The Scottish Government

A National Statistics Publication for Scotland

Housing statistics for Scotland 2008: Key Trends Summary

Introduction

This summary document provides an introduction to the updated Housing Statistics for Scotland web tables which were first launched in November 2007. These interactive tables present comprehensive data on housing activity in Scotland up to 2007-08 (for annual data) or 30 June 2008 (for quarterly series).

The tables include information on public sector stock and house sales, demolitions, new build, local authority housing management, houses in multiple occupation, special needs housing, rent registration and private sector improvement grants.

Key Points

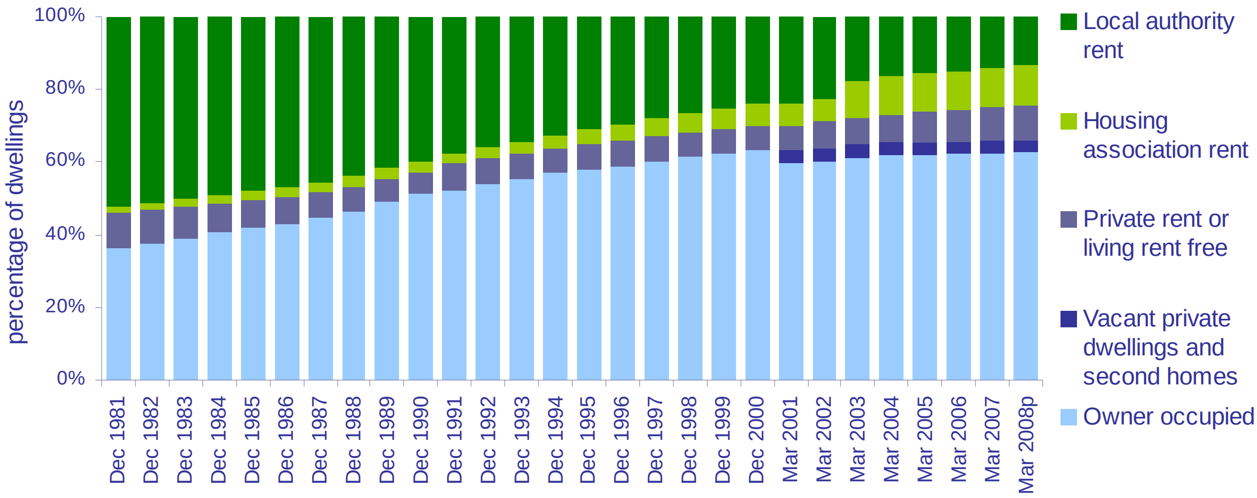
- **New housing supply:** new housing supply (new build, refurbishment and conversions) increased by 5% between 2006-07 and 2007-08, from 26,200 to 27,500 units. This was driven by increases in housing association and private completions. These data are the basis for National Indicator number 32 in the Scottish Government's 2007 Spending Review.
- **New house building:** In 2007-08, there were 25,700 completions in Scotland, an increase of 7% on the previous year. Starts however, fell by 7% from 28,400 in 2006-07 to 26,400 in 2007-08. There were 28 completions of local authority housing in 2007-08, all of which were in Midlothian.
- **Sales of public authority dwellings:** Sales of public authority dwellings fell by 18% in 2007-08, from 8,300 to 6,800. This continues the declining trend in sales observed over recent years since the introduction of the modernised Right to Buy, which came into effect on 30 September 2002.
- **Public sector housing stock:** At 31 March 2008, there were 329,500 local authority dwellings in Scotland. This represents 55% of all social sector housing, a decrease of 2 percentage points on the previous year.
- **Public sector vacant stock:** At 31 March 2008, there were 9,300 units of vacant stock, of which 33% consisted of normal letting stock. This represents 1% of all normal letting stock, and is unchanged from the previous year.
- **Lettings:** During 2007-08 there were about 27,000 permanent lettings of local authority dwellings, a decrease of nearly 10% compared to the previous year. Lets to homeless households represented 39% of all local authority lets in 2007-08, compared to 34% in 2006-07.
- **Evictions:** Eviction actions against local authority tenants resulted in 2,100 evictions or abandoned dwellings in 2007-08 (1,200 evictions, 900 abandoned dwellings). This is an increase of 3% on the previous year.
- **Houses in multiple occupation:** In 2007-08, 7,200 applications were received in respect of the mandatory licensing scheme for houses in multiple occupation. At 31 March 2008 there were 10,200 licences in force, representing an increase of 28% over the previous year.
- **Improvement of dwellings:** The total amount of grant approved for private sector housing improvement and repair grants in 2007-08 was £57.7 million, an increase of 22% over the previous year.

Background

The last quarter of a century has seen a significant change in housing tenure. In 1981, less than 40% of dwelling stock was owner occupied. By 2008, this had risen to over 60% (Chart 1). Although there has been a similar pattern of change across much of Europe, the change has been particularly dramatic in Scotland.

Mirroring changes in cultural attitudes toward home ownership, two structural factors have contributed to this shift: the introduction of the right to buy for public authority tenants in 1979 coupled with the decline of public authority new build, and the increased contribution of private sector house building.

Chart 1: Estimated stock of dwellings by tenure: 1981 to 2008



Note the change in methodology from March 2001. Scottish Household Survey data is combined with dwelling counts of occupied and vacant property (General Register Office for Scotland) to split privately owned stock into owner occupied, private rented and vacant. Social rented stock counts provided by local authorities and the Scottish Housing Regulator.

New housing supply

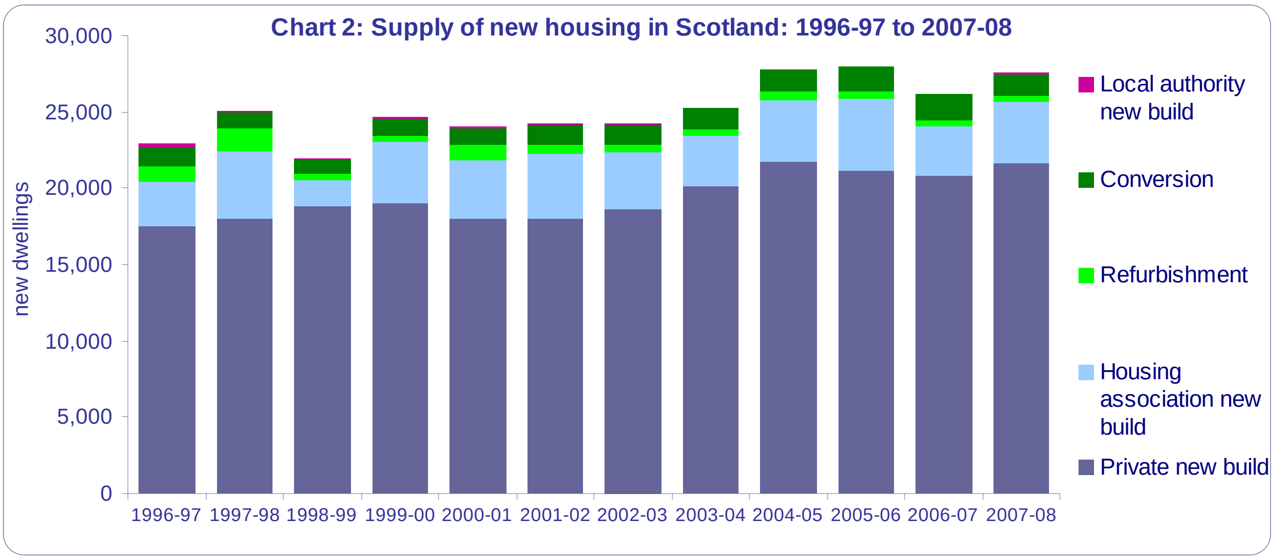
Data on housing supply informs National Indicator 32 (Increase the rate of new house building) in the Scottish Government's 2007 Spending Review, and comprises the following elements:

- **new house building:** houses completed by or for housing associations, local authorities or private developers for below market rent or low cost home ownership; houses completed for market sale by private developers.
- **refurbishment:** houses acquired by housing associations and refurbished either for rent or low cost home ownership. Refurbishment of private dwellings funded wholly or partly through the Affordable Housing Investment Programme.
- **conversion:** new dwellings created by conversion from non-housing to housing use.

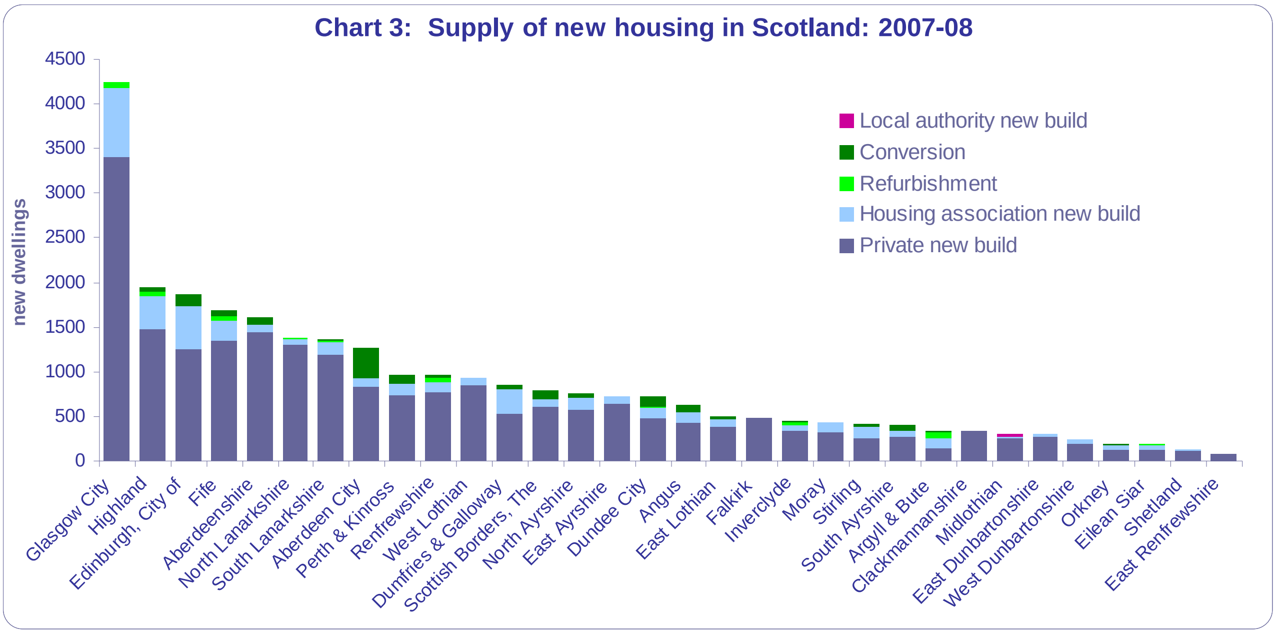
The supply of new housing increased by 5% between 2006-07 and 2007-08, driven by rises in housing association and private completions. This follows a drop between 2005-06 and 2006-07, and brings new housing supply close to 2005-06 levels (Table 1, Chart 2).

Table 1: Components of new housing supply in Scotland

	Private new build	Housing association new build	Local authority new build	Refurbishment	Conversion	New housing supply
1996-97	17,491	2,963	241	984	1,244	**22,923**
1997-98	17,983	4,489	114	1,514	958	**25,058**
1998-99	18,784	1,753	120	380	958	**21,995**
1999-00	19,048	3,964	69	413	1,151	**24,645**
2000-01	18,050	3,804	112	971	1,103	**24,040**
2001-02	18,047	4,197	65	597	1,311	**24,217**
2002-03	18,628	3,715	94	514	1,305	**24,256**
2003-04	20,086	3,368	-	410	1,409	**25,273**
2004-05	21,713	4,024	-	677	1,336	**27,750**
2005-06	21,171	4,698	-	469	1,695	**28,033**
2006-07	20,819	3,231	6	437	1,702	**26,195**
2007-08	21,618	4,097	28	389	1,417	**27,549**

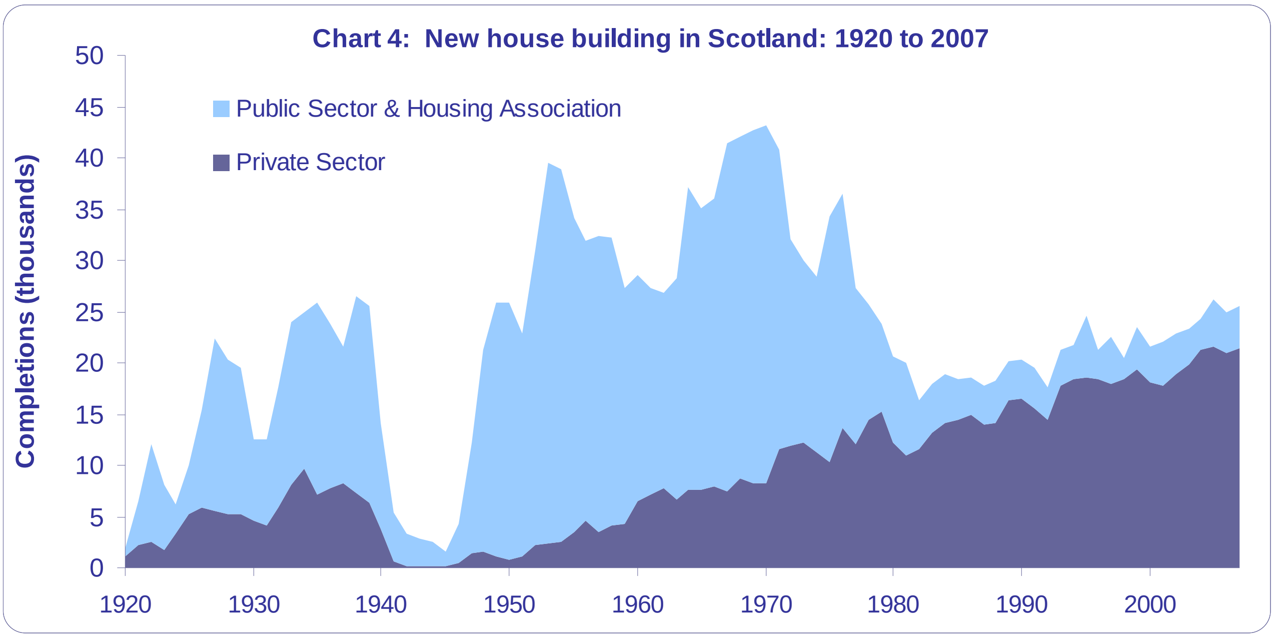


The components of housing supply within each local authority are shown for 2007-08 in Chart 3. Glasgow City accounts for 15% of Scotland's new housing in 2007-08, at over 4,200 new units, 80% of which were private sector new build completions, and the majority of the rest were completions by housing associations. Conversions from non-housing to housing use were of particular importance to the supply of new housing in Aberdeen City, representing 27% of the supply of new housing in 2007-08.

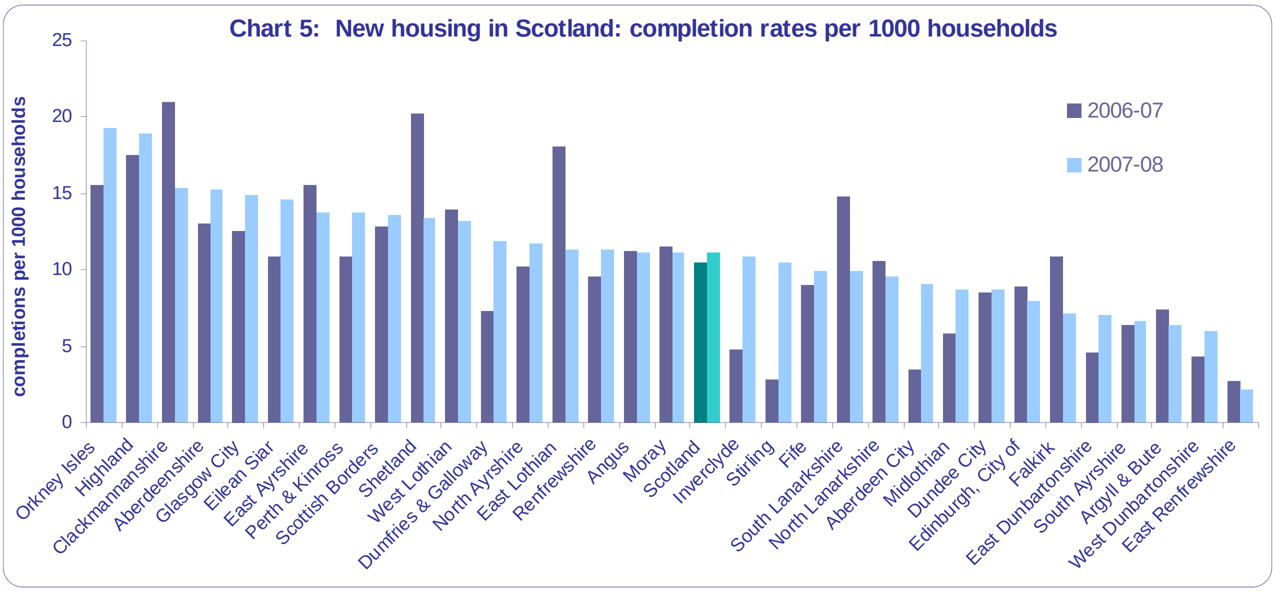


New build

Historic trends in new build showed peaks in the early 1950s and late 1960s resulting primarily from programmes of post-war reconstruction and slum clearances. From a high point of about 41,000 to 43,000 completions a year, mainly in the public sector, the level of new build fell during the early 80s to under 20,000 completions per year. Since then, there has been an overall upward trend to just over 25,000 completions per year during the past few years, largely due to private sector new build which currently represents around 84% of all completions. The remainder of new build is predominantly by housing associations (Chart 4).



In 2007-08, there were 25,700 completions in Scotland, an increase of 7% on the previous year. Starts however, fell by 7% from 28,400 in 2006-07 to 26,400 in 2007-08. Chart 5 shows the change in completion rates per 1000 households between 2006-07 and 2007-08, for local authority areas.



Over recent years there have been very few new council housing completions in Scotland. However, Midlothian council have started to build 400 new council houses, of which 54 were completed by end-June 2008.

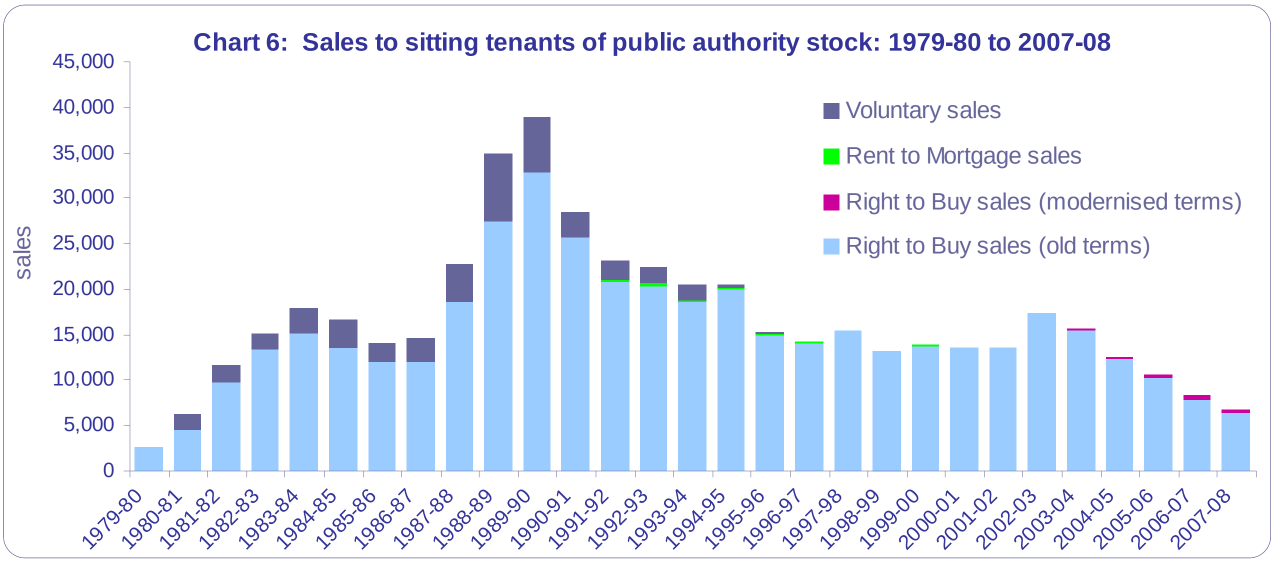
Sales of social sector housing to sitting tenants

The introduction of right to buy legislation in 1979 had a substantial impact on the profile of Scottish housing, and the scale and nature of these changes are shown in the 2006 report to the Scottish Parliament *The right to buy in Scotland: pulling together the evidence*.

Over the years, nearly half a million public sector properties have been sold under the Right to Buy scheme (Chart 6). The annual rate of sales to sitting tenants peaked at just under 40,000 in 1989, at the height of the housing boom. It then fell rapidly in the early 1990s as the housing market crashed, settling at around 15,000 per year from the mid 1990s onwards. Legislation introduced as part of the Housing (Scotland) Act 2001 then resulted in significant changes in right to buy terms for new tenants from 2002-03.

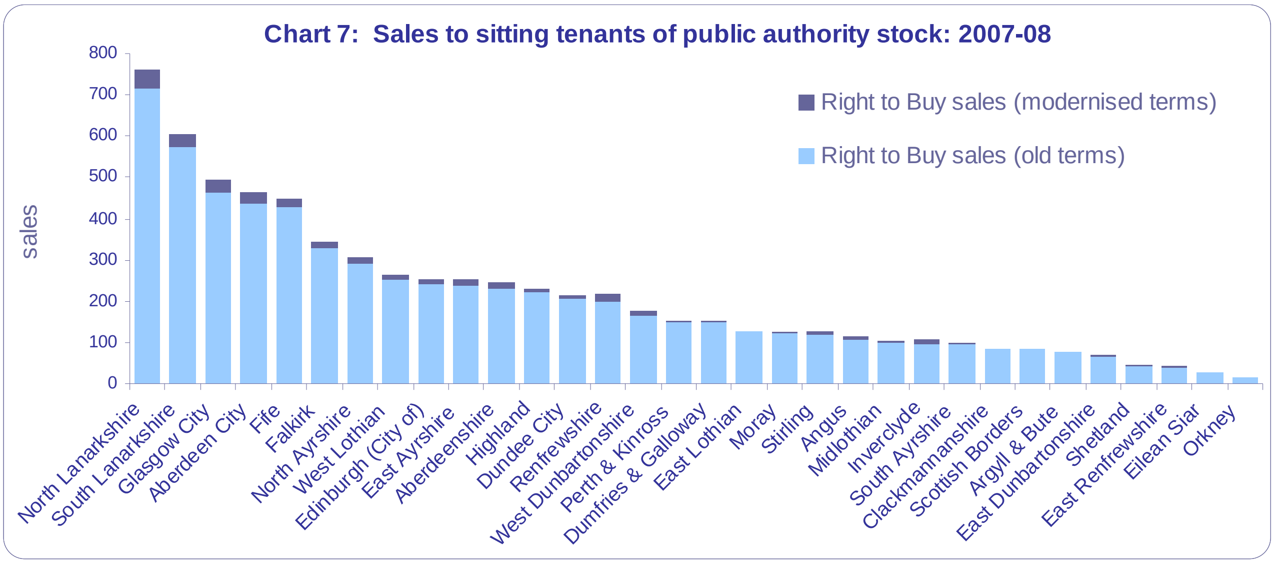
After a small upturn in 2002-03, sales have declined consistently with decreases varying between 10% and 22% per year, to a current level of about 6,800 public authority right to buy sales for 2007-08 (including local authorities with total stock transfers). This decrease is to be expected, because following the change in legislation, new tenants are on modernised terms which in most cases means they could not buy until October 2007 at the earliest, and this on less favourable terms then previously.

Since the change in legislation, there have been around 1,500 modernised sales, representing 3% of the total number of sales over that time period. The scale of sales to sitting tenants since the inception of the Right to Buy scheme in 1979 is shown in Chart 6.



Local authorities can apply for the Scottish Government to grant pressured area designation for specified localities, resulting in the suspension of the right to buy for all modernised tenancies in local authority and registered social landlord properties for up to five years. Currently, ten local authorities have made successful applications for pressured area designation and several more have applications under consideration. Furthermore, the 2007 Scottish Government discussion document *Firm foundations: the future of housing in Scotland* suggests that new social housing should be exempt from right to buy.

Chart 7 below, shows the numbers of sales in each local authority under the old and modernised terms. This chart includes sales of former council houses in local authorities which transferred their stock to housing associations. North Lanarkshire had the highest number of sales in 2007-08, at around 760, followed by South Lanarkshire at just over 600. These represent 2.0% and 2.3% of the normal letting stock in these local authorities respectively.



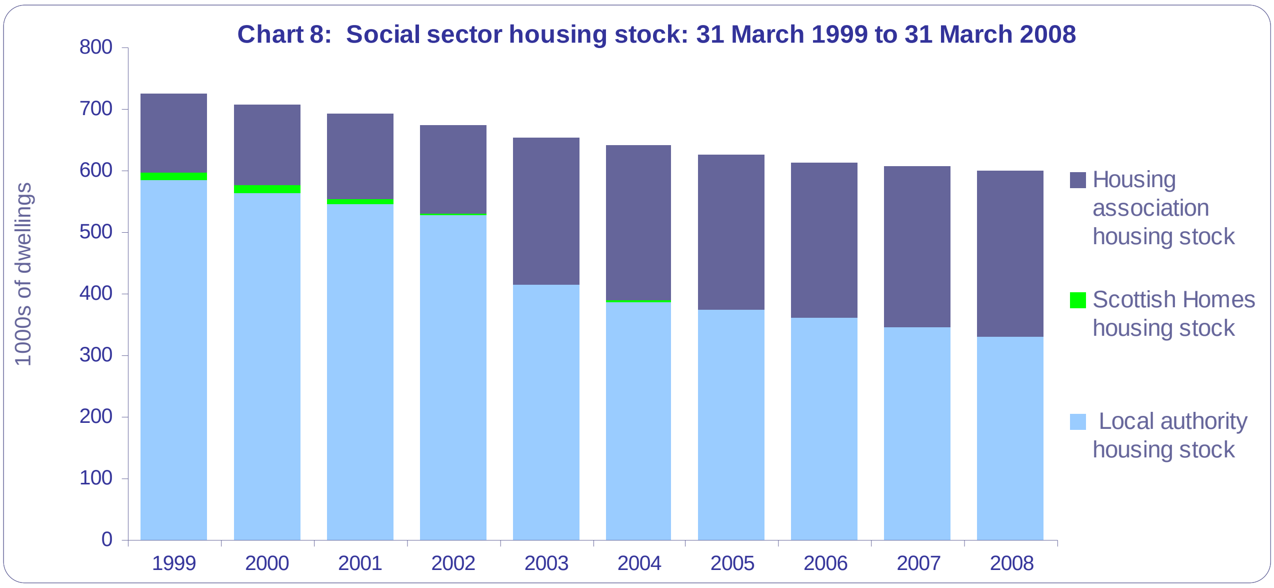
Public authority housing

Public authority stock levels have been decreasing each year since the 1980s. This is mainly due to tenants buying their homes under right to buy coupled with a decline in the number of new public authority dwellings being built, as well as community ownership programmes whereby a public authority transfers either all or part of its housing stock and management function to registered social landlords (RSLs).

The New Towns established during the 40s, 50s and 60s were wound up in the mid 90s, with most of the stock being transferred to other public authorities. Between 1990 and 2005, Scottish Homes transferred about 75,000 units previously owned by the Scottish Special Housing Association to housing associations and co-operatives.

During 2003, three councils transferred their stock to RSLs (Dumfries and Galloway, Glasgow and Scottish Borders). While the decrease in housing stock had been running at 3%-4% per year since the late 1990s, primarily due to right to buy sales, the transfers resulted in the loss of over 20% of the total stock. Argyll & Bute and Comhairle nan Eilean Siar transferred their stock in late 2006, and Inverclyde transferred its stock in December 2007. Together, these resulted in the loss of a further 4% of stock.

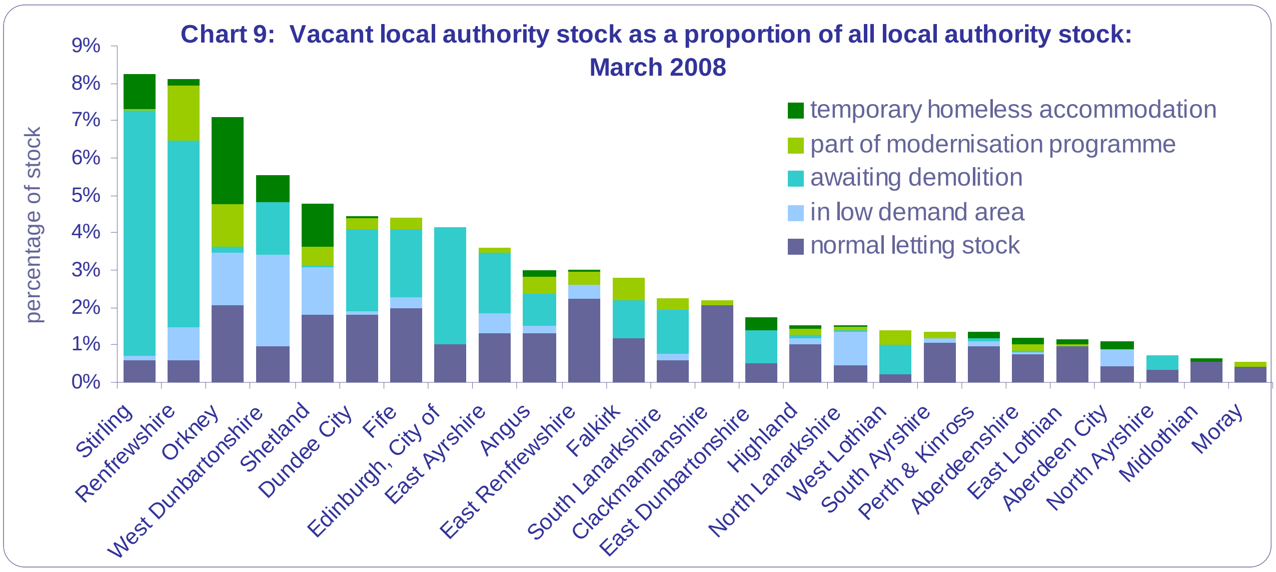
Current figures for *social* sector stock as at March 2008 show that of the 599,000 units, 55% is owned by public authorities. This is a decrease of 2 percentage points on the previous year, and represents a substantial change since the mid 1990s when public authorities owned nearly 90% of the 777,000 units of social rented stock. The increased contribution of registered social landlords to the social rented sector is reflected in their rising stock levels since the late 1990s. Chart 8 below shows recent trends in the ownership of social rented housing stock.



Public authority vacant stock

Public authority dwellings can be vacant for a variety of reasons, such as being part of a planned disposal or modernisation/repair programme, or in low demand areas. At March 2008, there were 9,300 units of vacant stock. Of this, 41% was awaiting demolition, 13% was in a low demand area, 8% was part of a modernisation programme, and a further 4% was used as temporary accommodation for the homeless. The remaining 33% of vacant stock consisted of normal letting stock. This represents 1% of all local authority letting stock.

Vacant stock in each local authority area (except those which have transferred their stock) is shown in Chart 9 below. This shows vacant stock, by reason for vacancy, as a proportion of all local authority housing stock.



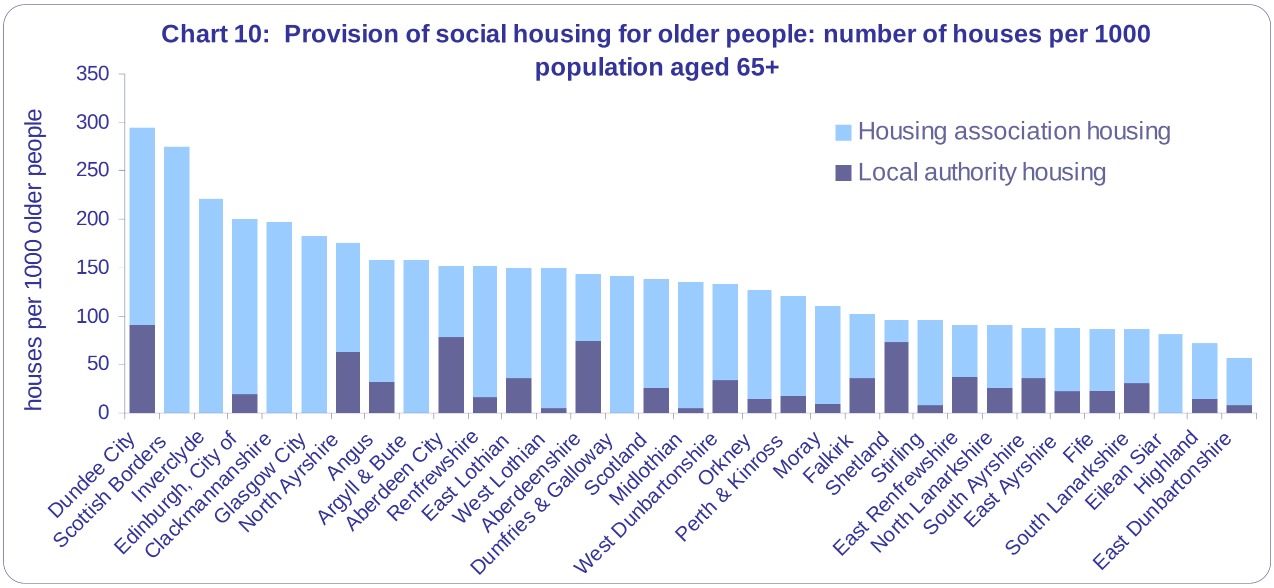
The length of time that properties have been vacant for depends on the reason for the vacancy. Normal letting stock tends to be empty for less time than other types of vacant stock. For example, at March 2008, 17% of vacant letting stock had been vacant for under 2 weeks, and only 6% had been vacant for over two years. Of stock awaiting demolition however, 1% had been vacant for under two weeks, and 43% had been vacant for over two years.

Social housing for older people and those with disabilities

Housing for older people and those with disabilities is provided by both public authorities and housing associations. In addition, programmes such as Supporting People have helped to meet specific housing needs of older and other vulnerable people to give them the opportunity to continue to live in their own homes. Housing for people with variable needs is currently mainly classified as very sheltered, sheltered, medium dependency, wheelchair and ambulant disabled, although figures can vary from year to year as dwellings may be adapted to suit the particular needs of tenants, or re-classified by providers. In addition, some local authorities have difficulty providing figures for particular types of housing, resulting in counts that fluctuate over time.

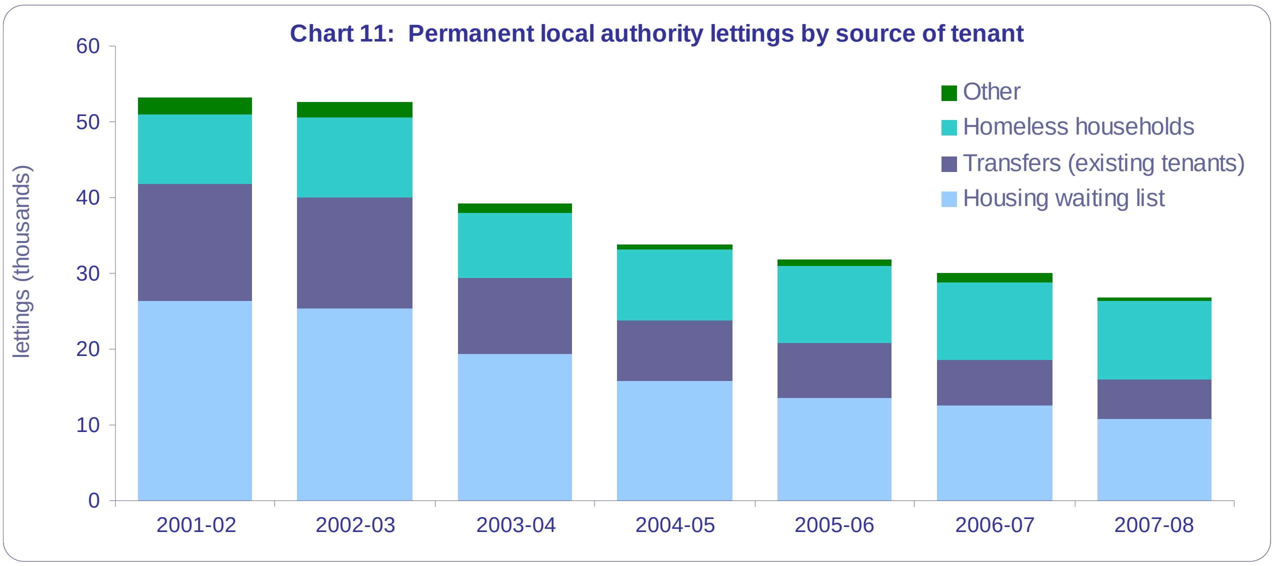
Until 2007 the amount of very sheltered accommodation had shown consistent increases every year, rising from about 700 in 1996 to 5,100 in 2007. 2008 sees a drop back to 3,500, similar to 2005 levels. Similarly, figures for sheltered accommodation have fallen slightly to 32,800 after remaining fairly constant between 1996 and 2007 at between 33,000-35,000 units. The less specialised medium dependency housing has shown an overall drop from 17,600 to 12,900 units since 1996. Housing adapted for wheelchair use by those with disabilities has increased from 2,300 in 1996 to 5,700 in 2008.

Chart 10 shows the 2007-08 provision of social housing for older people in relation to the number of people aged 65 and over living in each local authority area.

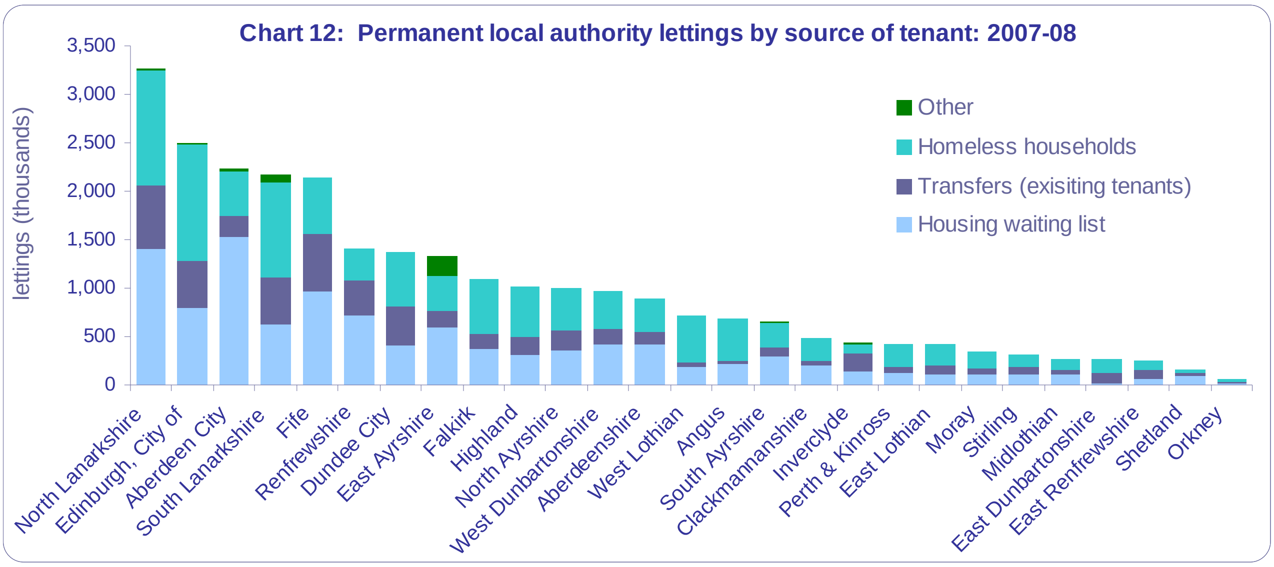


Local authority lettings

Mirroring the falling stock levels, the number of local authority lettings has decreased each year since the early 2000s (Chart 11). During 2007-08 there were about 27,000 permanent lettings made, a decrease of nearly 10% compared to the previous year. Around a third of this decrease can be attributed to stock transfer in Argyll & Bute and Eilean Siar towards the end of 2006, and Inverclyde in December 2007.

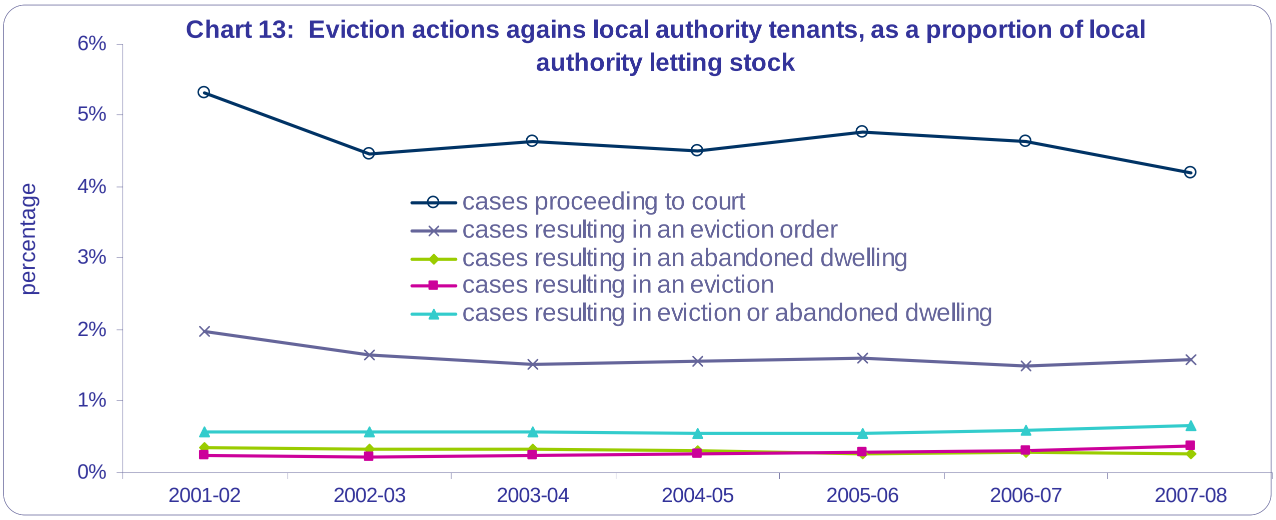


The proportion of lets allocated to homeless applicants is a key indicator in measuring local authorities' capacity to respond to changes in homelessness legislation in relation to removing the distinction between priority and non-priority need in 2012. Over the past few years, although the number of local authority lets to homeless households has remained fairly constant, the proportions have increased, with the latest figures for 2007-08 confirming the observed upward trend. In 2007-08, 39% of all local authority lettings were to homeless households, compared to 34% for 2006-07. This represents a substantial increase compared to the situation a decade ago (12% in 1996-97). In fact, lets to homeless households currently represent almost half of local authority lettings to new tenants (49% in 2007-08) (Chart 12).



Local authority evictions

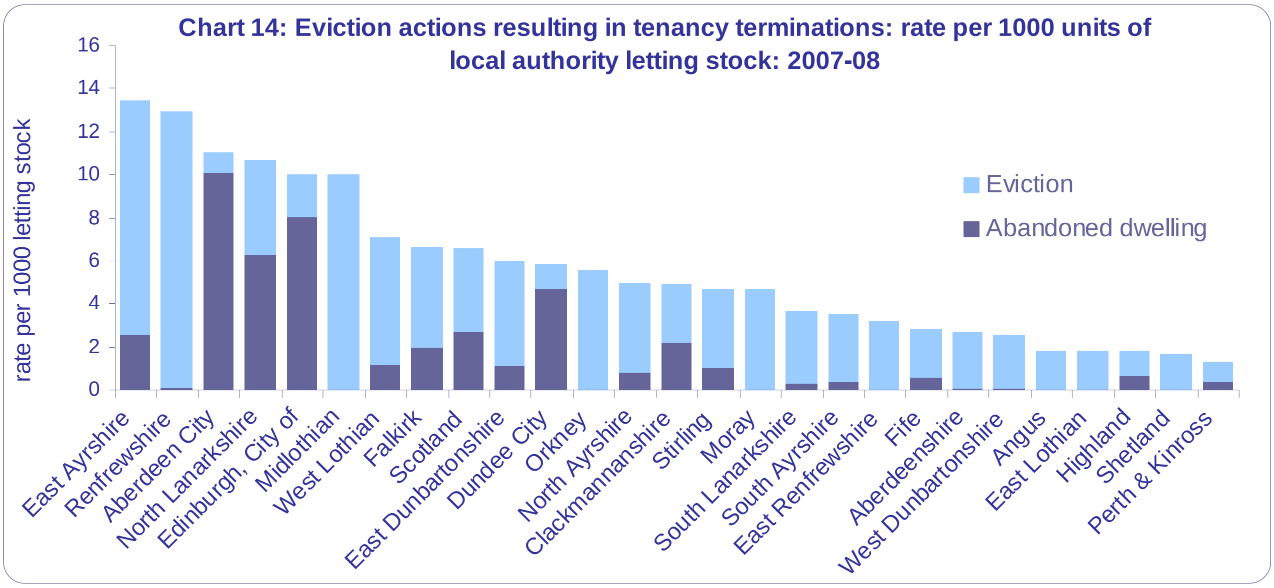
Overall, when examined in relation to stock levels, local authority tenancy terminations (i.e. evictions plus abandoned dwellings) as a result of eviction actions has remained fairly stable over recent years, fluctuating between 0.54% and 0.65% of local authority letting stock (Chart 13). Within this, the number of evictions of local authority tenants has risen slightly, from just over 900 in 2003-04 to 1,200 in 2007-08. This currently represents about 9% of all cases proceeding to court. However, eviction actions resulting in abandoned dwellings have fallen over the same period, from around 1,300 to 900 (currently 6% of cases proceeding to court).



Across local authorities, there is considerable variation in the rate of evictions or abandoned dwellings in relation to normal letting stock levels (Chart 14). In 2007-08, East

Ayrshire had the highest eviction/abandoned dwelling rate at just over 13 per 1000 units of letting stock (145 evictions, 34 abandoned dwellings). Perth & Kinross reported only 7 evictions and 3 abandoned dwellings, a rate of just over 1 per 1000 letting stock.

There is also considerable variation between local authorities in the proportions of evictions and abandoned dwellings. For example, eviction actions in urban local authorities tend to result a higher proportion of abandoned properties than in rural areas.



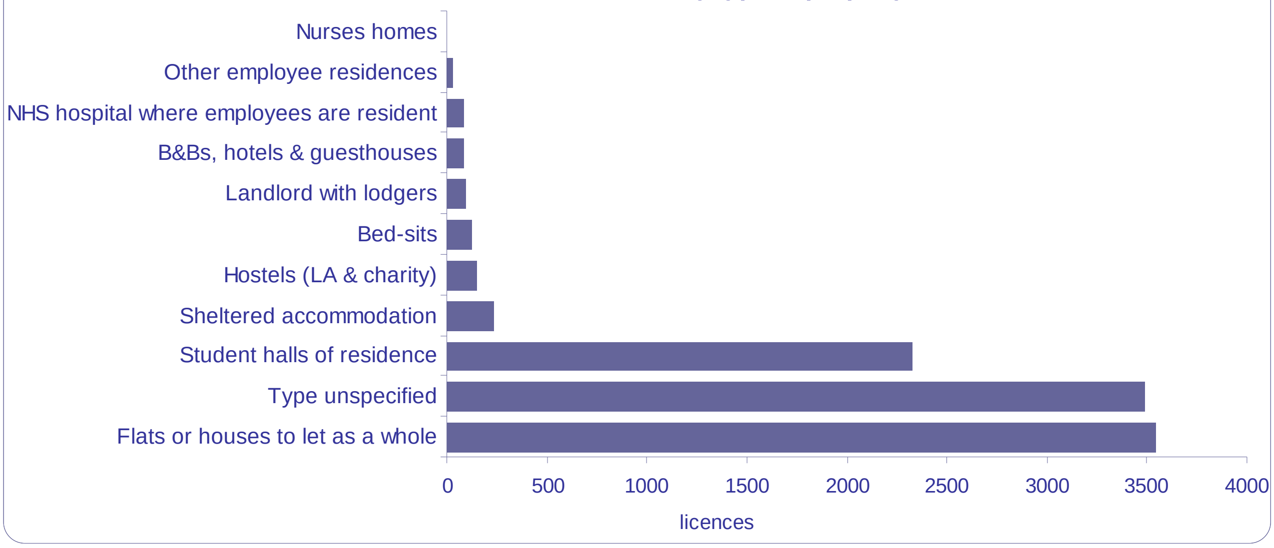
Houses in multiple occupation

The number of licences in force has increased year on year since the introduction of the mandatory licensing scheme in 2001. The most recent figures for 2008 show about 10,200 licences in force at 31 March, 28% more than the previous year. 76% of the licences are in force in just four local authority areas – Aberdeen City, Edinburgh, Dundee City and Glasgow.

There were 7,200 applications received in 2007-08, again 28% more than the year before. 29% of these were new applications, and the remainder were applications for licence renewals.

Chart 15 below shows the number of licences in force at 31 March 2008, by the type of property. Edinburgh City are unable to split their licences in this way and so have been shown as 'Type unspecified'.

Chart 15: HMO licences in force, by type of property: March 2008

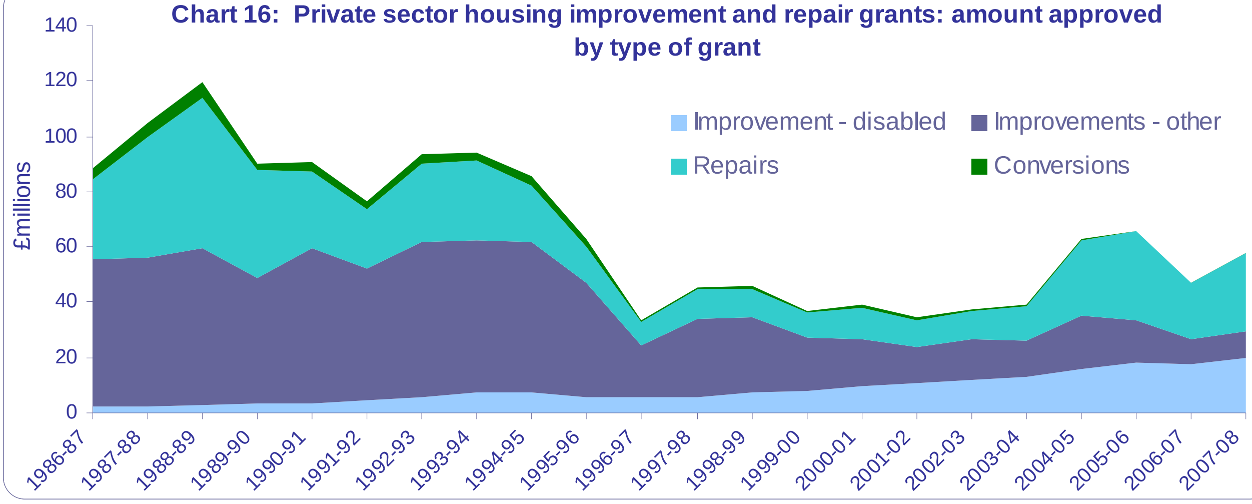


Private sector housing improvement and repair grants

Historically, the total amount approved[1] by councils for private sector housing improvement and repair grants peaked at over £100 million per year during the late 1980s. Improvements for adaptations for the disabled only accounted for a small proportion of this at that time (2%).

Over the course of the last two decades, the amount approved for grants for disabled adaptations has risen from just over £2 million in 1987-88 to £20 million in 2007-08, and now represents 35% of the total amount approved for all work types in 2007-08 (£57.7 million) (Chart 16). The *number* of grants approved for disabled adaptations has similarly increased – from an average of 1,300 per year in the late 1980s to 5,500 in 2007-08.

Chart 16: Private sector housing improvement and repair grants: amount approved by type of grant



[1] Refers to grants approved each year regardless of whether the money was spent in that year or not.

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