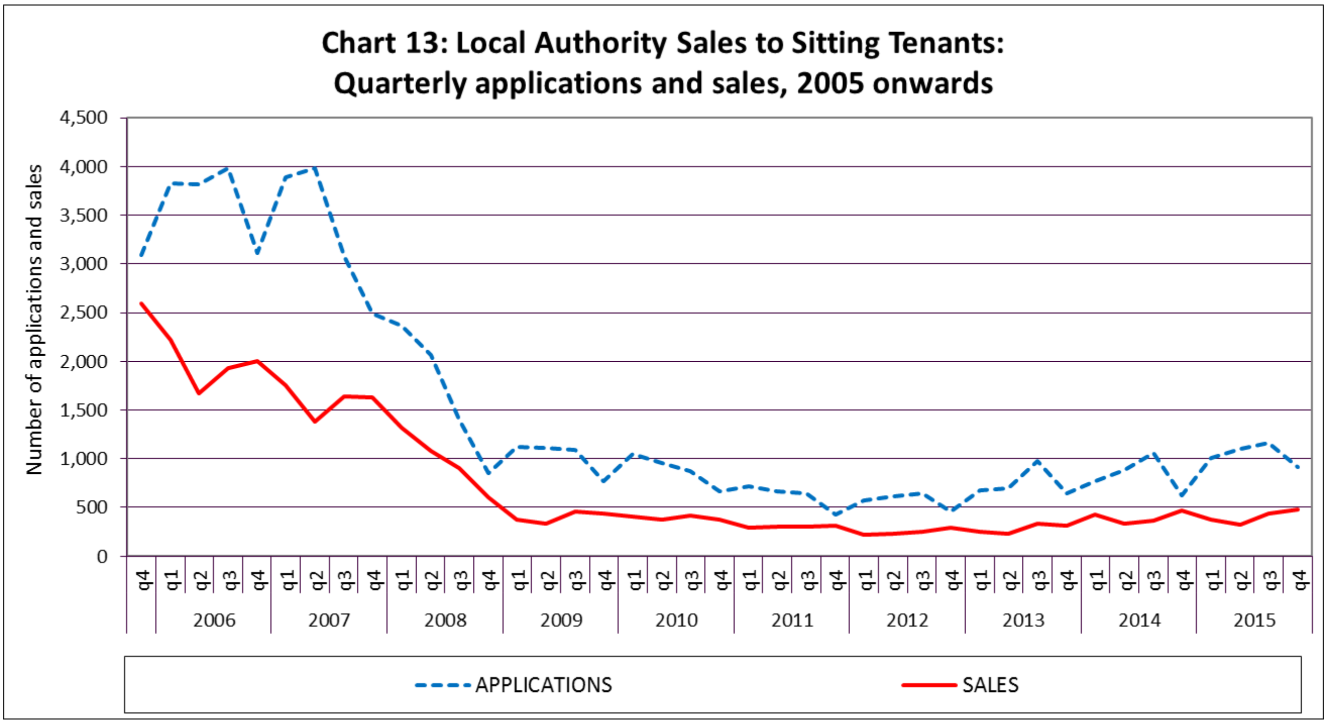
The Quarterly statistics show that over the full period of the target between 2011-12 and 2015-16 there were a total of:

- 33,490 affordable housing supply completions, of which:
- 22,523 were for social rent, including 5,992 council house completions
- 3,473 were for other affordable rent
- 7,494 were for affordable home ownership



Sales of Local Authority Dwellings to Sitting Tenants (Right to Buy)

Most sales of local authority 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 between July and September 2013 both increased (by 39% and 44% respectively) compared to the previous quarter. The increases were higher than in the same quarter of 2012, where the number of applications and the number of sales increased by 5% and 7% respectively.

The most recent figures available are for October to December 2015. During this period there were 913 Right to Buy applications **(**47% higher than in the same quarter the previous year, and 42% higher than in the same quarter in 2013) and 475 sales (1% higher than in the same quarter in the previous year, and 53% higher than in the same quarter in 2013).

Throughout 2015 there were 1,609 sales to sitting tenants, 1% more than in the previous year and 4,180 applications which is 25% more than the previous year.

Notes

This document should be read along with the explanatory document which provides information on how the statistics are collected and how they should be interpreted 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.

A National Statistics publication for Scotland

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

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.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS

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