A National Statistics publication for Scotland

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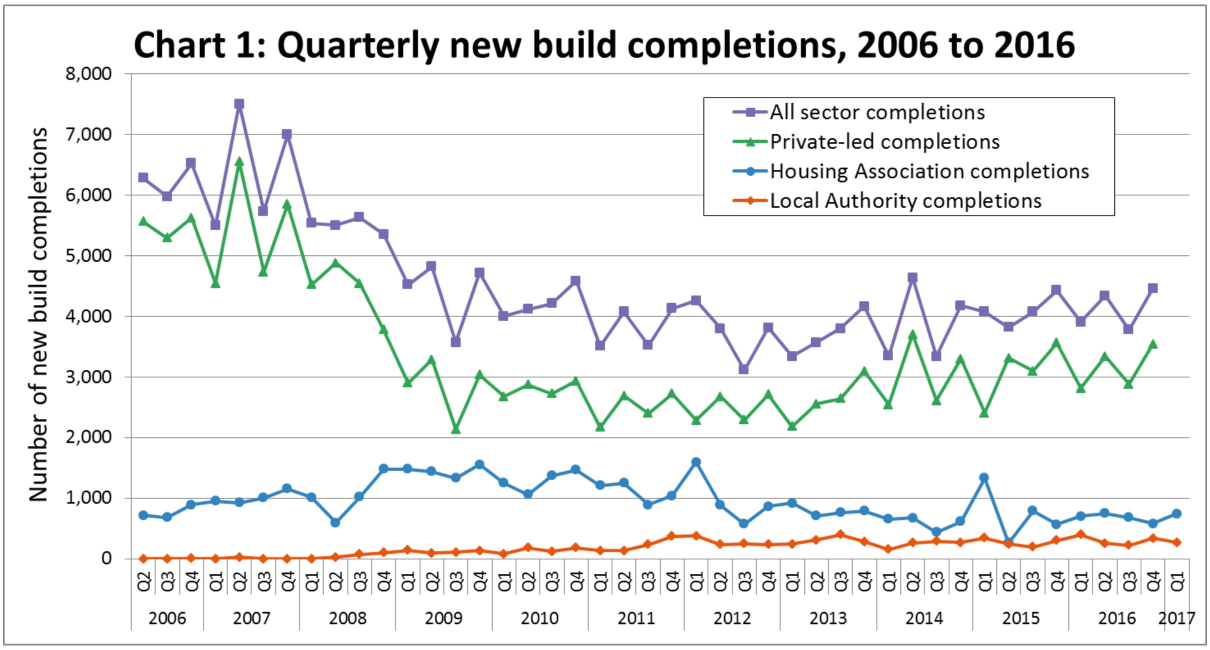
PEOPLE, COMMUNITIES AND PLACES

Housing Statistics for Scotland Quarterly Update (published 13 June 2017)

This quarterly statistical publication provides information on recent trends in:

- **New build housing starts and completions** by sector (up to end December 2016, with more up-to-date social sector information available up to end March 2017)
- **The Affordable Housing Supply Programme** (up to end March 2017)
- **Local authority house sales including Right to Buy** (up to end December 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 4,465 **new build homes completed** between October and December 2016; a 1% increase (36 homes) on the same quarter in 2015. This brings the total for the year to end December 2016 to 16,498, up 1% (88 homes) compared to the 16,410 completed in the previous year.

There were 3,768 **new build homes started** between October and December 2016; 4% more than the same quarter in 2015. This brings the total for the year to end December 2016 to 17,043 which is down by 2% (279 homes) compared to the 17,322 homes started in the previous year.

New Build Housing – Private-led Housing

Between October and December 2016, 3,546 **private sector led homes** were **completed**; 15 homes less (0% change) than the same quarter in 2015. This brings the total for the year to end December 2016 to 12,576, which is 2% (203 homes) more than the 12,373 completions in the previous year.

There were 2,648 **private sector led starts** between October and December 2016, up 5% on the same quarter in 2015. This brings the total for the year ending December 2016 to 11,896, which is 8% (1,070 homes) less than the 12,966 starts in the previous year.

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

There were 919 **social housing completions** between October and December 2016; 6% more than the same quarter in 2015. This brings the total for the year to end December 2016 to 3,922. This is a 3% decrease on the 4,037 social sector completions in the previous year.

Meanwhile, 1,120 **social sector homes** were **started** between October and December 2016; 5 more than the same quarter in 2015. This brings the total for the year to end December 2016 to 5,147. This is an 18% increase on the 4,356 social sector starts in the previous year.

More up-to-date figures show that, between January and March 2017, 1,009 social sector homes were completed (8% fewer than the 1,098 completions in the same quarter in 2016), and 3,198 were started (59% more than the same quarter in the previous year). This brings the total completions for the 12 months to end March 2017 to 3,833 (an 11% increase on the 3,458 social sector homes completed in the previous year). Total starts over the 12 months to end March 2017 are now at 6,332 (40% more than the 4,538 started in the previous year).

New Build Housing – Housing Association Homes

There were 580 **housing association completions** between October and December 2016, 2% more than the 567 completions in the same quarter in 2015. This brings the total for the year to end December 2016 to 2,707, an 8% (247 homes) decrease on the 2,954 completions over the previous year.

There were 860 **housing association approvals** between October and December; 10% more than the 785 approvals in the same quarter in the previous year. This brings the total for the year to end December 2016 to 3,638. This is an increase of 26% (745 homes) on the 2,893 approvals in the previous year.

More up-to-date figures show that a total of 741 Housing Association homes were completed between January and March 2017, 6% more completions than in the same period in the previous year (700 homes). This brings the total completions for the 12 months to end March 2017 to 2,748, which is an increase of 18% on the 2,320 homes completed in the previous year. A total of 2,917 Housing Association homes were approved between January and March 2017, 81% more than the 1,610 approvals in the same quarter in 2016. This brings the total approvals for the 12 months to end March 2017 to 4,945, a 70% increase on the 2,906 approvals in the previous year.

New Build Housing – Local Authority Homes

There were 339 **local authority completions** between October and December 2016, which is 13% more than the number that were completed in the same quarter in 2015. This brings the total for the year ending December 2016 to 1,215. This is a 12% (132 homes) increase on the 1,083 completions the previous year.

There were 260 **local authority starts** between October and December 2016; 21% lower than the number in the same quarter in 2015. This brings the total for year ending December 2016 to 1,509. This is a 3% (46 homes) increase on the 1,463 starts in the previous year.

More up-to-date figures show that, between January and March 2017, 268 local authority houses were completed (33% fewer homes than the same quarter in the previous year), and 281 were started (30% fewer homes than the same quarter in the previous year). This brings the total completions for the year to end March 2017 to 1,085, which is 5% less than the previous year. Total starts for the 12 months to end March 2017 now stands at 1,387 which is a decrease of 15% on the 1,632 local authority homes completed in the previous year.

Affordable Housing Supply – up to end March 2017

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 builds.

The latest statistics for the year to end March 2017 show that **affordable housing supply completions** have totalled 7,336, up 13% (818 homes) on the previous year. This includes increases in social rent completions (up by 19% or 727 homes) and affordable home ownership completions (up by 11% or 191 homes), with a decrease in affordable rent completions (down by 10% or 100 homes).

There were 10,276 **affordable housing approvals** over the year up to end March 2017, up by 29% or 2,331 homes compared to the previous year. This includes increases in social rent approvals (up by 34% or 1,770 homes), affordable rent approvals (up by 45% or 428 homes), and affordable home ownership approvals (up 7% or 133 homes).

There were 9,308 **affordable houses started** in the year to end March 2017, up by 21% or 1,626 homes compared to the previous year. This includes increases in social rent starts (up by 25% or 1,251 homes), affordable rent starts (up by 40% or 360 homes), and affordable home ownership starts (up 1% or 15 homes).

Quarterly affordable housing supply statistics are 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, therefore there were no **Right to Buy applications** made during the latest quarter October to December 2016. Throughout the year to end September 2016 there were 9,060 applications made, more than double the 3,890 applications made in the year to end September 2015.

Right to Buy sales can occur in a period later than that in which the application was made. In the latest quarter, October to December 2016, there were 796 **Right to Buy sales**, 69% more than the 471 sales in the same quarter in the previous year. Throughout the year to end December 2016 there were 2,524 sales, 57% more than the 1,605 sales in the year to end December 2015.

Contents

New Build Housing – All sectors

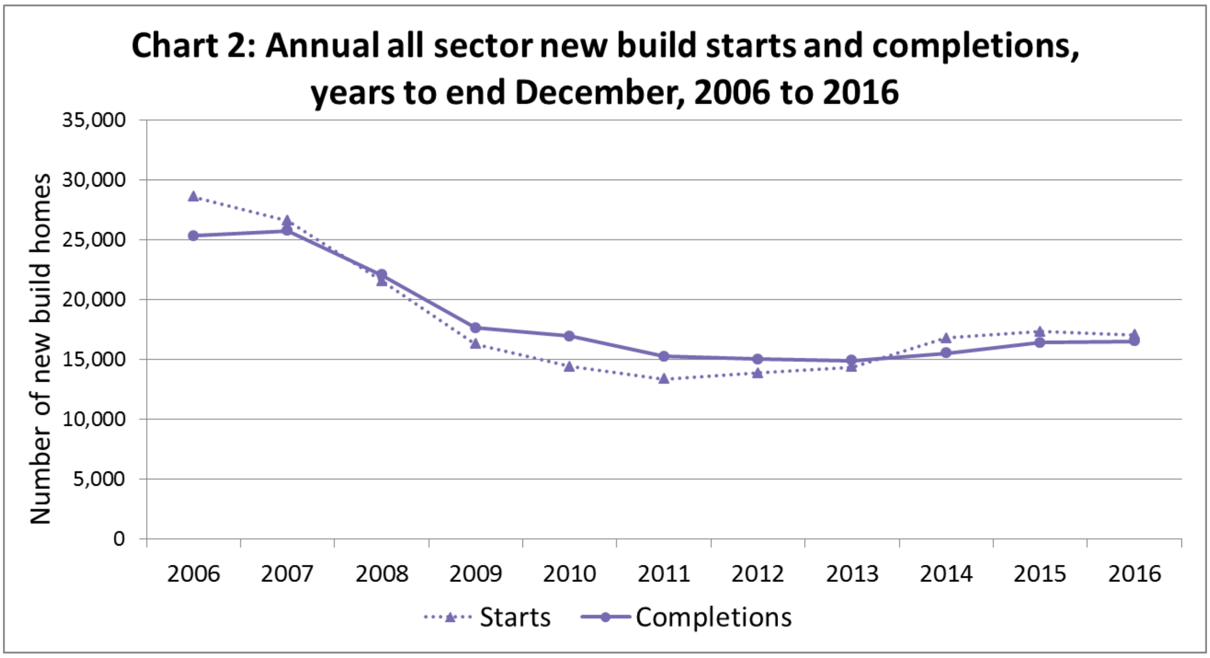
The new-build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

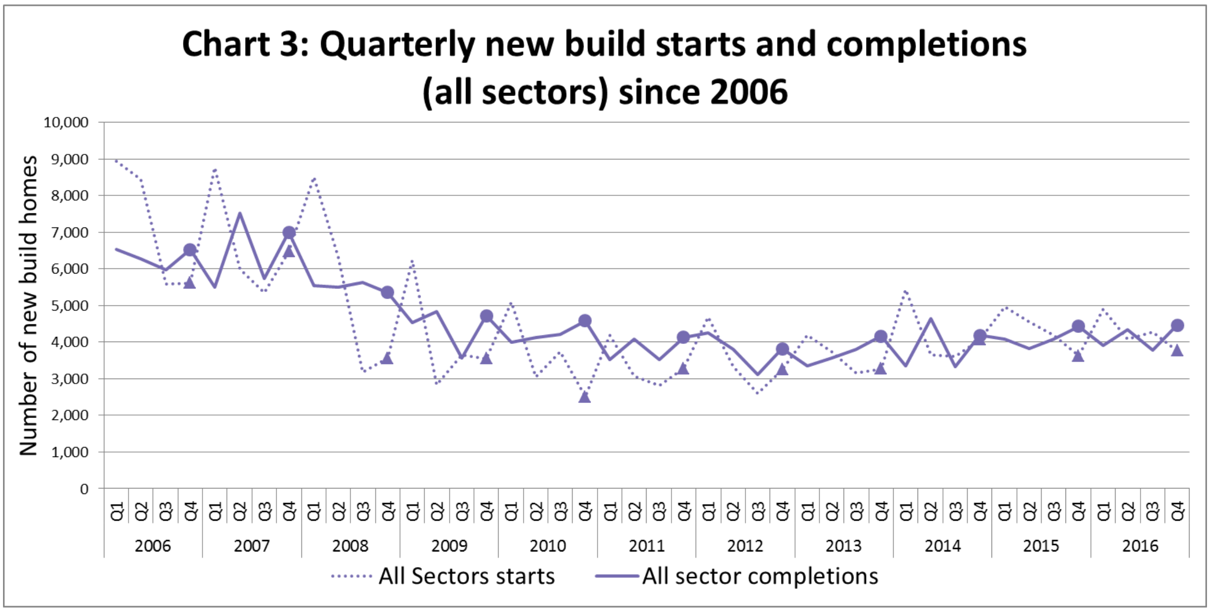
Figures are presented for homes built on privately led (referred to throughout as private sector), local authority led (referred to as local authority sector) and housing association led (referred to as housing association sector) sites. For the private sector the latest information available is for the quarter ending December 2016. Whilst more up-to-date information is available for local authority and housing association new builds, findings for these sectors are mainly presented up to December 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 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.

Figures on private sector new build completions for the City of Edinburgh have been estimated from 2015 Quarter 4 onwards due to quality concerns of data derived from building completion certificates. Estimates for Edinburgh have instead been based on private new build house sales data from Registers of Scotland, with further assumptions on self-builds and private sector led section 75 completions which are not captured within this data source. The estimates for Edinburgh are being investigated further and are subject to change in future publications.

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, respectively, in starts and completions across all sectors.





Trends over the last ten years

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 2009 (years to end December). Completions for all sectors fell more gradually between 2010 and 2013, before increasing until 2015, following which completions have remained fairly constant in the most recent year.

Trends to end December 2016

There were 4,465 new build homes completed between October and December 2016; a 1% increase on the same quarter in 2015. This brings the total for the year to end December 2016 to 16,498, up 1% (88 homes) compared to the 16,410 completed in the previous year.

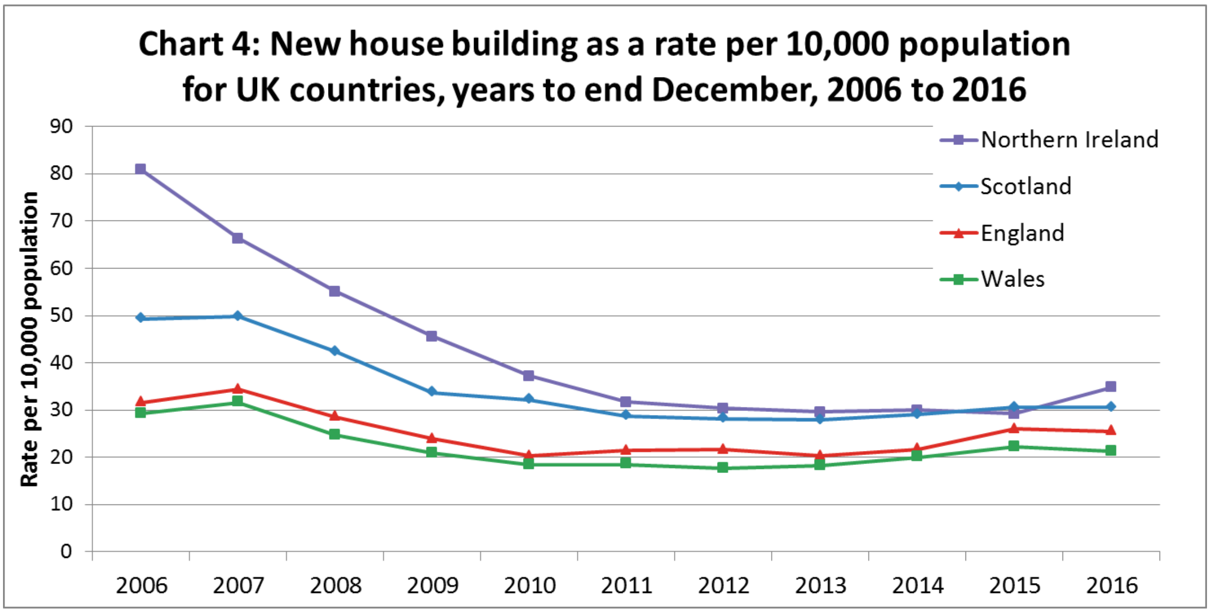
There were 3,768 new build homes started between October and December 2016; 4% more than the same quarter in 2015. This brings the total for the year to end December 2016 to 17,043 which is down by 2% (279 homes) compared to the 17,322 homes started in the previous year.

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 (years to end December). The rate of house building completions in Scotland has been below that of Northern Ireland between 2006 and 2016 except for the year 2015.

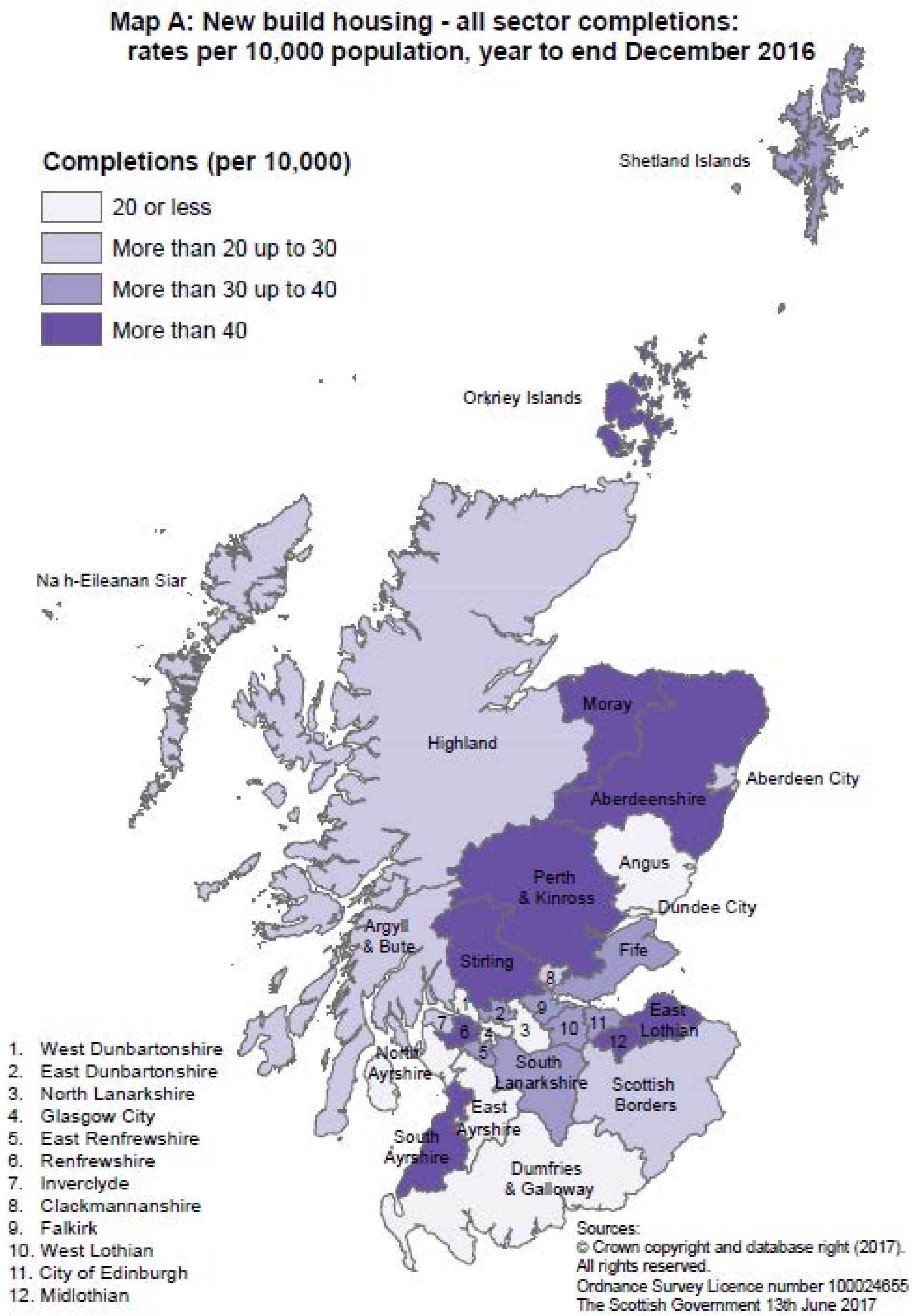
The 16,498 homes completed in Scotland in the year to end December 2016 equates to a rate of 31 per 10,000 population. This is the lower than Northern Ireland (35), but higher than the equivalent rates in England (26) and Wales (21).



Sub-national figures for the year to end December 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 December 2016, as a rate per 10,000 population.

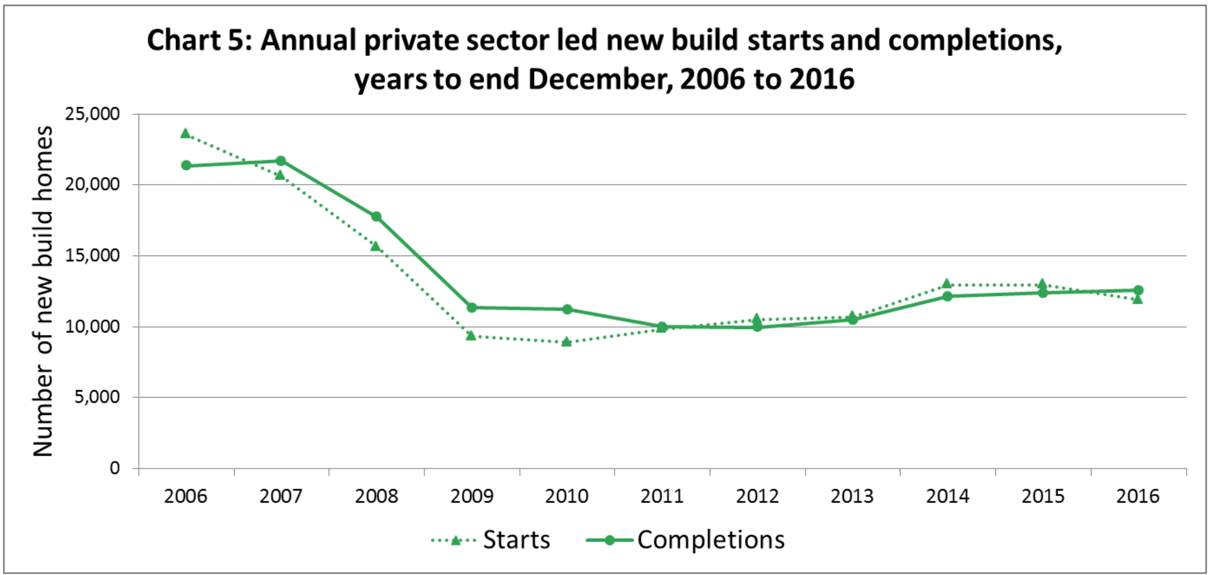
In the year to end December 2016 the highest new build rates were observed in Midlothian, East Lothian, Perth & Kinross, Orkney Islands, and Moray. The lowest rates were observed in West Dunbartonshire, Angus, North Ayrshire, Dumfries & Galloway, and North Lanarkshire.

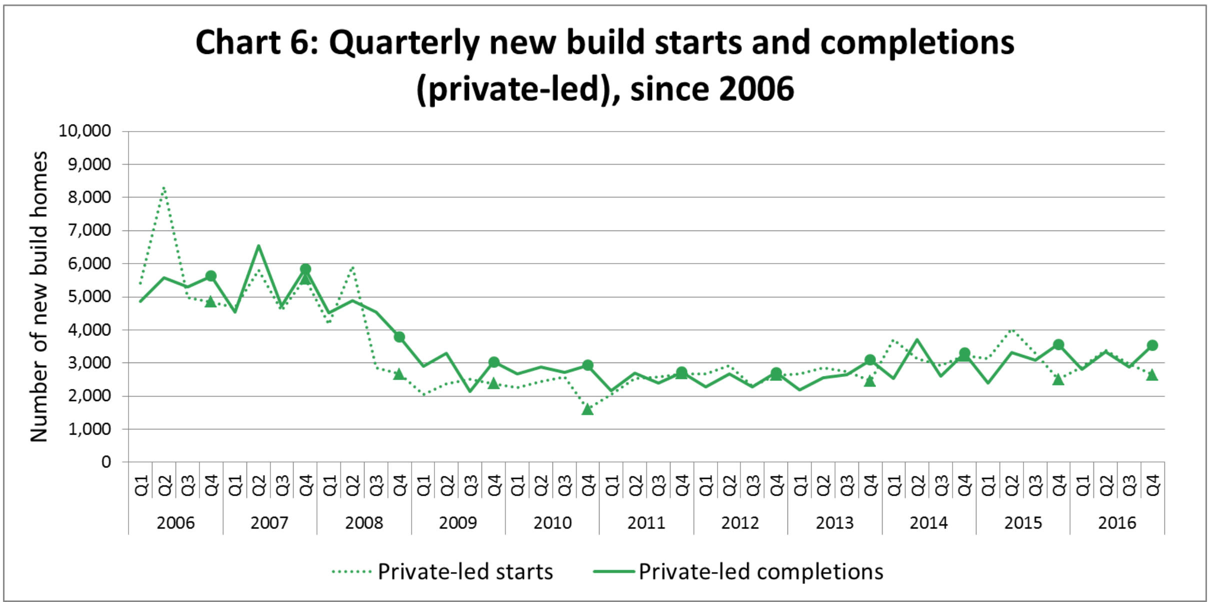


New Build Housing – Private-led Housing

The private sector is the biggest contributor to overall house building, accounting for more than three-quarters (76%) of all homes completed in the 12 months to end December 2016.

Figures on private sector new build completions for the City of Edinburgh have been estimated from 2015 Quarter 4 onwards due to quality concerns of data derived from building completion certificates. Estimates for Edinburgh have instead been based on private new build house sales data from Registers of Scotland, with further assumptions on self-builds and private sector led section 75 completions which are not captured within this data source. The estimates for Edinburgh are being investigated further and are subject to change in future publications.





Trends over the last ten years

Between 2006 and 2007 (years to end December) the number of private sector homes started were around 20,000 to 24,000 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 2008 then continued to decrease more gradually to under 10,000 in 2011 and 2012. Since then the number of homes completed has increased overall, bringing completions through the year to over 12,000 in the years ending December 2014 and 2015, increasing to just under 12,600 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. Following this, the Help to Buy (Scotland) Affordable New Build and Help to Buy (Scotland) Smaller Developers schemes were launched on 21 January 2016. Further information on the schemes, along with monitoring information setting out numbers of sales, is available at http://www.gov.scot/Topics/Built-Environment/Housing/BuyingSelling/help-to-buy.

Trends to end December 2016

Between October and December 2016, 3,546 private sector led homes were completed; 15 homes less (0% change) on the same quarter in 2015 (see Chart 6). This brings the total for the year to end December 2016 to 12,576, which is 2% (203 homes) more than the 12,373 completions in the previous year.

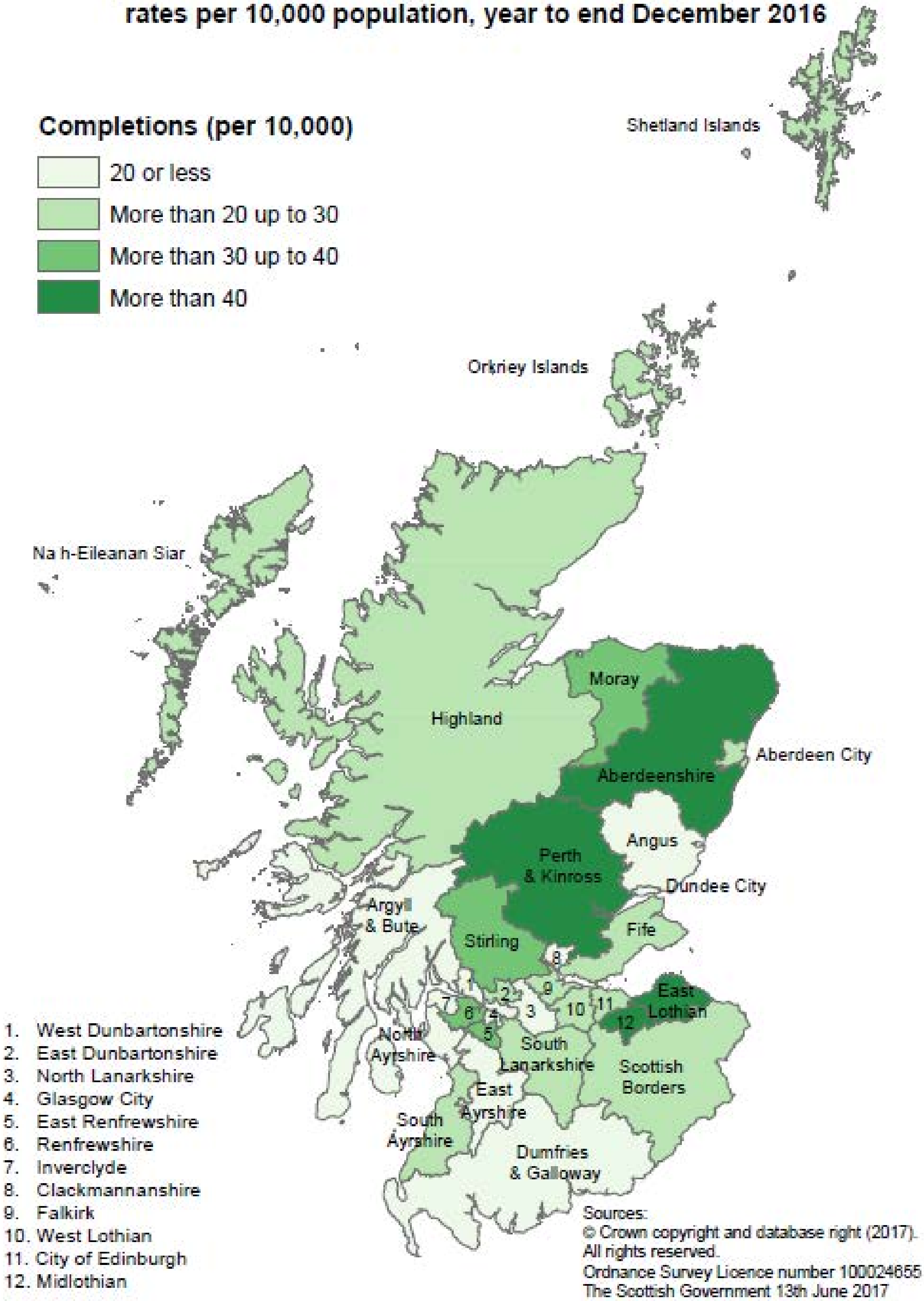
Meanwhile there were 2,648 private sector led starts between October and December 2016, up 5% on the same quarter in 2015. This brings the total for the year ending December 2016 to 11,896, which is 8% (1,070 homes) less than the 12,966 starts in the previous year.

Sub-national figures for the year to end December 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 December 2016.

The highest completion rates have been in Midlothian, East Lothian, Aberdeenshire, Perth & Kinross, and Renfrewshire. The lowest rates meanwhile, have been in Glasgow City, Angus, West Dunbartonshire, North Lanarkshire, and Dundee City.

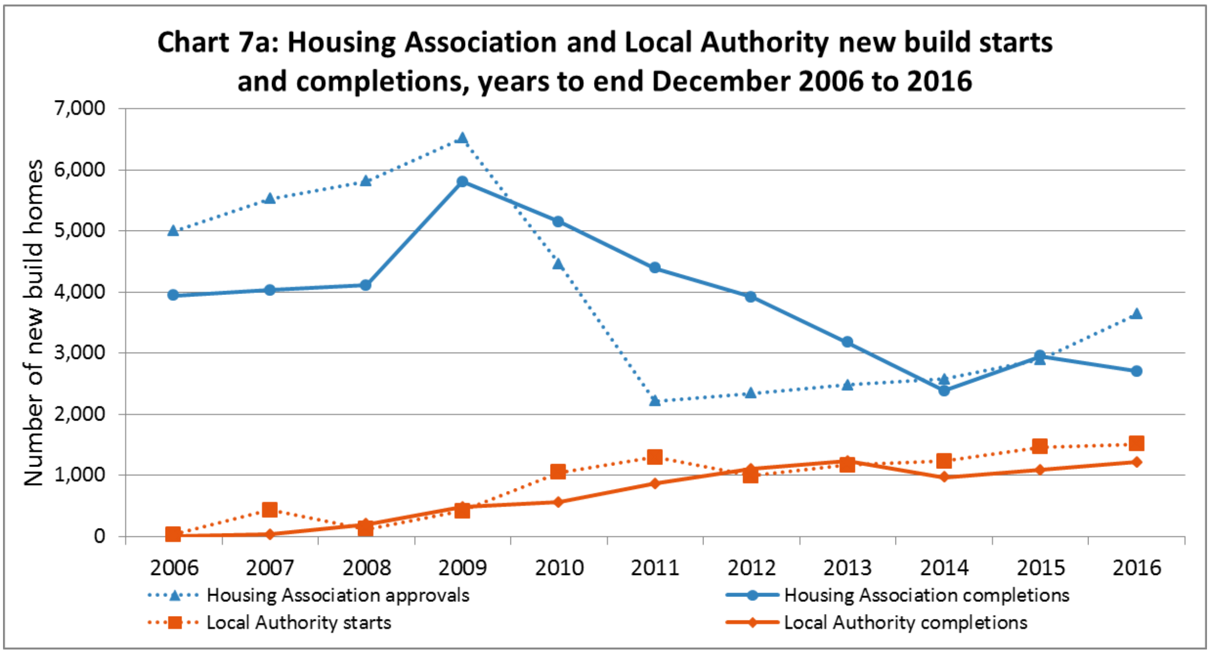
Map B: New build housing - private sector completions: rates per 10,000 population, year to end December 2016

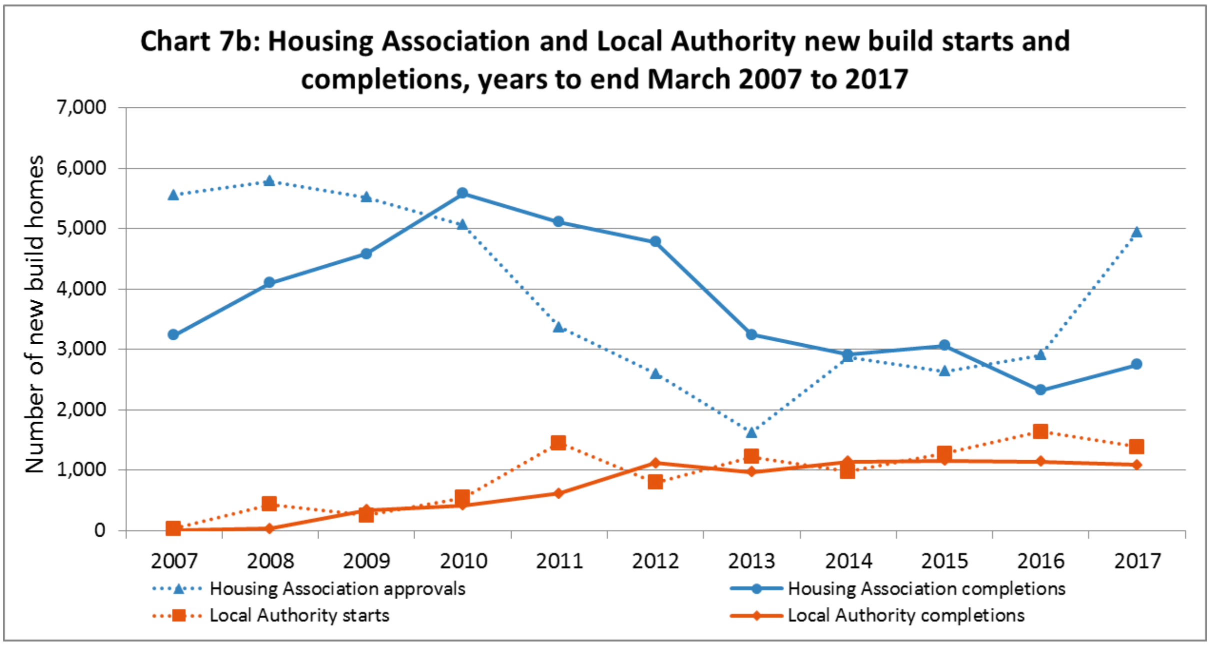


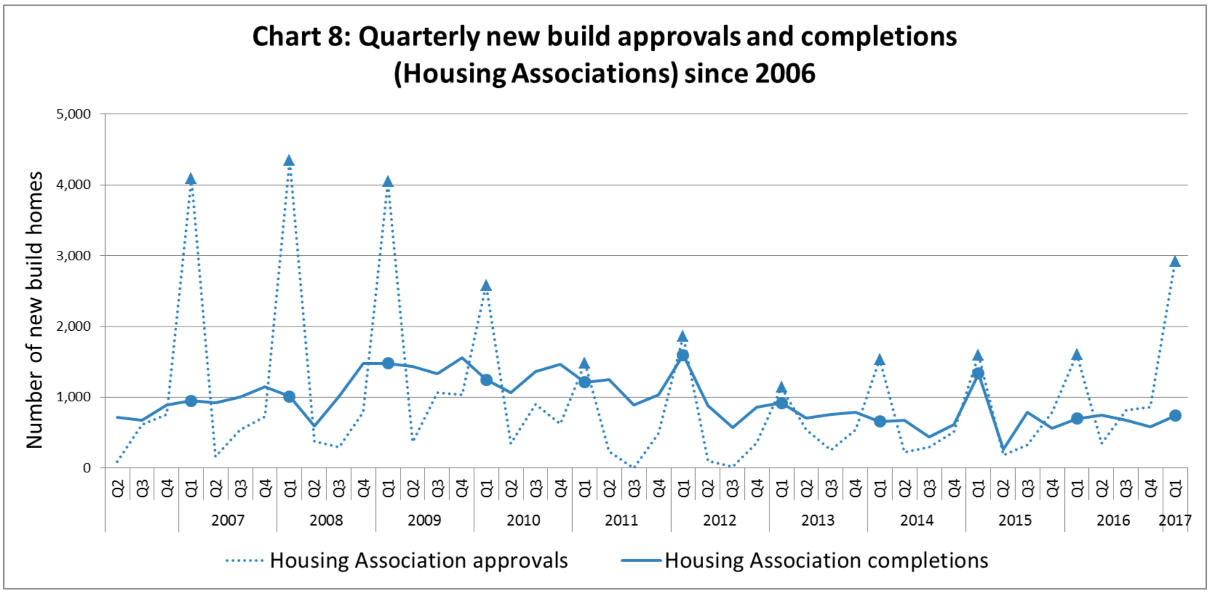
New Build Housing – Social Sector

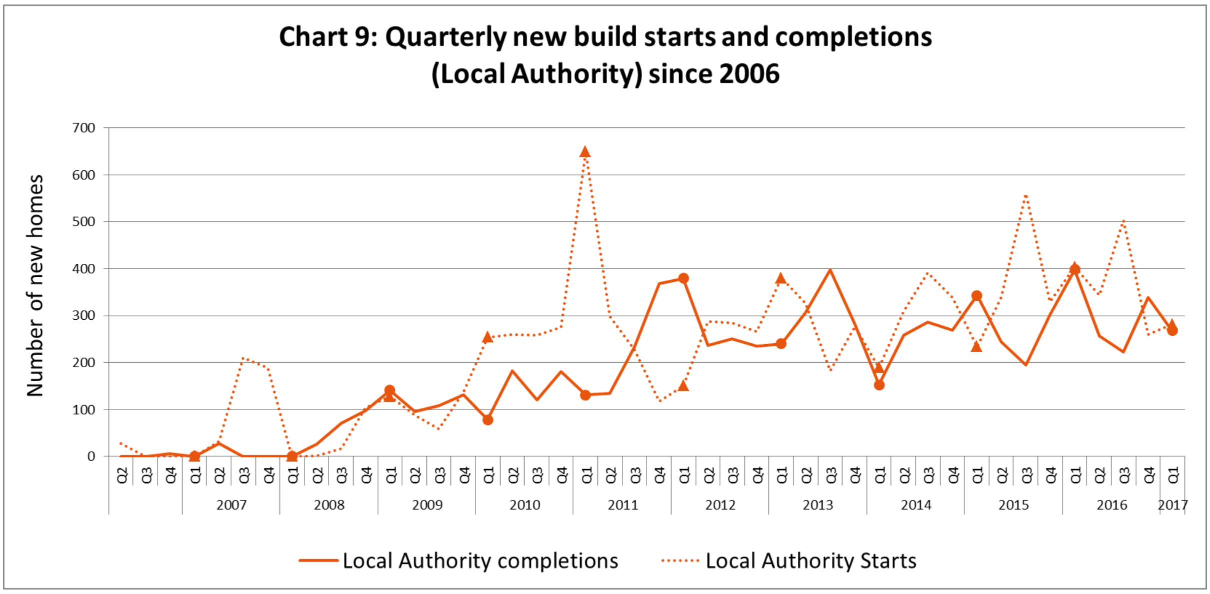
Social sector housing consists of local authority and housing association housing, and has accounted for just under a quarter (24%) of all new build homes completed over the 12 months to end December 2016. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of March 2017. However, to enable easier understanding of how each sector contributes to the all sector totals described previously, 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 section.









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 2006, 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 then decreased to just under 2,400 in 2014, with a slight peak in 2015 until 2016 where there were 2,700 completions.

The number of housing association approvals meanwhile increased from just under 5,000 to 6,500 from 2006 to 2009 (years to end December), before falling to around 2,200 in 2011. The figures have since increased to just over 3,600 in the year ending December 2016.

Very few local authority homes were built in 2006 and 2007 (years to end December). The number gradually increased from around 480 in the year ending December 2009 to over 1,200 in the year ending December 2013, then dipped to just under 1,000 in 2014, before increasing to 1,200 in the year ending December 2016. 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 2016.

Trends to end December 2016

There were 919 social housing completions between October and December 2016; 6% more than the same quarter in 2015. This brings the total for the year to end December 2016 to 3,922. This is a 3% decrease on the 4,037 social sector completions in the previous year.

Meanwhile, 1,120 social sector homes were started between October and December 2016; 5 more than the same quarter in 2015. This brings the total for the year to end December 2016 to 5,147. This is a 18% increase on the 4,356 social sector starts in the previous year.

Sub-national figures for the year to end December 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 December 2016. The housing stock of 6 local authorities (Argyll & Bute, Dumfries & Galloway, Glasgow, Inverclyde, Na h-Eileanan Siar 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 2016 rates of housing association new build completions were highest in Argyll & Bute, Glasgow City, South Ayrshire, and Dundee City whilst no new housing association houses were built in East Ayrshire.

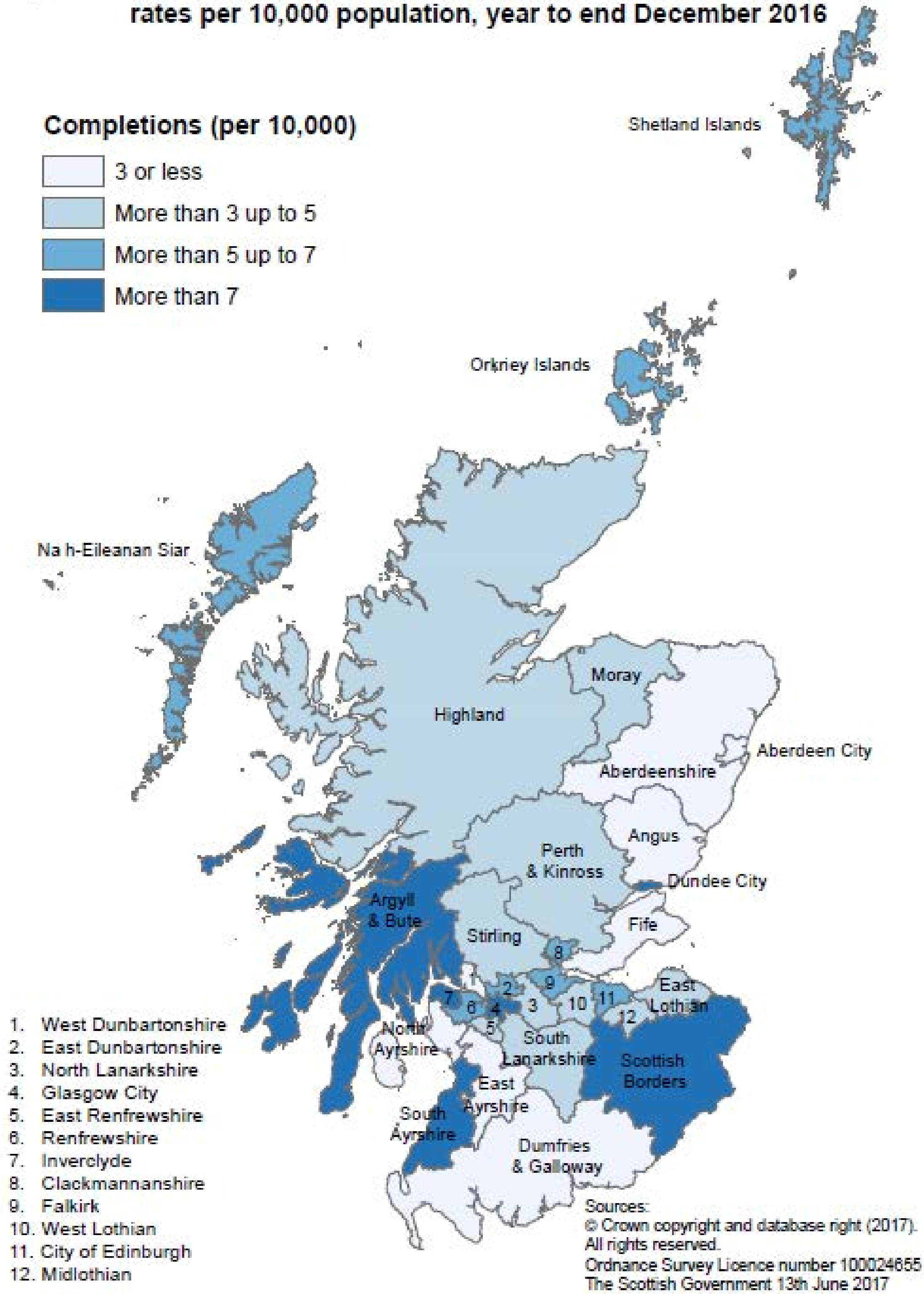
Meanwhile local authority new build rates were highest in the Orkney Islands, South Ayrshire, Clackmannanshire, and Moray. As well as the 6 stock transfer authorities mentioned above, Aberdeen City, Dundee City, East Renfrewshire, Falkirk, Renfrewshire, the Shetland Islands and West Dunbartonshire built no new homes in the year ending December 2016.

Latest data to end March 2016

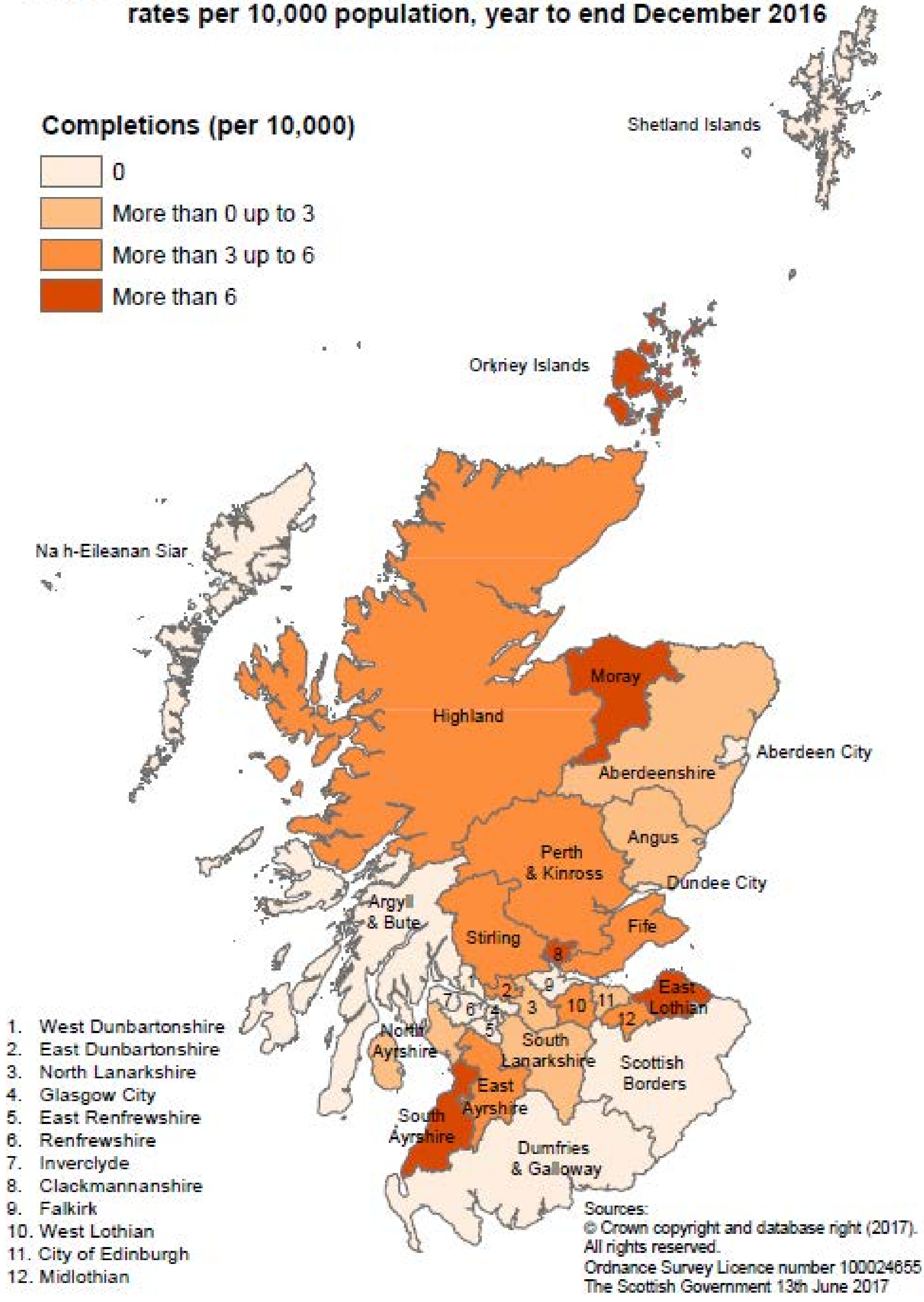
A total of 1,009 social sector homes were completed between January and March 2017, 8% fewer than the 1,098 homes completed in the same period in 2016. This brings the total for the 12 months to end March 2017 to 3,833, which is 11% more than the 3,458 completed in the previous year. The increase in the 12 months to end March 2017 is due to an increase in Housing Association led completions, which increased by 18%, whereas local authority led completions decreased by 5%.

Meanwhile, 3,198 social sector homes were started between January and March 2017. This is up by 59% compared to the same quarter in the previous year. This brings the total for the 12 months to end March 2017 to 6,332 which is a 40% increase (1,794 homes) on the 4,538 starts in the previous year. The increase in the 12 months to end March 2017 is due to Housing Association approvals increasing by 70% (2,039) homes whilst Local Authority starts decreased by 15% (245 homes) (see Charts 8 and 9).

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



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



Affordable Housing Supply up to end March 2017

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 builds. 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 2017. 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.

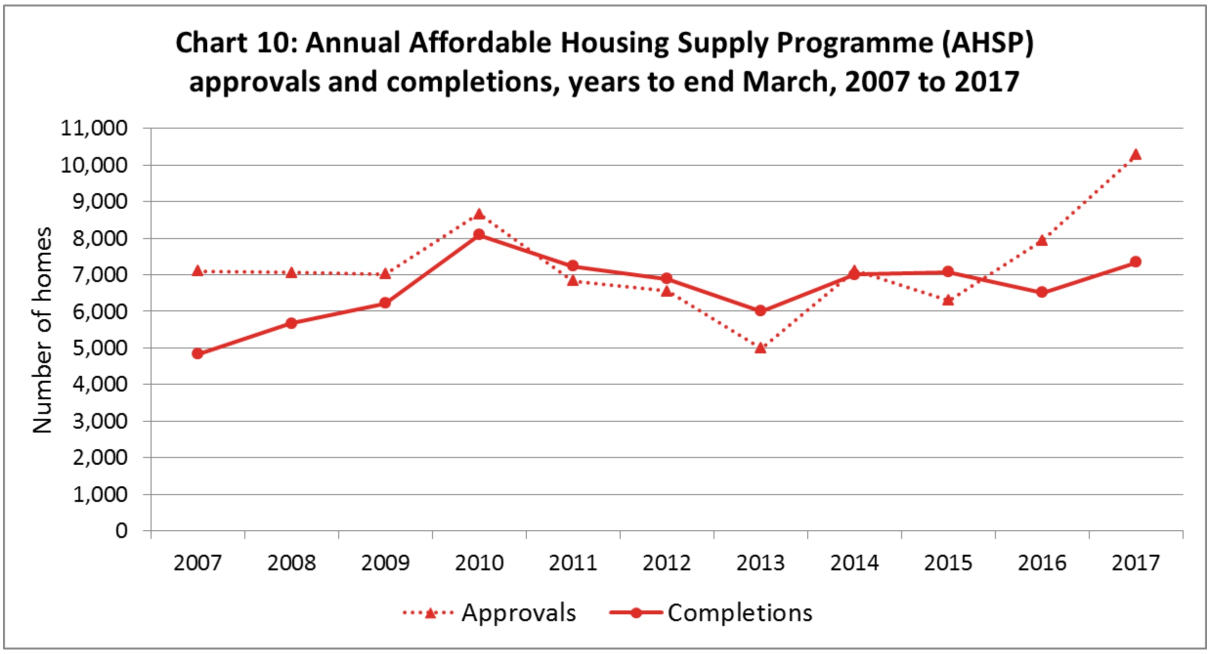
Changes in the funding programme in 2011 and 2012 impacted on the timing of affordable housing activity as well as the level of activity and this should be borne in mind when making comparisons over time.

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 2,225 affordable homes were completed in the quarter between January and March 2017, a 3% increase, or 72 more homes than the same quarter last year. This brings the total for the year to end March 2017 to 7,336, up 13% on the 6,518 completions in the previous year.

Between January and March 2017 a total of 5,032 affordable homes were approved. This is 1,324 (36%) more than in the same quarter in the previous year. It brings the total for the year to end March 2017 to 10,276 approvals, up 29% on the previous year. The 10,276 homes approved in the year to March 2017 is the highest annual approvals figure recorded since the start of this statistical series in 2000-01.

There were 3,705 affordable homes started in the quarter between January and March 2017, a 33% increase, or 922 more homes than the same quarter last year. This brings the total for the year to end March 2017 to 9,308, up 21% on the 7,682 starts in the previous year.

Chart 11 below shows that total affordable housing supply programme completions increased by 13% in 2017 (year to end March). In the latest year, social rent completions accounted for 62% of all completions, with affordable rent and affordable home ownership making up 12% and 25% of the total, respectively.

Chart 12 below shows that the total affordable housing supply programme approvals increased by 29% in 2017 (year to end March). In the latest year, social rent approvals accounted for 68% of all approvals, with affordable rent and affordable home ownership making up 13% and 19% of the total, respectively.

Quarterly affordable housing supply statistics are 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.

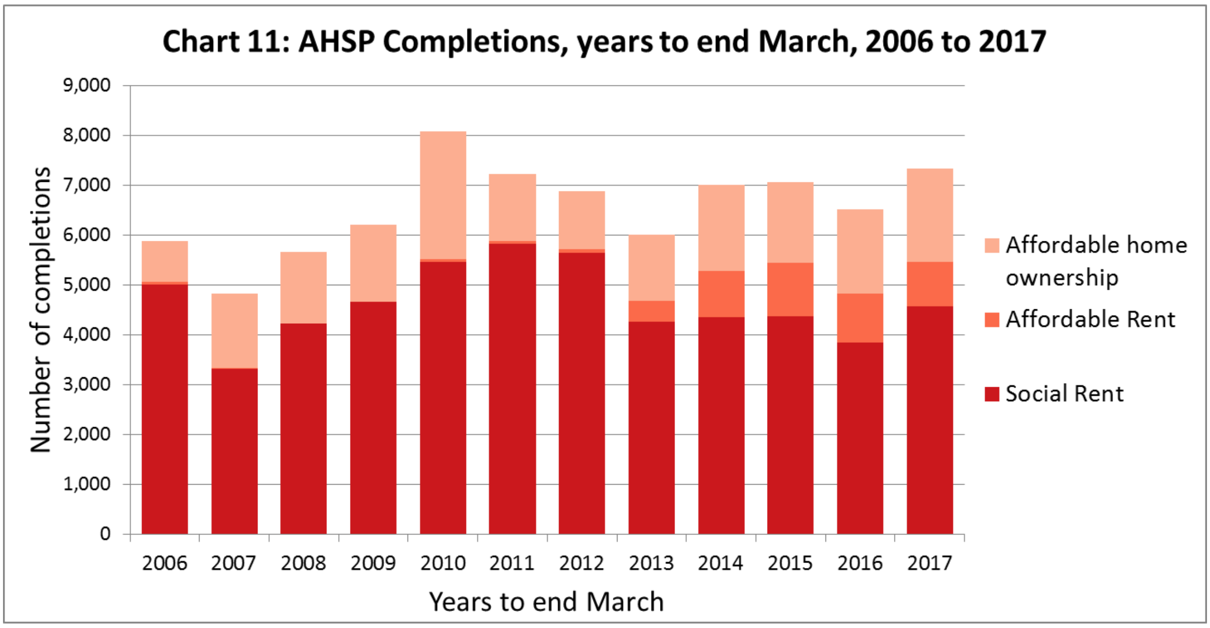


Chart 11: AHSP Completions, years to end March, 2006 to 2017
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Number of completions
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
Years to end March
Affordable home ownership
Affordable Rent
Social Rent

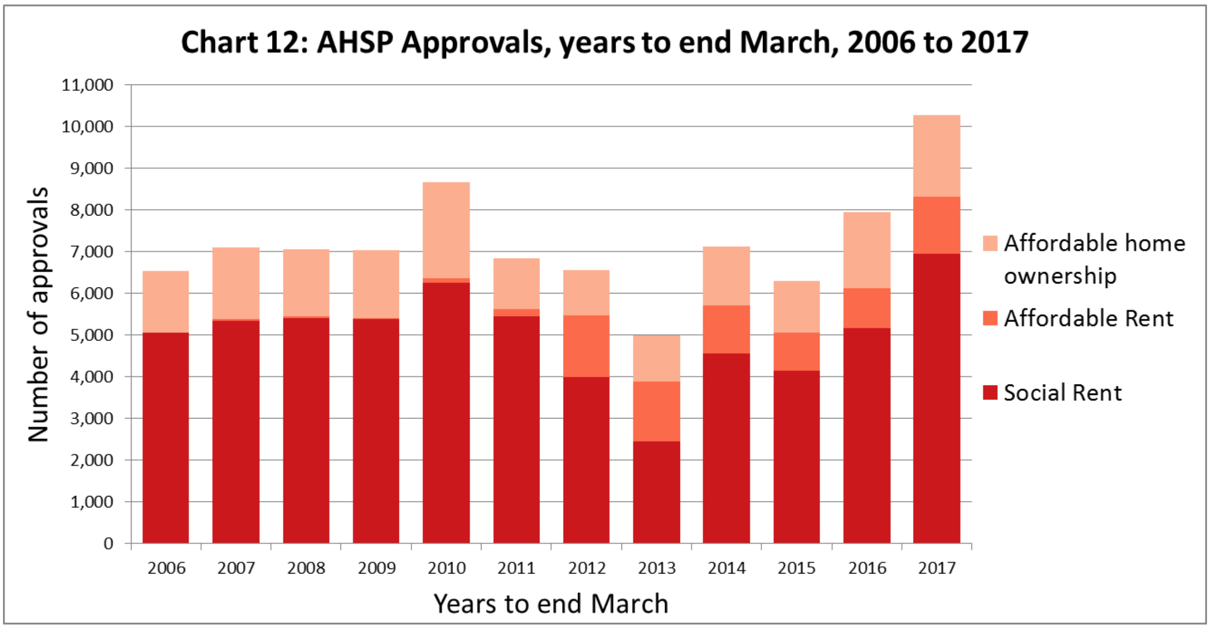
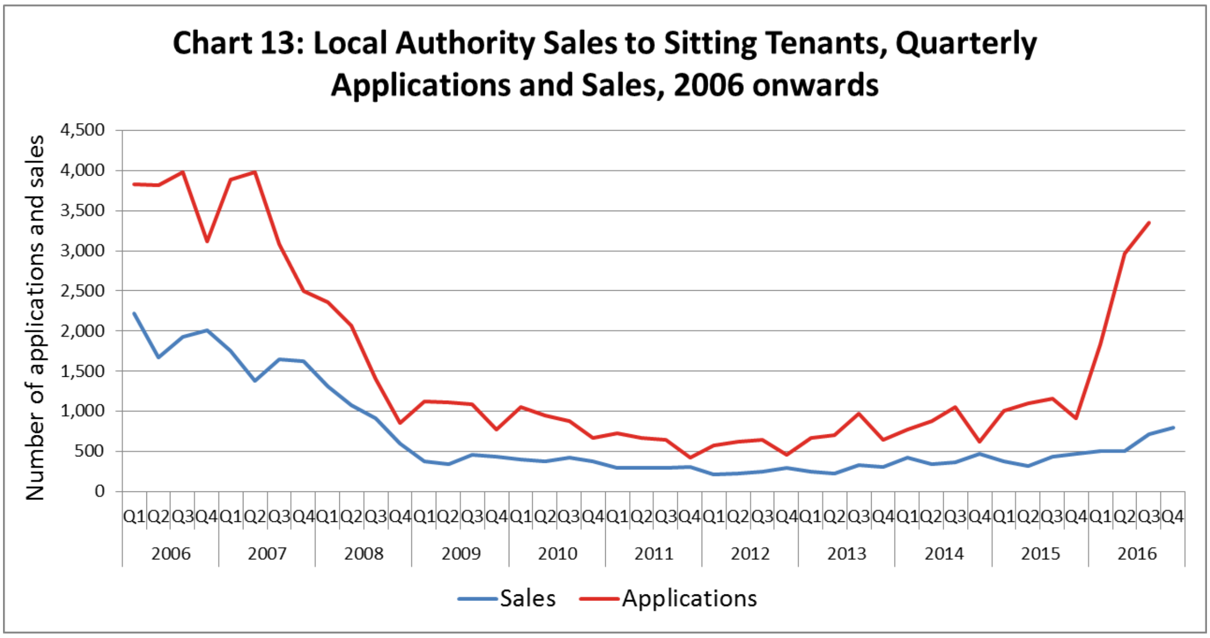


Chart 12: AHSP Approvals, years to end March, 2006 to 2017
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Number of approvals
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
Years to end March
Affordable home ownership
Affordable Rent
Social Rent

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.



Note: The Right to Buy scheme closed to all new applicants on 31 July 2016, therefore application figures for 2016 Q3 (July - September) relate to applications for the single month of July 2016 only and there are no applications in 2016 Q4 (October to December). Sales figures can occur in a period later than that in which the application was made.

In July 2013 the Scottish Government announced that the Right to Buy scheme 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 subsequently closed to all new applicants on 31 July 2016, therefore there have been no **Right to Buy applications** made during the latest quarter October to December 2016. Throughout the year to end September 2016 there were 9,060 applications made, more than double the 3,890 applications made in the year to end September 2015.

Right to Buy sales can occur in a period later than that in which the application was made. In the latest quarter, October to December, there were 796 Right to Buy sales, 69% more than the 471 sales in the same quarter in the previous year. Throughout the year to end December 2016 there were 2,524 sales, 57% more than the 1,605 sales in the year to end December 2015.

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.

Correspondence and enquiries

For enquiries about this publication please contact:
Katrina Caldwell,
Communities Analysis Division,
Telephone: 0131 244 7229,
e-mail: housingstatistics@gov.scot

For general enquiries about Scottish Government statistics please contact:
Office of the Chief Statistician,
Telephone: 0131 244 0442,
e-mail: statistics.enquiries@gov.scot

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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