A National Statistics publication for Scotland

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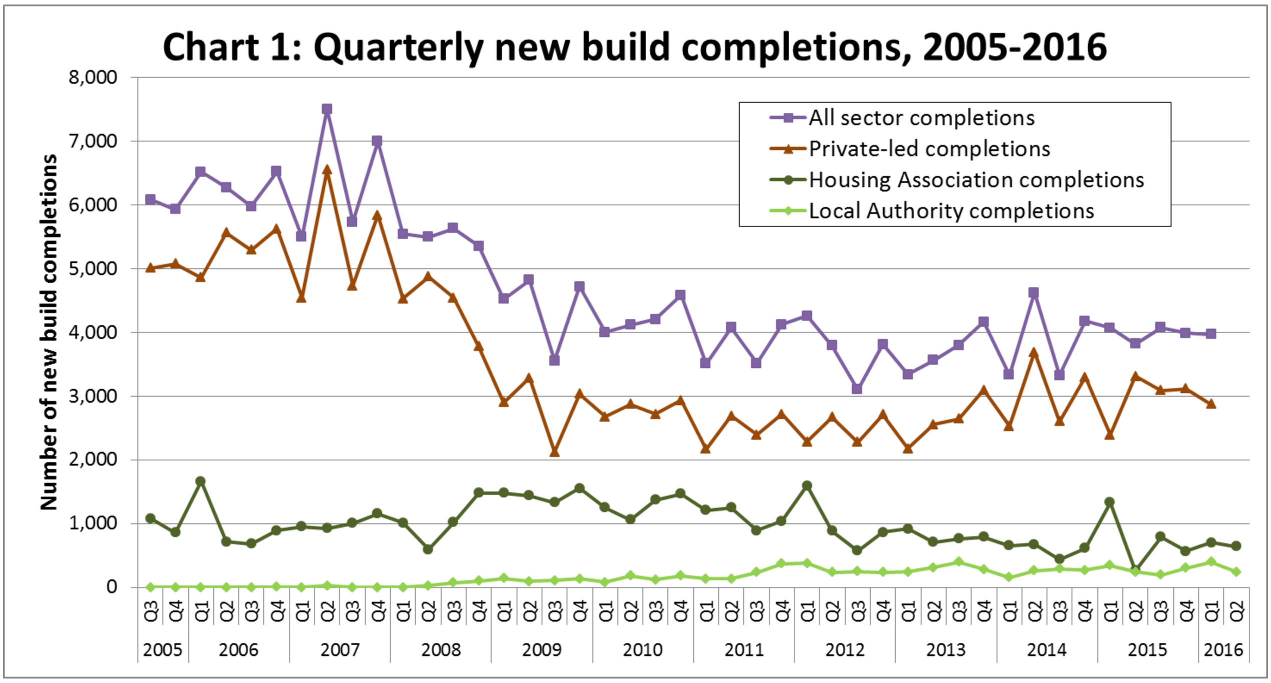
PEOPLE, COMMUNITIES AND PLACES

Housing Statistics for Scotland Quarterly Update (published 13 September 2016)

This quarterly statistical publication provides information on recent trends in:

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

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 3,970 new build homes **completed** between January and March 2016; a 2% decrease on the same quarter in 2015. This brings the total for the year to end March 2016 to 15,854, down 2% (355 homes) compared to the 16,209 completed in the previous year.

There were 4,596 **new build homes started** between January and March 2016; 7% fewer than the same quarter in 2015. This brings the total for the year to end March 2016 to 16,910 which is up by 4% (664 homes) compared to the 16,246 homes started in the previous year.

New Build Housing – Private-led Housing:

Between January and March 2016, 2,872 **private sector led** homes were **completed**; 20% up on the same quarter in 2015. This brings the total for the year to end March 2016 to 12,396, which is 3% (408 homes) higher than the 11,988 completions in the previous year.

There were 2,686 **private sector led starts** between January and March 2016, 13% down on the same quarter in 2015. This brings the total for the year ending March 2016 to 12,497, which is 1% (157 homes) more than the 12,340 starts in the previous year.

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

There were 1,098 **social housing completions** between January and March 2016; 35% fewer than the same quarter in 2015. This brings the total for the year to end March 2016 to 3,458. This is an 18% decrease on the 4,221 social sector completed in the previous year.

Meanwhile 1,910 **social sector** homes were **started** between January and March 2016; 4% higher than the same quarter in 2015. This brings the total for the year to end March 2016 to 4,413. This is a 13% increase on the 3,906 social sector completed in the previous year.

More up-to-date figures show that, in April to June 2016, 883 social sector homes were completed (74% more than the 507 completions in the same quarter in 2015), and 635 were started (23% more than the same quarter in the previous year). This brings the total completions for the 12 months to end June 2016 to 3,834 (a 1% increase on the 3,792 social sector homes completed in the previous year). Total starts over the 12 months to end June 2016 are now at 4,530 (17% more than the 3,888 started in the previous year).

New Build Housing – Housing Association Homes:

There were 700 **housing association completions** between January and March 2016, which is 48% fewer than the same quarter in 2015. This brings the total for the year to end March 2016 to 2,320. This is a 24% (744 homes) decrease on the 3,064 completions over the previous year.

There were 1,610 **housing association approvals** between January and March 2016; 1% more than the same quarter in the previous year. This brings the total for the year to end March 2016 to 2,906. This is an increase of 10% (272 homes) on the 2,634 approvals in the previous year.

More up-to-date figures show that a total of 639 Housing Association homes were completed between April to June 2016, more than double the number of completions in the same period in the previous year (263 homes). This brings the total completions for the 12 months to end June 2016 to 2,696, which is an increase of 2% on the 2,650 homes completed in the previous year. A total of 277 Housing Association homes were approved between April to June 2016, which is 55% more than the same quarter in 2015. This brings the total approvals for the 12 months to end March 2016 to 3,004, a 16% increase on the 2,586 approvals in the previous year.

New Build Housing – Local Authority Homes:

There were 398 **local authority completions** between January and March 2016, which is 16% more than the number that were completed in the same quarter in 2015. This brings the total for the year ending March 2016 to 1,138. This is a 2% (19 homes) decrease on the 1,157 completions the previous year.

There were 300 **local authority starts** between January and March 2016; 28% higher than the number in the same quarter in 2015. This brings the total for year ending March 2016 to 1,507. This is a 18% (235 homes) increase on the 1,272 starts in the previous year.

More up-to-date figures show that, in April to June 2016, 244 local authority houses were completed (the same as the previous year), and 358 were started (up by 6% on the same quarter in the previous year). This brings the total completions for the year to end June 2016 to 1,138, which is almost the same as the previous year (decrease of 4 homes). Total starts for the 12 months to end June 2016 now stands at 1,526 which is an increase of 17% on the 1,302 local authority homes completed in the previous year.

Affordable Housing Supply – up to end June 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 June 2016 show that **affordable housing supply completions** have totalled 6,850 for the year up to June 2016, up 1% on the previous year. This includes an increase affordable home ownership completions (up by 7%, or 120 homes), along with a decrease in affordable rent completions (down by 3% or 34 homes) and social rent completions (down by 1% or 32 homes), and. Meanwhile, there were 8,067 affordable housing approvals over the year up to end June 2016, up by 26% or 1,689 homes. There were 7,898 new affordable houses started, up by 22%, or 1,425 homes, compared to the previous year.

Quarterly affordable housing supply statistics will be used to inform the Scottish Government target to deliver 50,000 affordable homes, including 35,000 homes for social rent, over the period 2016/17 to 2020/21.

Local Authority Right to Buy Applications and Sales:

The Right to Buy scheme closed to all new applicants on 31 July 2016. The most recent figures available for applications and sales are for January to March 2016. During this period there were **1,833 Right to Buy applications** (82% higher than in the same quarter the previous year) and **507 sales** (34% higher than in the same quarter in the previous year).

Contents

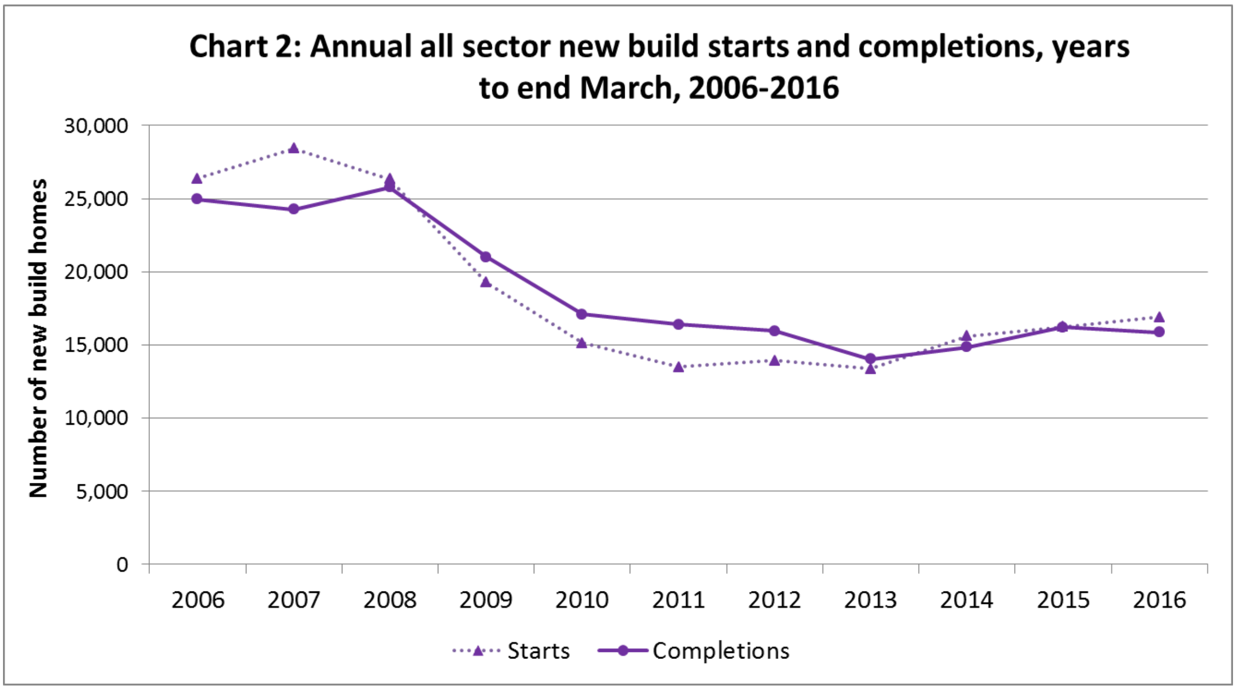
New Build Housing – All sectors

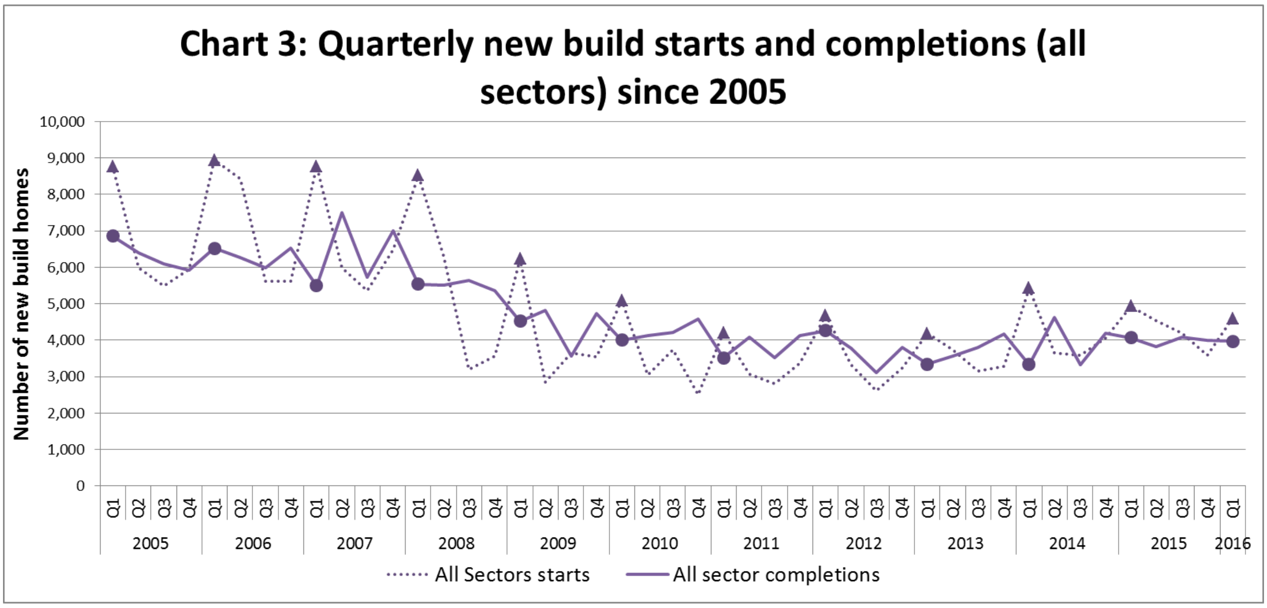
The new-build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

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 March 2016. 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 March 2016 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 1 figures (from January to March) have been highlighted in the charts to allow easy comparison over time. Some of the peaks in the number of starts in Quarter 2 (April to June) 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 28,500 homes were started each year in 2006 and 2007 (years to end March) whilst completions were slightly lower, around 24,000 to 25,000.

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. Completions for all sectors fell more gradually between 2010 and 2013, before increasing through 2014 and 2015 before falling slightly in 2016.

Trends to end March 2016:

There were 3,970 new build homes **completed** between January and March 2016; a 2% decrease on the same quarter in 2015. This brings the total for the year to end March 2016 to 15,854, down 2% (355 homes) compared to the 16,209 completed in the previous year.

There were 4,596 **new build homes started** between January and March 2016; 7% fewer than the same quarter in 2015. This brings the total for the year to end March 2016 to 16,910 which is up by 4% (664 homes) compared to the 16,246 homes started in the previous year.

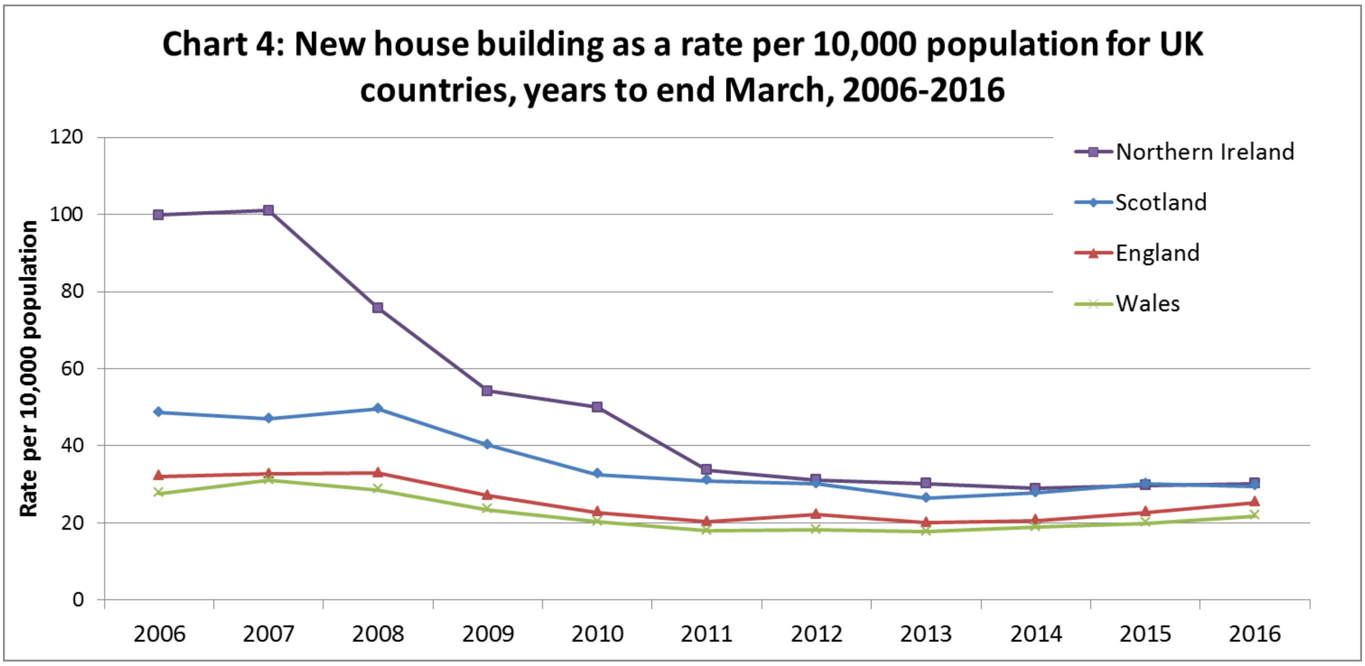
Comparison with the rest of the UK from 2006 to 2016:

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 above that of England and Wales throughout the 2006 to 2016 period. The rate of house building completions in Scotland has been below that of Northern

Ireland between 2006 and 2014, after which the rates have been similar in 2015 and 2016.

The 15,854 homes completed in Scotland in the year to end March 2016 equates to a rate of 30 per 10,000 population. This is the same as Northern Ireland (30), but higher than the equivalent rates in England (25) and Wales (22).

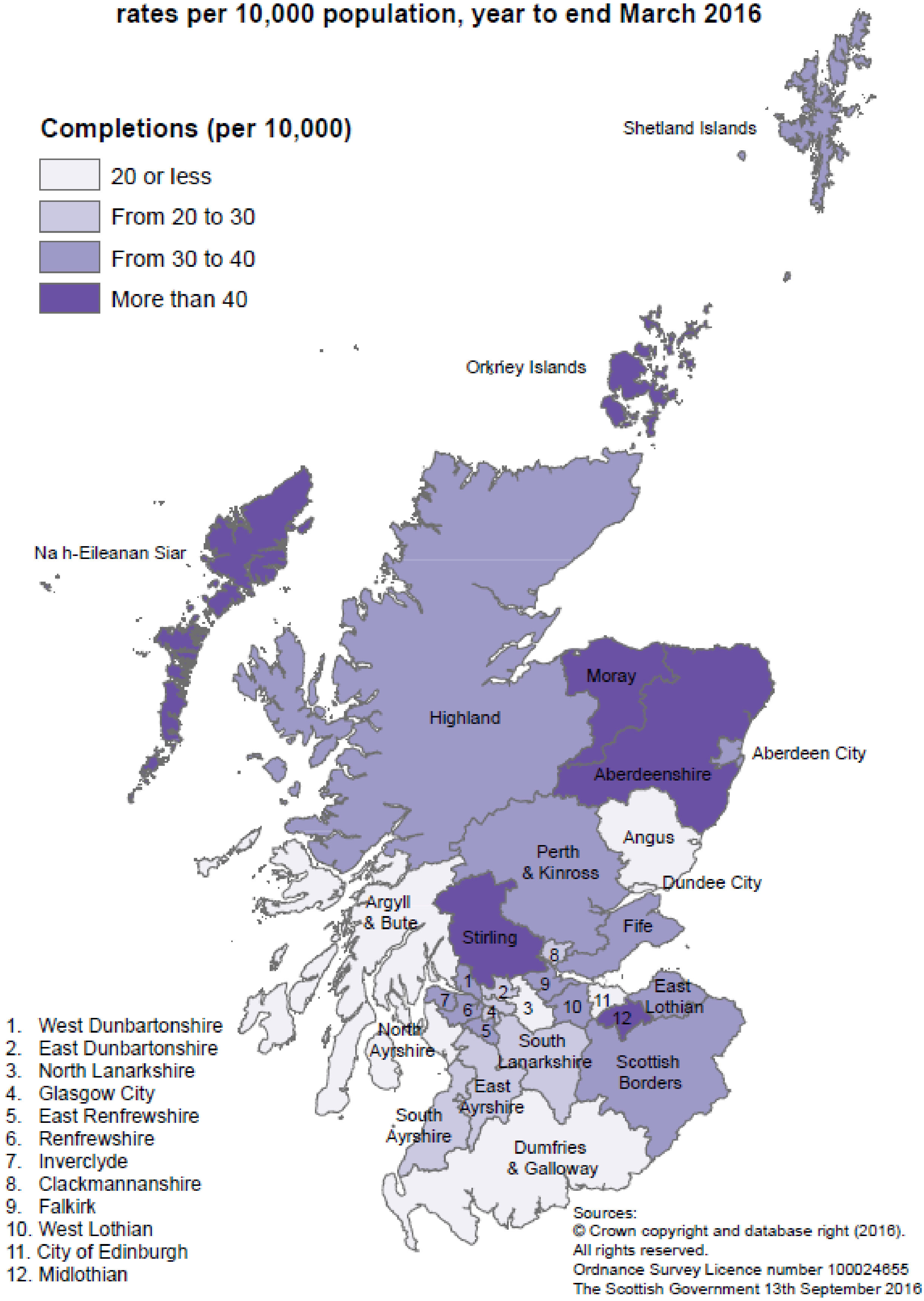


Sub-national figures for the year to end March 2016:

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 March 2016, as a rate per 10,000 population.

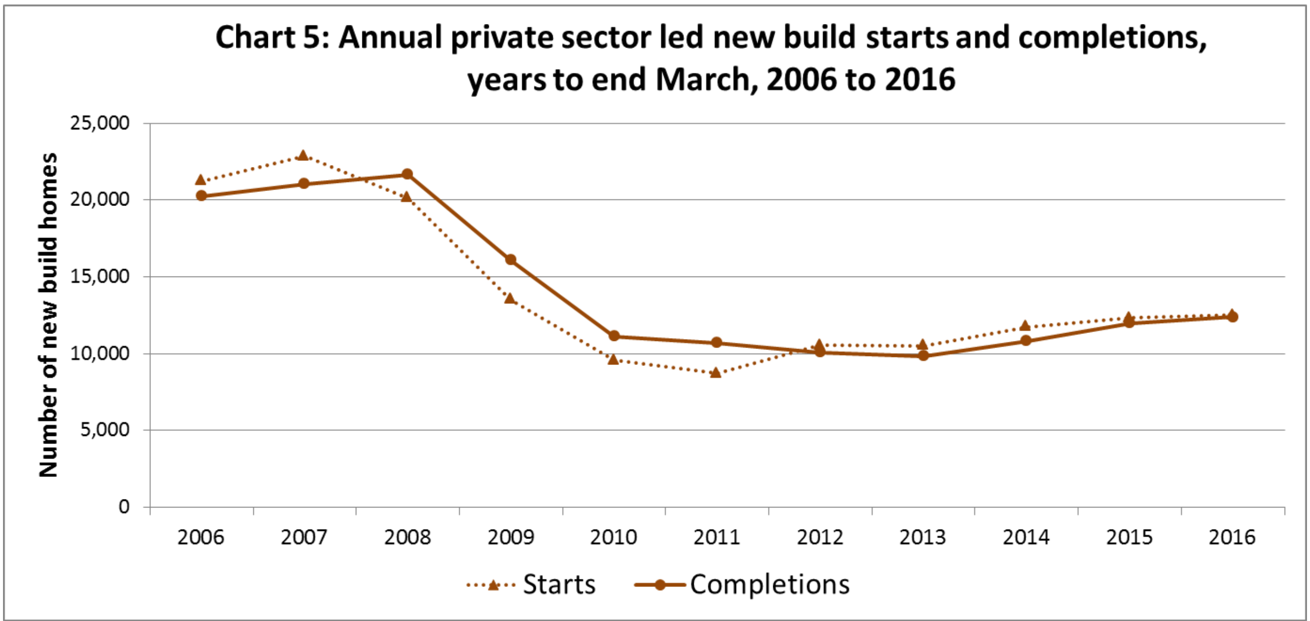
In the year to end March 2016 the highest new build rates were observed in Midlothian, Aberdeenshire, Orkney Islands, Na h-Eileanan Siar, and Stirling. The lowest rates were observed in Argyll & Bute, Dundee City, Angus, Dumfries & Galloway and North Lanarkshire.

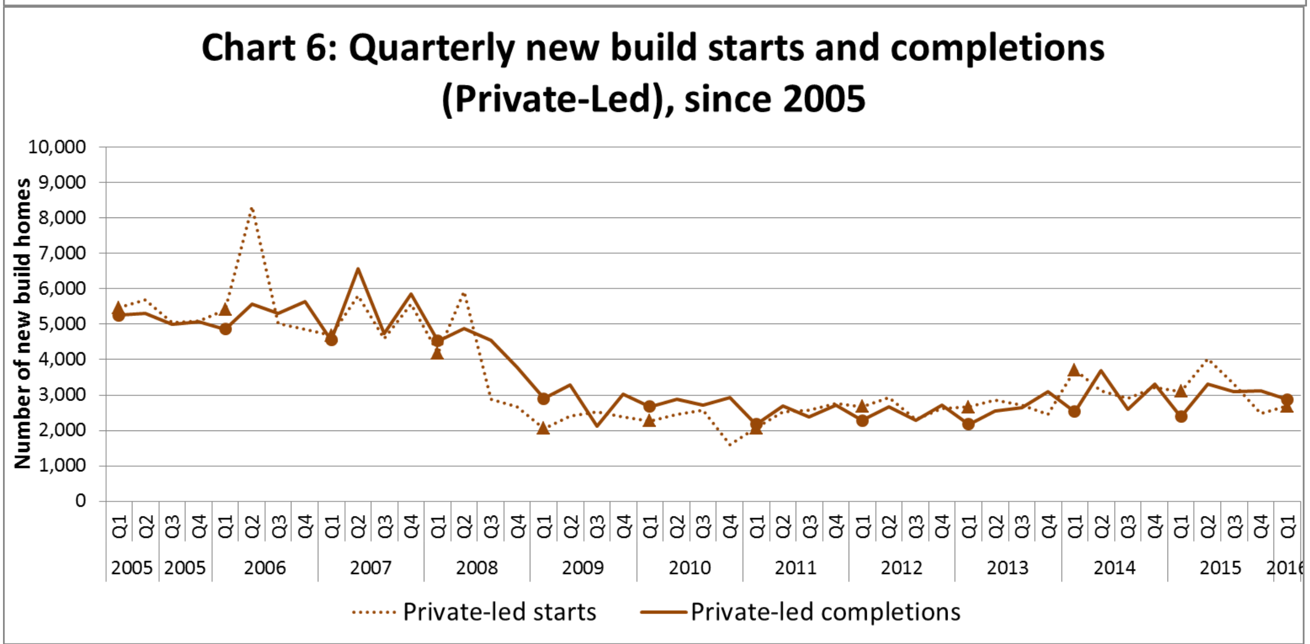
Map A: New build housing - all sector completions: rates per 10,000 population, year to end March 2016



New Build Housing – Private-led Housing

The private sector is the biggest contributor to overall house building, accounting for more than three-quarters (78%) of all homes completed in the 12 months to end March 2016.





Trends over the last ten years:

Between 2006 and 2008 (years to end March) the number of private sector homes started were around 20,000 to 23,000 while completions were around 21,000 to 22,000. Private sector led new build housing 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 almost 11,000 in the year ending March 2014 and almost 12,000 in 2015, before increasing to over 12,000 in 2016.

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 March 2016:

Between January and March 2016, 2,872 private sector led homes were completed; 20% up on the same quarter in 2015. (see Chart 6).

This brings the total for the year to end March 2016 to 12,396, which is 3% (408 homes) higher than the 11,988 completions in the previous year.

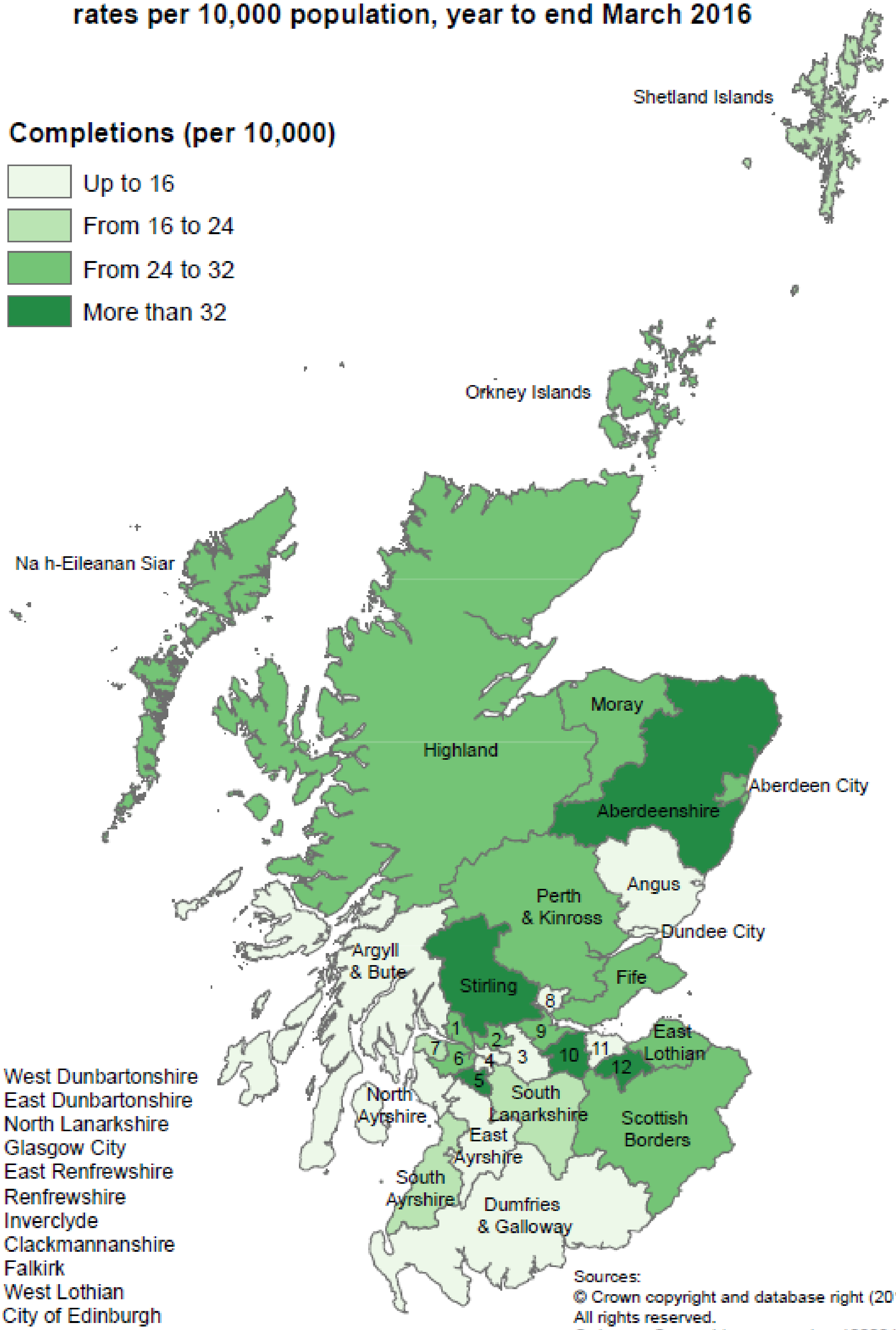
Meanwhile there were 2,686 **private sector led starts** between January and March 2016, 13% down on the same quarter in 2015. This brings the total for the year ending March 2016 to 12,497, which is 1% (157 homes) more than the 12,340 starts in the previous year.

Sub-national figures for the year to end March 2016:

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, Angus, East Ayrshire, and Dumfries & Galloway.

Map B: New build housing - private sector completions: rates per 10,000 population, year to end March 2016



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5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian

Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 13th September 2016

New Build Housing – Social Sector

Social sector housing consists of local authority and housing association housing, and has accounted for just over a fifth (22%) of all new build homes completed over the 12 months to end March 2016. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of June 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 March (although quarterly charts include the latest quarter's data).

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

Chart 7a: Housing Association and Local Authority new build starts and completions, years to end March 2006 to 2016

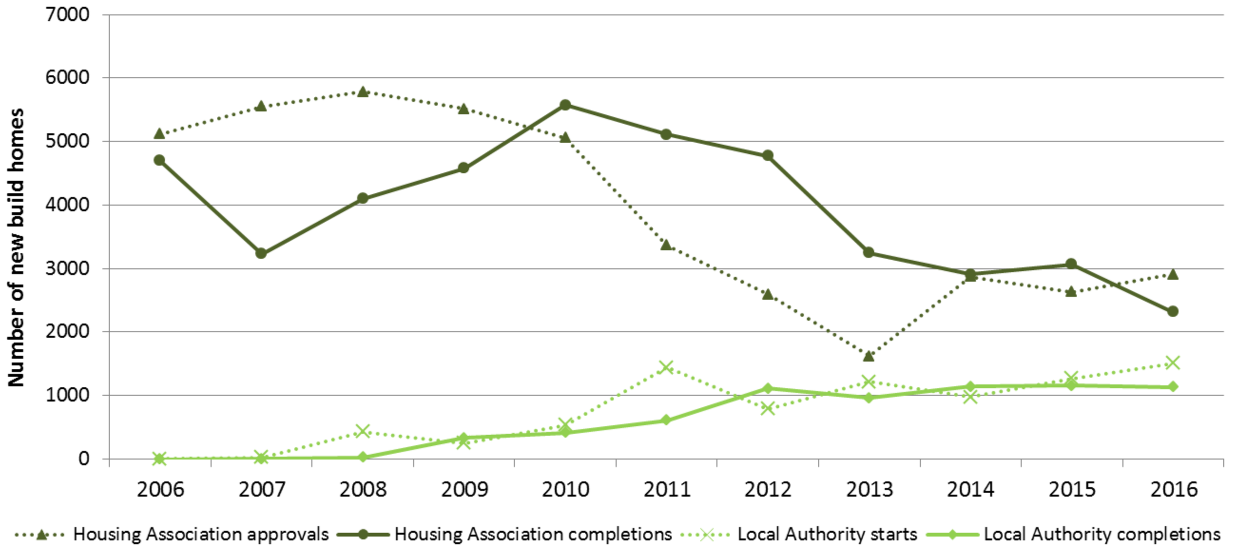
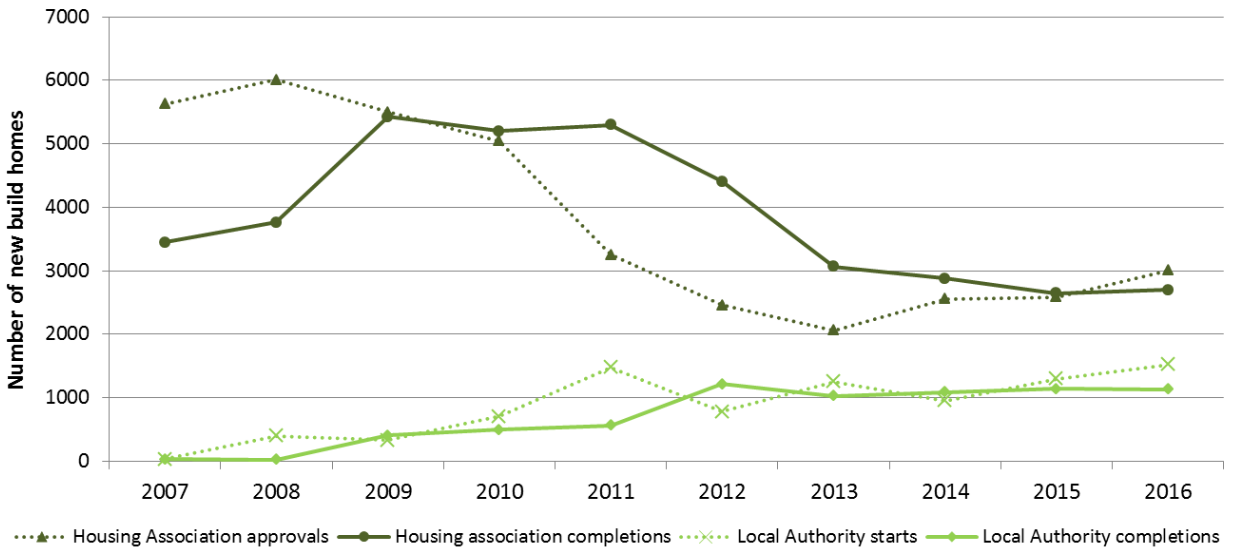
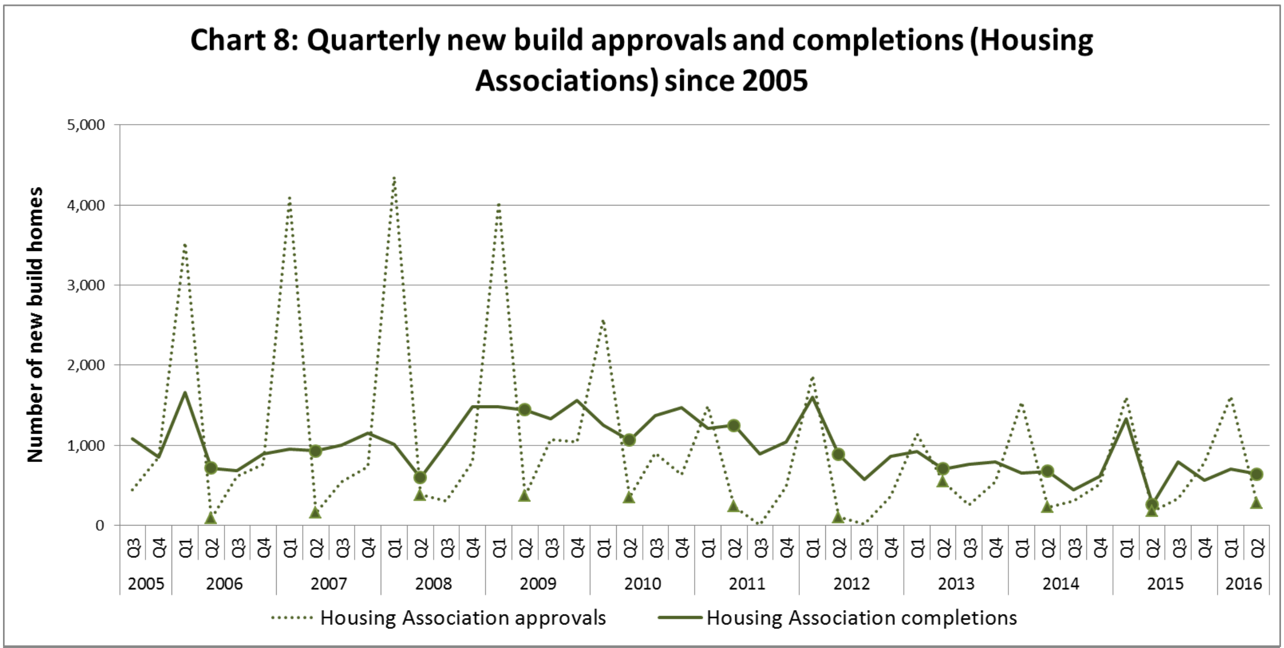
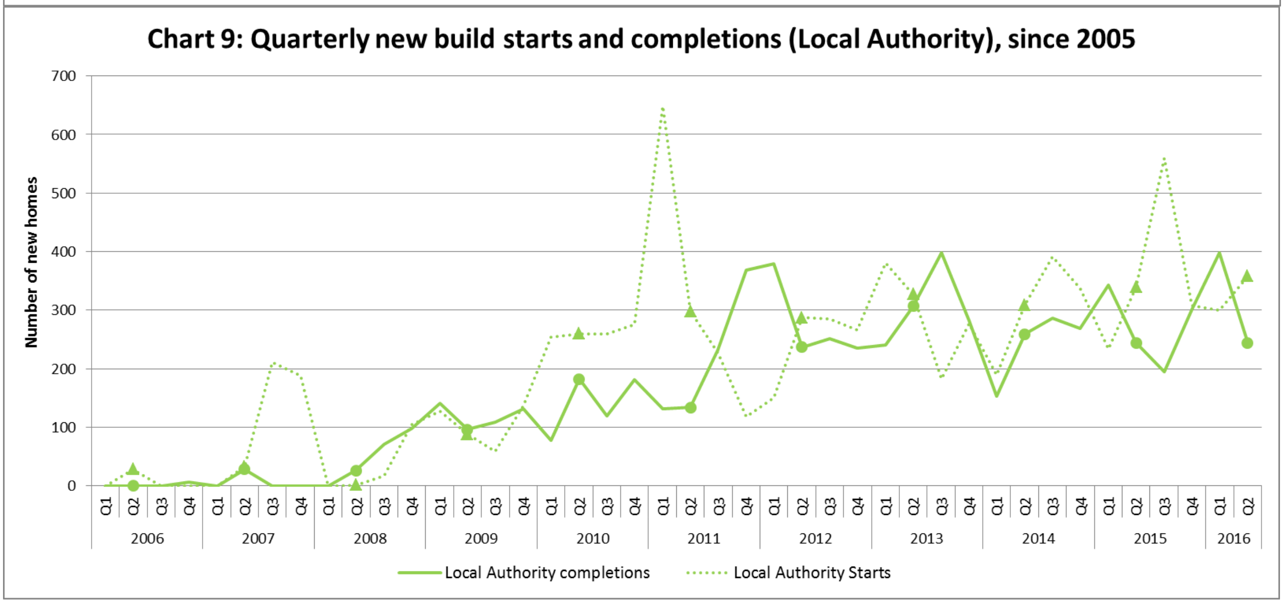


Chart 7b: Housing Association and Local Authority new build starts and completions, years to end June 2007 to 2016







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 March) since 2005, whilst Chart 7b shows the same information but up to end June (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 2009 (years to end March) the number of housing association completions were around 3,200 to 4,700 each year before increasing to over 5,500 in 2010. Completions then decreased each year to 2,900 in 2014, there was a slight increase in the year ending March 2015, before decreasing again in the most recent year to 2,300.

The number of housing association approvals meanwhile increased from around 5,000 to 5,700 from 2006 to 2008 (years to end March), before falling to around 1,600 in 2013. The figures then increased to around 2,800 in 2014 and are at a similar level in the latest year with 2,900 approvals in the year ending March 2016.

Very few local authority homes were built from 2006 to 2008 (years to end March). The number gradually increased from around 300 in 2009 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 March 2016.

Trends to end March 2016:

There were 1,098 social housing completions between January and March 2016; 35% fewer than the same quarter in 2015. This brings the total for the year to end March 2016 to 3,458. This is an 18% decrease on the 4,221 social sector completed in the previous year.

Meanwhile 1,910 social sector homes were started between January and March 2016; 4% higher than the same quarter in 2015. This brings the total for the year to end March 2016 to 4,413. This is a 13% increase on the 3,906 social sector completed in the previous year.

Sub-national figures for the year to end March 2016:

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 March 2016. The housing stock of 6 local authorities (Argyll & Bute, Dumfries & Galloway, Na h-Eileanan 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 March 2016 rates of housing association new build completions were highest in Na h-Eileanan Siar, Glasgow City, Inverclyde and Shetland Islands, whilst no new housing association houses were built in East Ayrshire, Midlothian, Moray, South Ayrshire or West Lothian.

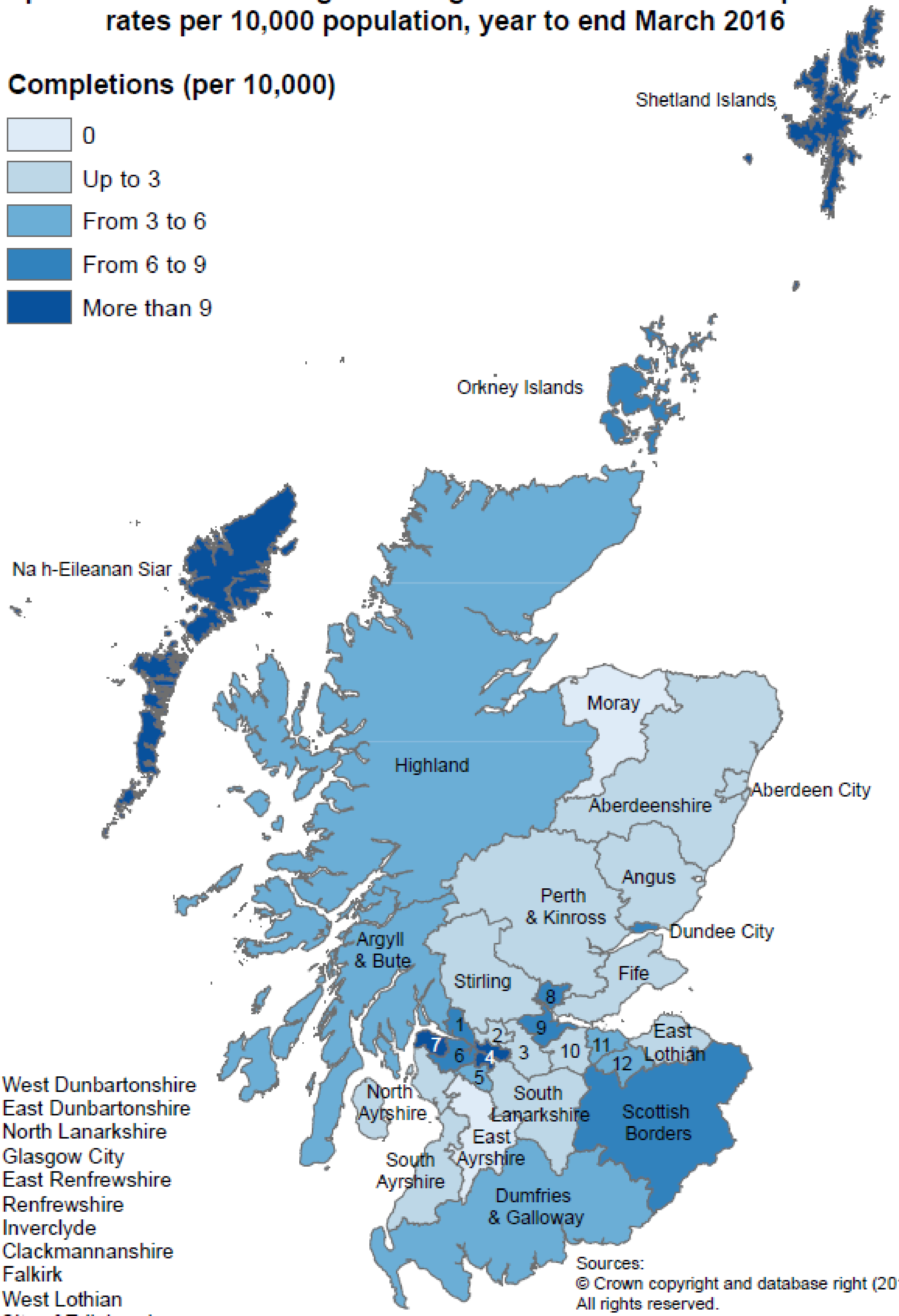
Meanwhile local authority new build rates were highest in the Orkney Islands, East Ayrshire, Moray, Stirling, and Highland. Beside the 6 stock transfer authorities mentioned above, Aberdeen City, Clackmannanshire, Dundee City, East Dunbartonshire, East Renfrewshire, Renfrewshire, and the Shetland Islands built no new homes in the year ending March 2016.

Latest data to end June 2016:

A total of 883 social sector homes were completed between April and June 2016, 74% more than the 507 homes completed in the same period in 2015. This brings the total for the 12 months to end June 2016 to 3,834, which is 1% more than the 3,792 completed in the previous year. The increase in the 12 months to end June 2016 is mostly due to a increase in Housing Association led completions, which increased by 2%, whereas local authority led completions were more stable (decrease of 4 houses).

Meanwhile 635 social sector homes were started between April and June 2016. This is up by 23% compared to the same quarter in the previous year. This brings the total for the 12 months to end June 2016 to 4,530 which is a 17% increase (642 homes) on the 3,888 starts in the previous year. The increase in the 12 months to end June 2016 is a result of Local Authority starts increasing (by 224 homes) and Housing Association approvals increasing (by 418 homes). See Charts 8 and 9.

Map C: New build housing - housing association sector completions: rates per 10,000 population, year to end March 2016



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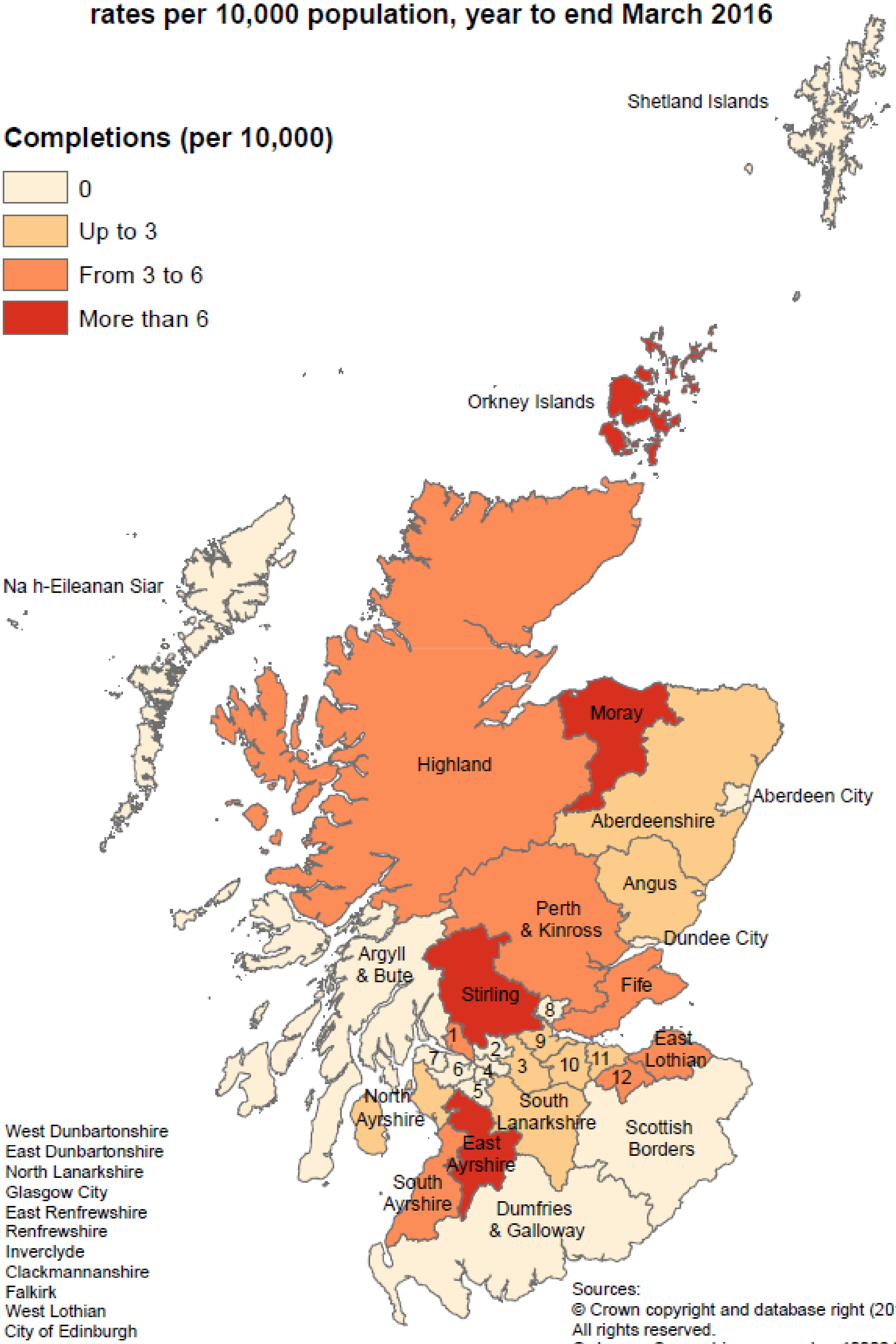
Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 13th September 2016

Map D: New build housing - local authority sector completions: rates per 10,000 population, year to end March 2016



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Sources:

Ordnance Survey Licence number 100024655
The Scottish Government 13th September 2016

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

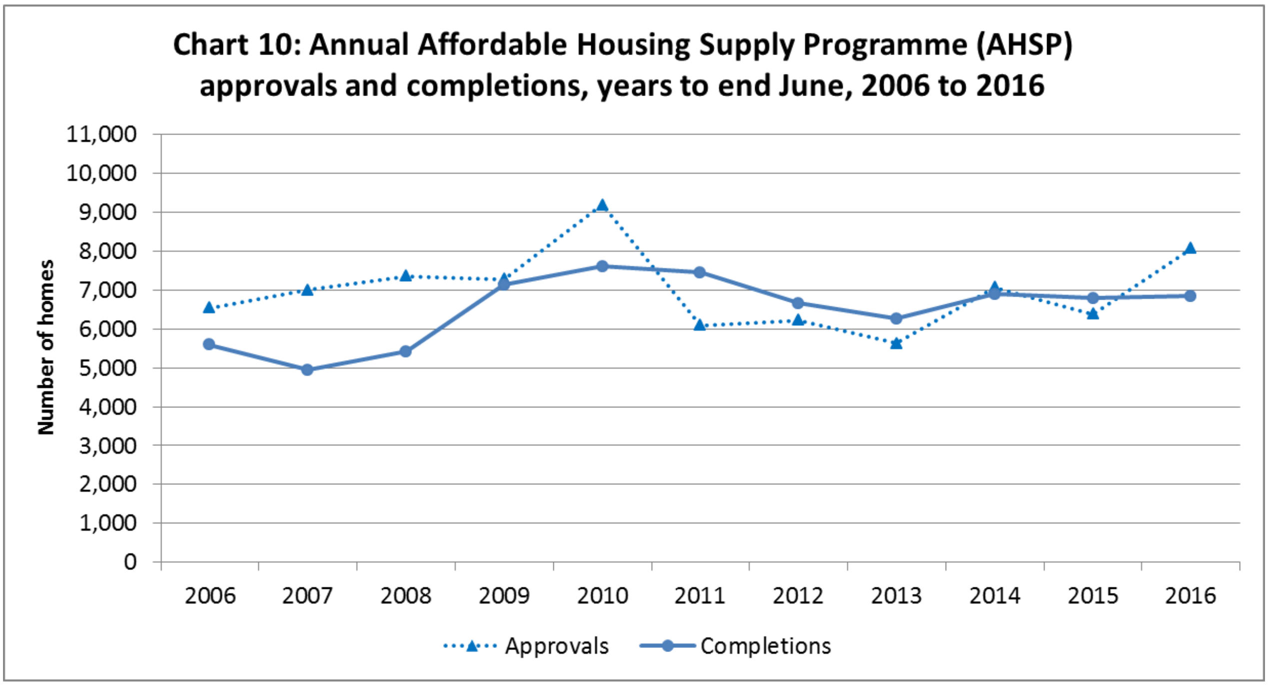
Changes in the funding programme in 2011 and 2012 impacted on the timing of affordable housing activity as well as the level of activity and this should be borne in mind when making comparisons over time.

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)

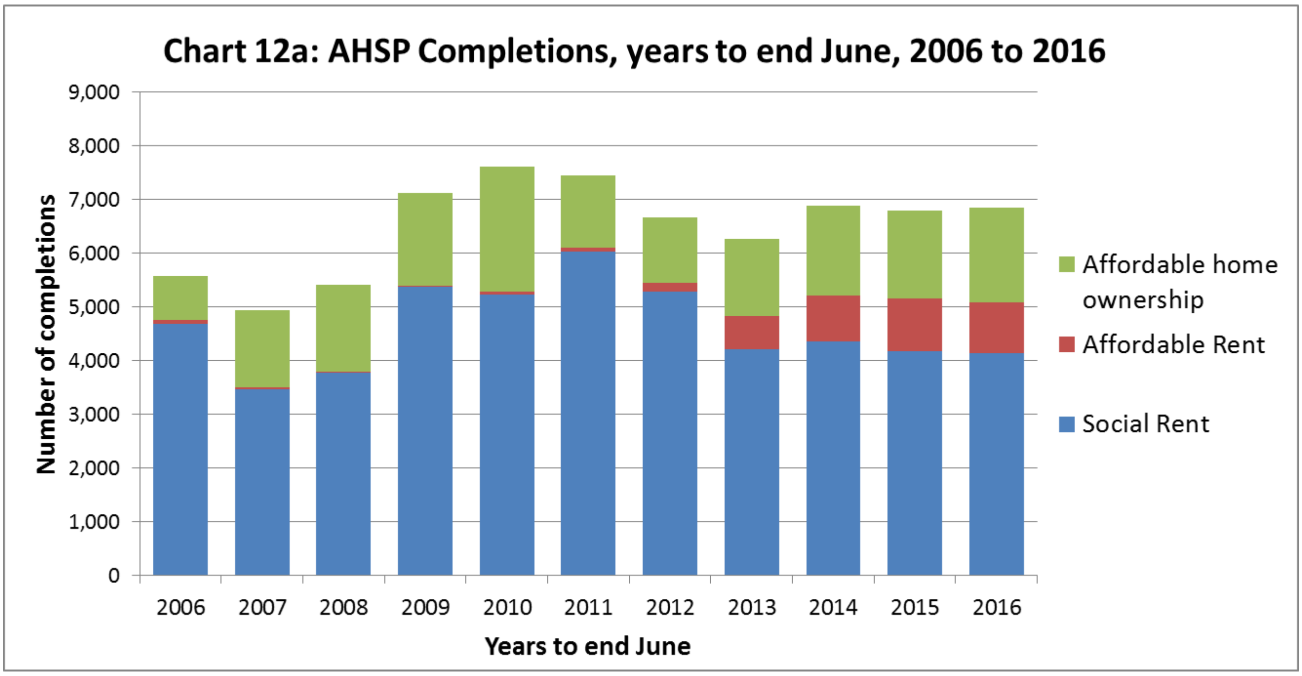
Affordable Home Ownership includes Open Market Shared Equity (OMSE), New Supply Shared Equity (NSSE), Shared Ownership (LCHO) as well as other programmes such as Home Owner Support Fund Shared Equity.



A total of 1,526 affordable homes were completed in the quarter between April and June 2016, a 28% increase, or 332 more homes, than the same quarter last year. This brings the total for the year to end June 2016 to 6,850, up 1% on the 6,796 completions in the previous year.

Between April and June 2016 a total of 1,046 affordable homes were approved. This is 122 (13%) more than in the same quarter in the previous year. It brings the total for the year to end June 2016 to 8,067 approvals, up 26% on the previous year.

There were 1,534 affordable homes started in the quarter between April and June 2016, a 16% increase, or 216 more homes than the same quarter last year. This



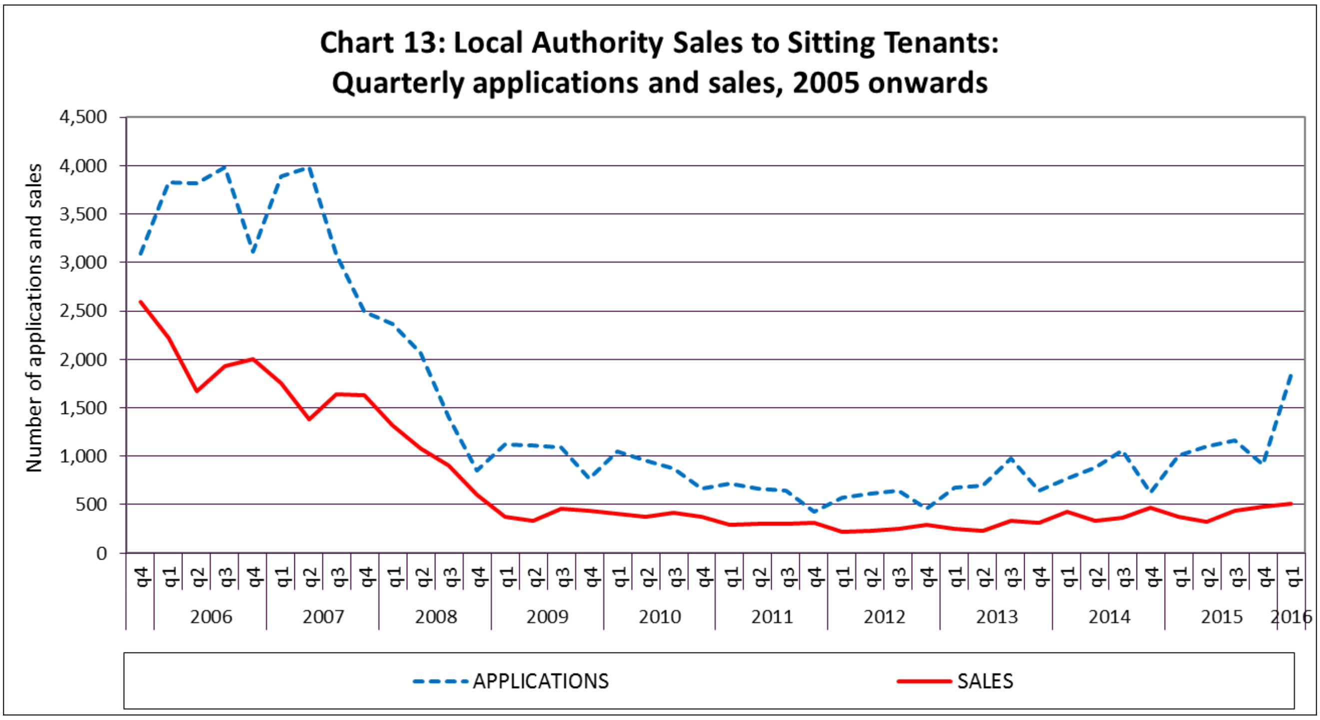
brings the total for the year to end June 2016 to 7,898, up 22% on the 6,473 starts in the previous year

Chart 12a above shows that in 2016 (year to end June), total affordable housing supply programme completions have been fairly stable across the years 2014 to 2016. In the latest year social rent completions have accounted for 60% of all completions, with affordable rent and affordable home ownership making up 14% and 26% of the total, respectively.

Quarterly affordable housing supply statistics will be used to inform the Scottish Government target to deliver 50,000 affordable homes, including 35,000 homes for social rent, over the period 2016/17 to 2020/21.

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 Right to Buy scheme closed to all new applicants on 31 July 2016. The most recent figures available on applications and sales are for January to March 2016. During this period there were 1,833 Right to Buy applications **(**82% higher than in the same quarter the previous year, and more than double the same quarter in 2014) and 507 sales (34% higher than in the same quarter in the previous year, and 20% higher than in the same quarter in 2014). Throughout the year ending March 2016 there were 1,739 sales to sitting tenants, 12% more than in the previous year and 5,006 applications which is 40% 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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Office of the Chief Statistician, Telephone: 0131 244 0442,
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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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