Housing Statistics for Scotland Quarterly Update: New Housebuilding and Affordable Housing Supply to end September 2023

Key Points

New Housebuilding

- The number of all-sector new build homes completed in Scotland decreased by 6% (1,355 homes) in the latest year to end September 2023 to 21,952 homes, down from 23,307 homes.
- In the latest year to end September 2023, there were decreases in private-led new build completions (3% or 491 homes) and local authority new builds by 44% (or 1,241 homes) whilst housing association new build completions increased (9% or 377 homes).
- The number of all-sector new build homes started decreased by 24% (5,260 homes), with 16,274 starts in the year to end September 2023. This was down from 21,534 starts in the previous year to end September 2022, and the lowest annual figure to end September since 2014.
- In the latest year to end September 2023, there were decreases in new build starts across all sectors. Private-led new build starts decreased by 19% (3,017 homes), housing association new build starts decreased by 34% (1,099 homes) and local authority new build starts decreased by 50% (1,144 homes).

Affordable Housing Supply Programme

- Affordable Housing Supply Programme statistics reflect the broader supply of affordable homes for social rent, affordable rent and affordable home ownership, and include off the shelf purchases and rehabilitations as well as new builds.
- The 2,351 affordable homes completed in the latest quarter July to September 2023. This brings the total number of affordable homes completed in the 12 months to end September 2023 to 10,582, an increase of 9% (877 homes) on the 9,705 homes completed in the previous year. The latest total is the highest annual year to end September completions figure since the start of the series in 2000. There was a decrease in the number of affordable homes completed for social rent by 2% (196 homes) whilst increases in other affordable rent by 47% (481 homes), and affordable home ownership completions by 80% (592 homes).
- A total of 1,153 affordable homes were approved in the latest quarter July to September 2023, which brings the total number of affordable homes approved in the 12 months to end September 2023 to 6,178. This was a decrease of

14% (981 homes) on the 7,159 homes approved in the previous year, and the lowest annual figure to end September since 2013. There were decreases in the latest year to end September 2023 in the number of approvals for social rent (by 18%, or 985 homes) and for other affordable rent (by 37%, or 320 homes), although approvals for affordable home ownership increased by 46% (324 homes).

- There were 1,341 affordable homes started in the latest quarter July to September 2023, which brings the total number of affordable homes started in the 12 months to end September 2023 to 6,302. This was a decrease of 24% (1,996 homes) on the 8,298 started in the previous year, and the lowest annual figure to end September since 2015. There was a decrease in the latest year to end September 2023 in the number of starts for social rent (by 29%, or 1,947 homes) and other affordable rent (by 40% or 377 homes), although affordable home ownership increased (by 45% or 328 homes).
- These statistics are used to inform progress against Scottish Government affordable housing delivery targets. The ambition is to deliver 110,000 affordable homes by 2032, of which at least 70% will be for social rent and 10% will be in remote, rural and island communities. There has been a total of 15,765 affordable homes completed between 23 March 2022 and 30 September 2023 towards the target of 110,000 affordable homes by 2032, consisting of 12,188 (77%) homes for social rent, 1,917 (12%) for affordable rent, and 1,660 (11%) for affordable home ownership.

Long Term Empty and Second Homes

- According to data from council tax returns, there were 46,217 long-term empty properties as of September 2023, which is an increase of 4% (1,616 properties) from the 44,601 properties in 2022. Across the same time period the number of second homes has decreased by 1% (226 homes) from 24,287 to 24,061.

Introduction

This statistical publication presents latest quarterly figures to end September 2023 on new housebuilding and Affordable Housing Supply, along with annual rates of new housebuilding and affordable housing supply per head of population, with comparisons to other UK countries.

An Accredited Official Statistics Publication for Scotland

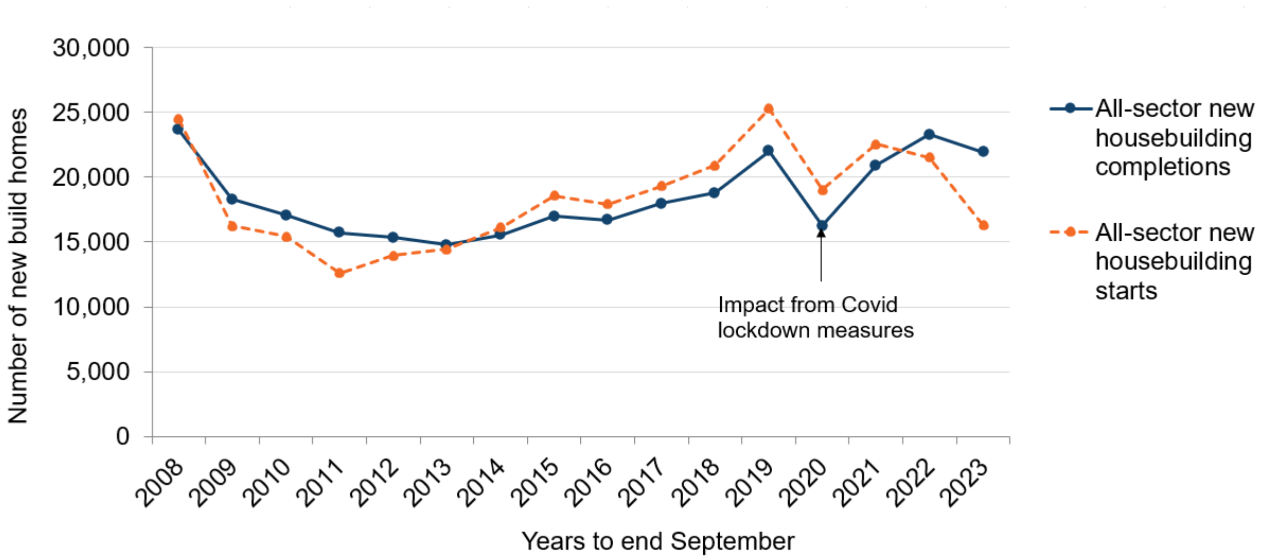
The United Kingdom Statistics Authority has designated these statistics as Accredited Official Statistics, in accordance with the Statistics and Registration Service Act 2007. This provides assurance that these statistics are of the highest quality and meet user needs, and that they comply with the Code of Practice for Statistics.

Further information on Accredited Official Statistics is published by the UK Statistics Authority.

All-Sector New Housebuilding

Chart 1 shows that annual all-sector new build starts and completions in the years to end September both fell in the years immediately following the financial crisis in 2008. Starts fell to a low in 2011 and completions reached their lowest point in 2013. Following this, starts and completions then generally increased year on year up to the year ending September 2019. Starts and completions then dropped in the year to end September 2020 due to the impact of COVID-19 lockdown measures in the quarter April to June 2020, before both increasing again in the year to end September 2021. In the most recent year to end September 2023, both starts and completions have fallen.

Chart 1: Annual all-sector new housebuilding starts and completions decreased by 24% and 6% respectively, in the latest year to end September 2023.



In the latest year to end September 2023, completions have decreased by 6% (1,355 homes) to stand at 21,952 homes. Starts decreased by 24% (5,260 homes) to 16,274 homes. Private-led completions fell by 3% (491 homes) and housing association completions increased by 9% (377 homes), whilst local authority completions decreased by 44% (1,241 homes). Private-led starts decreased by 19% (3,017 homes), housing association new build starts decreased by 34% (1,099 homes) and local authority new build starts decreased by 50% (1,144 homes).

Chart 2 below presents the latest quarterly trends in completions to end September 2023, in which there were 5,025 all-sector completions in the latest quarter July to September 2023, a decrease of 22% (1,458 homes) on the 6,483 completions in the same quarter in 2022.

The 3,470 private sector led completions in July to September 2023 is a decrease of 20% (894 homes) on the 4,364 completions in the same quarter in 2022.

The 450 local authority completions in July to September 2023 is a decrease of 44% (360 homes) on the 810 completions in the same quarter in 2022.

The 1,105 housing association completions in July to September 2023 is a decrease of 16% (204 homes) on the 1,309 completions in the same quarter in 2022.

Chart 2: All-sector new housebuilding completions by quarter.

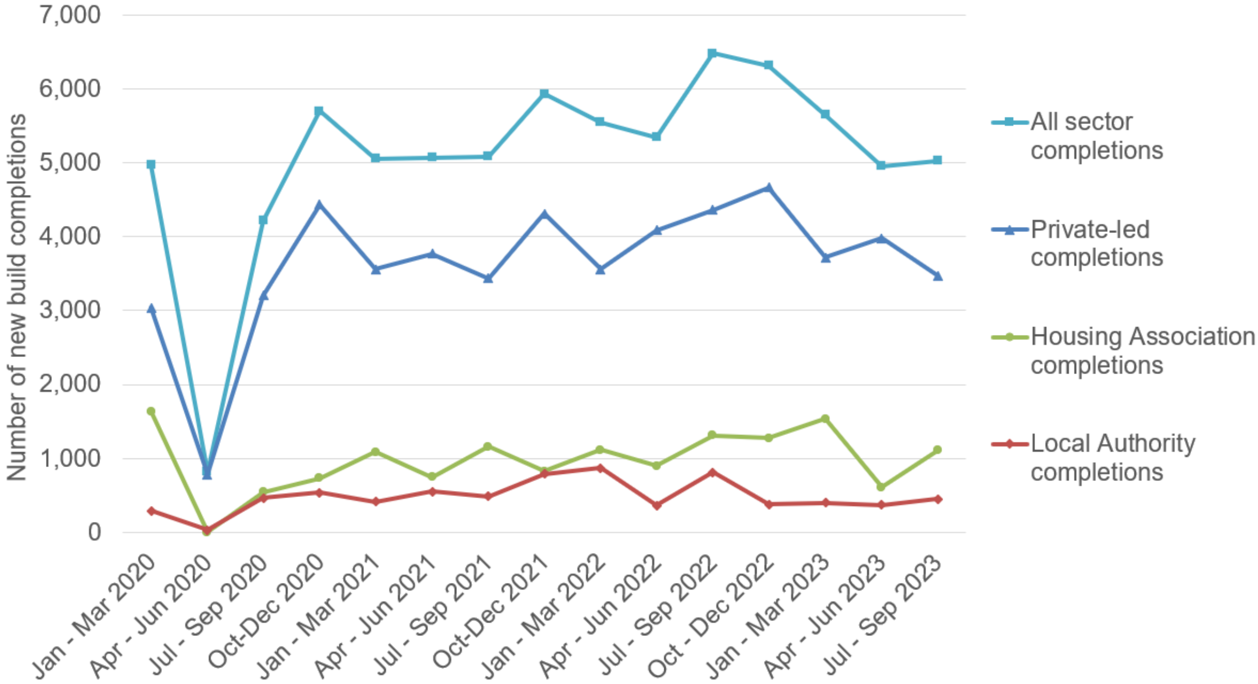


Chart 3 shows the equivalent quarterly trends in starts, in which there were 4,042 all-sector starts in the latest quarter July to September 2023. This is a decrease of 24% (1,302 homes) on the 5,344 starts in the same quarter in 2022.

The 3,118 private sector led starts in July to September 2023 is a decrease of 23% (930 homes) on the 4,048 starts in the same quarter in 2022.

The 190 local authority starts in July to September 2023 is a decrease of 57% (250 homes) on the 440 starts in the same quarter in 2022.

There were 734 housing association starts in July to September 2023, which was a decrease of 14% (122 homes) on the 856 starts in the same quarter in 2022.

Chart 3: All-sector new housebuilding starts by quarter.

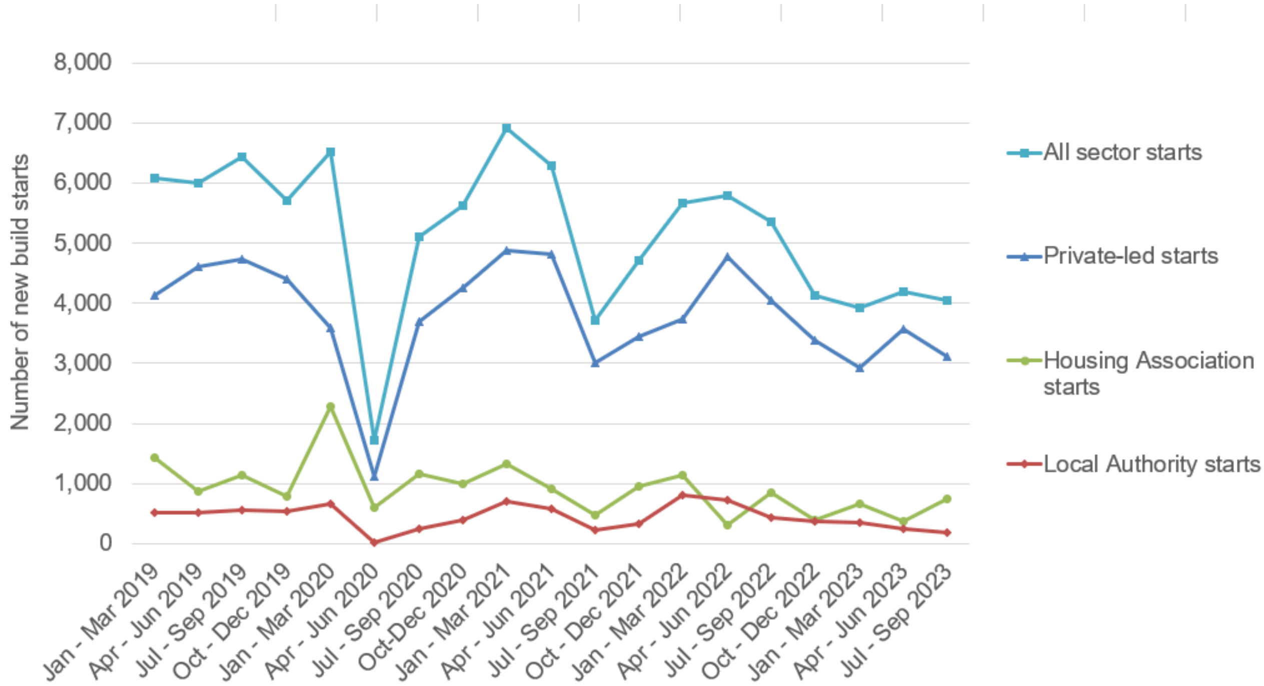


Table 1: All-sector new housebuilding to end September 2023

All sector homes	Starts	Completions
Quarter Jul to Sep 2019	6,433	5,352
Quarter Jul to Sep 2020	5,097	4,215
Quarter Jul to Sep 2021	3,714	5,086
Quarter Jul to Sep 2022	5,344	6,483
Quarter Jul to Sep 2023	4,042	5,025
Change from Q1 2022 to Q1 2023	-1,302	-1,458
Change from 2022 to 2023 (%)	-24%	-22%
Year to Sep 2019	25,289	22,019
Year to Sep 2020	19,051	16,265
Year to Sep 2021	22,546	20,922
Year to Sep 2022	21,534	23,307
Year to Sep 2023	16,274	21,952
Change from 2022 to 2023	-5,260	-1,355
Change from 2022 to 2023 (%)	-24%	-6%

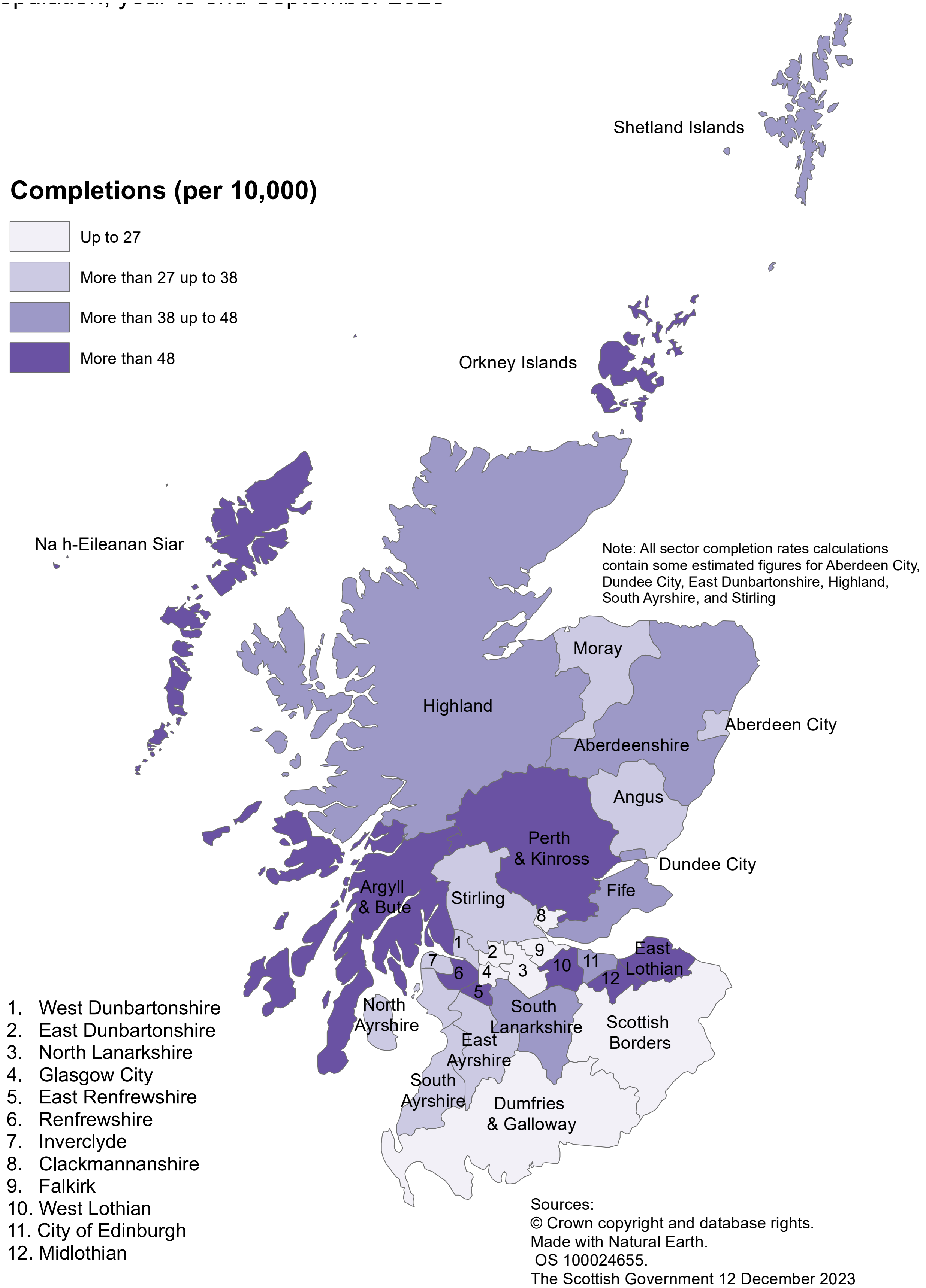
Note in the chart above that new housebuilding starts and completions in April to June 2020 were affected by the impact of the COVID-19 lockdown measures that were in place during that quarter.

Map A below shows that in the year to end September 2023, the highest new build rates were observed in the local authority areas of Argyll & Bute, East Lothian, East Renfrewshire, Midlothian, Na h-Eileanan Siar, Orkney, Perth & Kinross, Renfrewshire and West Lothian which each had rates of more than 48 homes per 10,000 population.

The lowest rates were observed in Clackmannanshire, Dumfries & Galloway, East Dunbartonshire, Falkirk, Glasgow City, North Lanarkshire and Scottish Borders which each had rates of 27 homes or fewer per 10,000 population.

Note that all-sector completion rates calculations contain some estimated figures for Aberdeen City, Dundee City, East Dunbartonshire, Highland, South Ayrshire and Stirling. Further details are in the Data and Methodology section.

Map A: New build housing – All Sector completions: rates per 10,000 population, year to end September 2023.



New housebuilding across UK countries

Chart 4a presents trends in the rates of all-sector new housebuilding completions per 10,000 population across each of the UK countries on a financial year basis (years to end March). Financial years are used to allow comparisons across all UK countries. The most comprehensive measure for England's housing supply is the financial year 'net additional dwellings' series, rather than the indicative indicators of activity published in the quarterly new build statistics.

The chart shows that whilst Scotland had a higher rate of completions per 10,000 head of population than England ('net additional dwellings' series) over the period 2007/08 to 2013/14, that Scotland and England have since seen broadly similar rates of housebuilding each year across the period 2014/15 to 2021/22, with the exception of 2020/21 in which Scotland saw a sharper fall, possibly due to the stricter COVID-19 lockdown restrictions that were in place for housing building in Scotland.

Available figures for the financial year 2022/23 show that in Scotland the completions rate increased to 43 homes per 10,000, compared to a figure of 39 the previous year. England's rate increased from 37 to 38 per 10,000 (net additions figures), the figure for Wales rose from 17 to 18 per 10,000, whilst Northern Ireland's rate fell from 39 per 10,000 to 34 in 2022/23.

Chart 4a: New housebuilding completions as a rate per 10,000 population (years to end March) - Scotland has a rate of 43 in the latest year to end March 2023, increasing from 39 in the previous year.

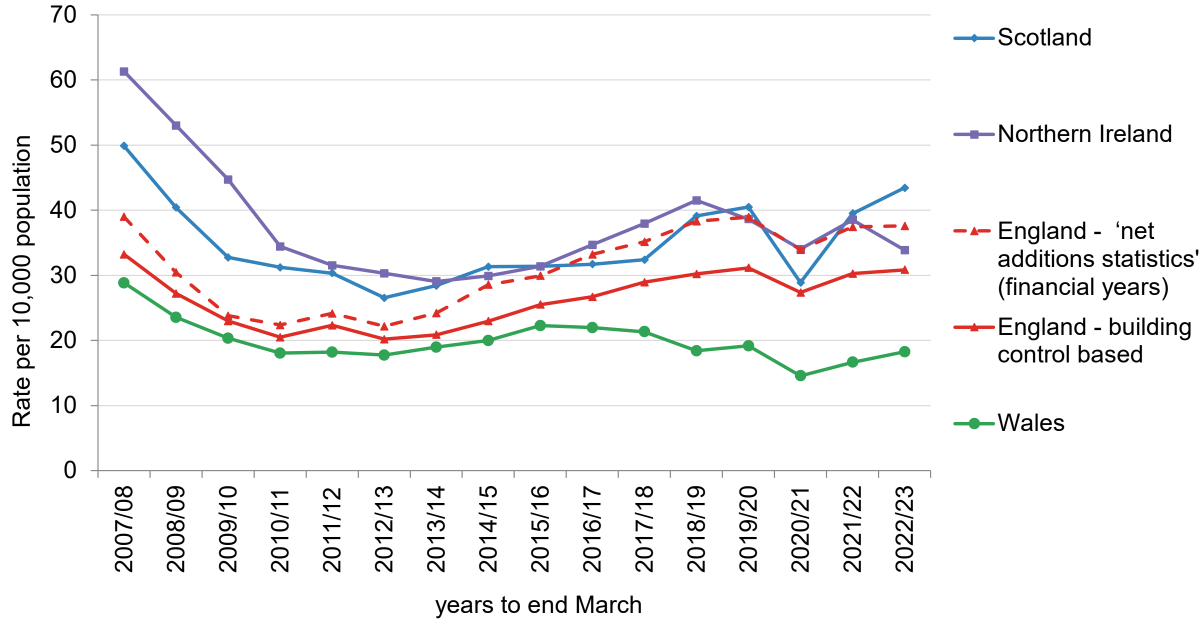
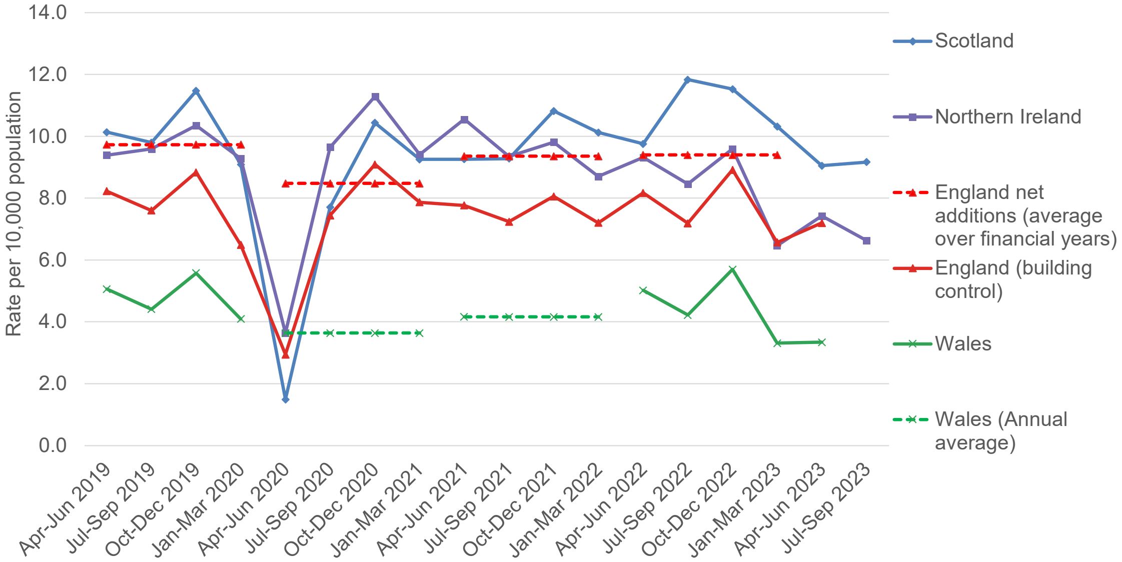


Chart 4b presents equivalent trends on a quarterly basis, based on the latest published information available for each country, although quarterly figures for Wales 2020/21 and 2021/22 aren't available, so the annual figures have been averaged across the four quarters. The England 'net additional dwelling' figures for the financial years 2019/20 to 2021/22 are also included as averages across each of the quarters within these years, to help demonstrate the difference in the relative level between this figure and the separate quarterly England building control based figures.

The chart shows the clear impact of COVID-19 lockdown restrictions on construction activity in the quarter April to June 2020, with the rates of new housebuilding per 10,000 population dropping compared to the same quarter in the previous year by 85% in Scotland, 64% in England (building control based figures), and 61% in Northern Ireland, which may reflect stricter lockdown restrictions for Scottish housing building compared to England and Northern Ireland.

Following this, the rates of new housebuilding in each of these countries have subsequently increased back up to higher levels, though since around October to December 2022, quarterly completions have fallen in each country to levels a little below pre-covid levels.

Chart 4b: Quarterly new housebuilding completion rates per 10,000 population for Scotland, Northern Ireland, England and Wales.



Private-led new housebuilding

The private sector is the biggest contributor to overall house building, accounting for over two-thirds (72%) of all homes completed in the 12 months to end September 2023.

Chart 5 below shows the annual number of private sector led starts and completions from 2008 to 2023 (years to end September).

This shows private sector led starts and completions falling substantially across the years 2008 and 2009 (years to end September) due to the financial crisis. After 2013 starts and completions increased across most years until dropping in the year to end September 2020 due to the impact of COVID-19 construction lockdown measures in place between April and June 2020. In 2021 both starts and completions increased, but since then, starts have fallen whilst completions have continued to increase. In the most recent year to end September 2023 completions decreased by 3%, whilst starts have decreased by 19%.

Chart 5: Annual private sector led new build completions have decreased in the latest year to end September 2023 by 3%, whilst starts have decreased by 19%.

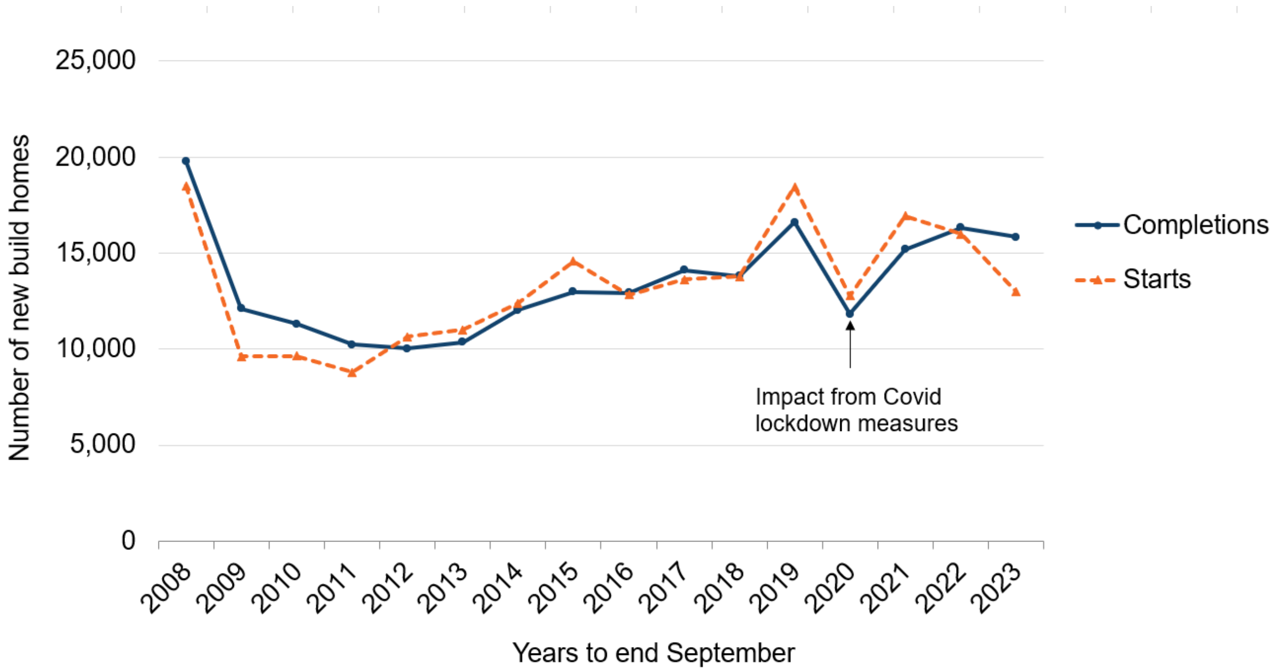


Chart 6 below presents the latest quarterly trends. In July to September 2023 there were 3,470 private sector led homes completed, a decrease of 20% (894 homes) on the same quarter in 2022. This brings the total for the year ending September 2023 to 15,837, a decrease of 3% (491 homes) on the 16,328 completions in the previous year.

There were 3,118 private sector led homes started in July to September 2023, a decrease of 23% (930 homes) on the same quarter in 2022. This brings the total for the year to end September 2023 to 12,982 starts, a decrease of 19% (3,017 homes) on the 15,999 starts in the previous year.

Chart 6: Private sector led new housebuilding starts and completions by quarter.

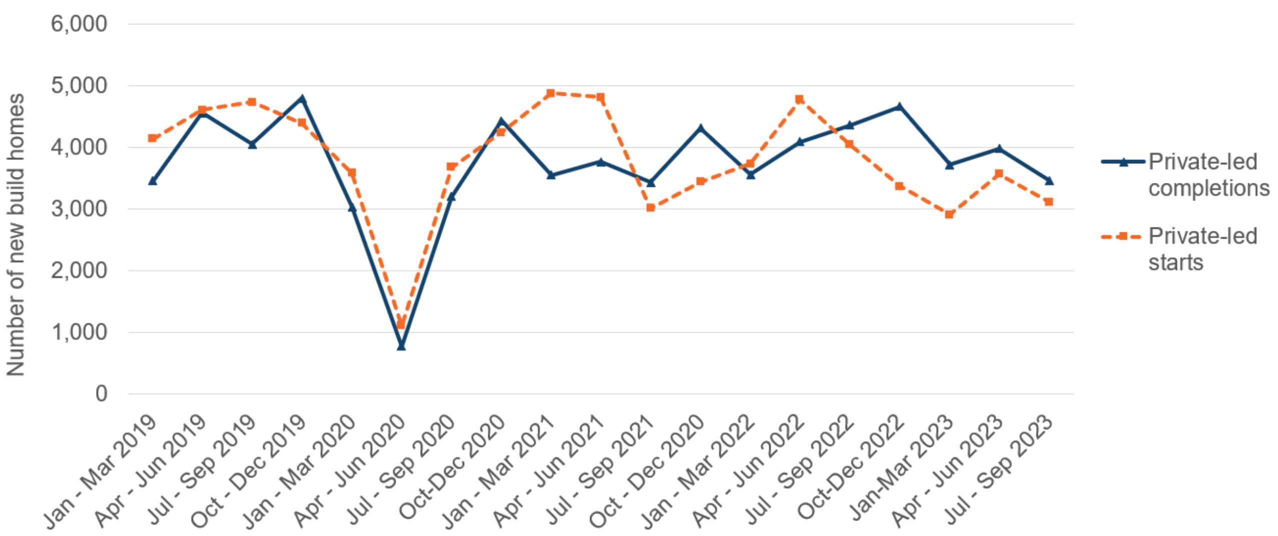


Table 2: Private-led new housebuilding to end September 2023

Private sector homes	Starts	Completions
Quarter Jul to Sep 2019	4,733	4,052
Quarter Jul to Sep 2020	3,683	3,204
Quarter Jul to Sep 2021	3,016	3,437
Quarter Jul to Sep 2022	4,048	4,364
Quarter Jul to Sep 2023	3,118	3,470
Change from Q1 2022 to Q1 2023	-930	-894
Change from 2022 to 2023 (%)	-23%	-20%
Year to Sep 2019	18,461	16,618
Year to Sep 2020	12,774	11,823
Year to Sep 2021	16,948	15,200
Year to Sep 2022	15,999	16,328
Year to Sep 2023	12,982	15,837
Change from 2022 to 2023	-3,017	-491
Change from 2022 to 2023 (%)	-19%	-3%

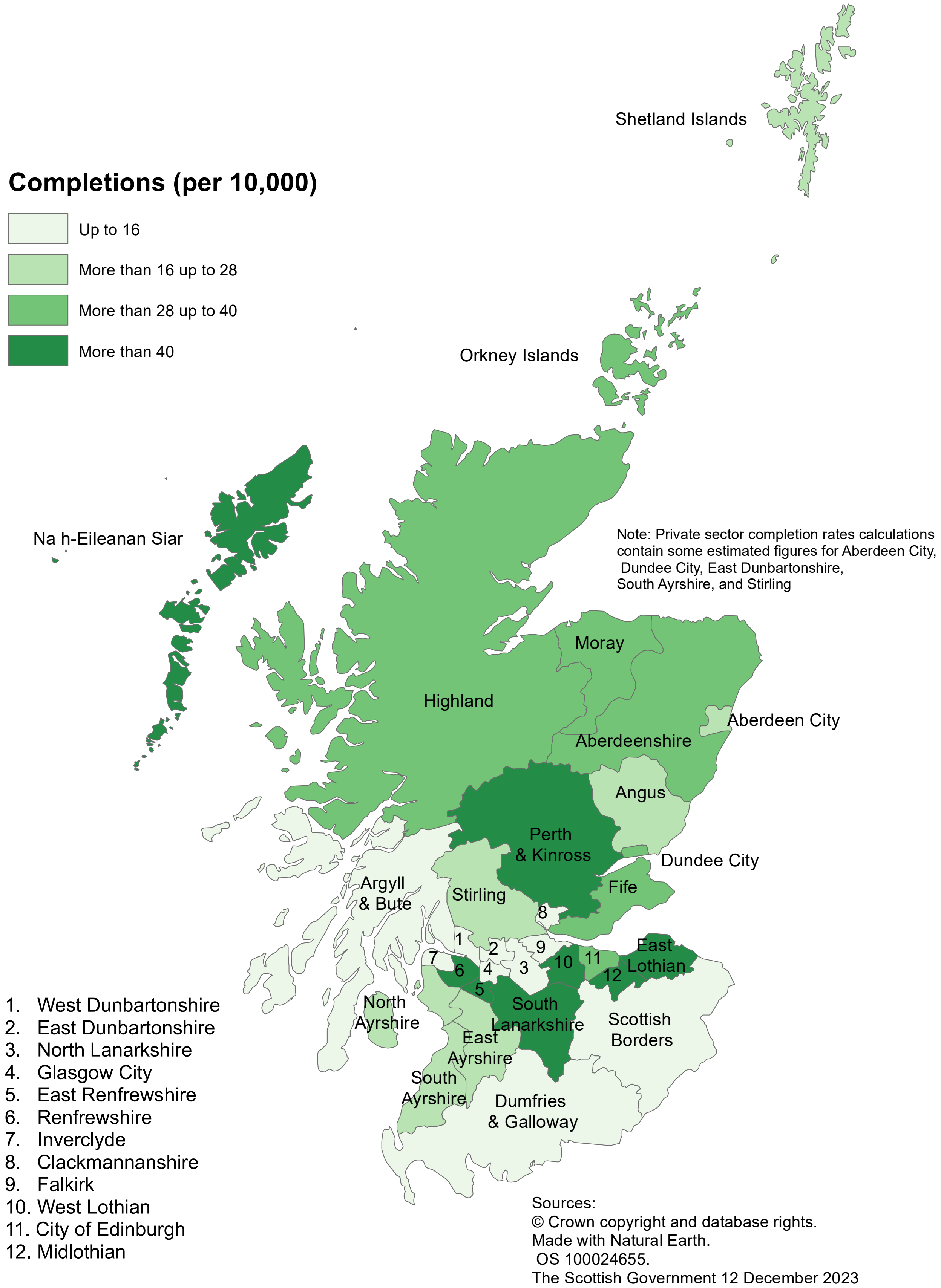
Note in the table above that new housebuilding starts and completions in July to September were affected by the impact of the COVID-19 lockdown measures that were in place during that quarter.

Map B below shows that the local authority areas with the highest private sector led completion rates in the year to end September 2023 are East Lothian, East Renfrewshire, Midlothian, Na h-Eileanan Siar, Perth & Kinross, Renfrewshire, South Lanarkshire and West Lothian with all having a rate of over 40 homes per 10,000 population.

The lowest rates meanwhile are in Argyll & Bute, Clackmannanshire, Dumfries & Galloway, East Dunbartonshire, Falkirk, Glasgow City, Inverclyde, North Lanarkshire, Scottish Borders and West Dunbartonshire, with all seeing rates of 16 or fewer homes per 10,000 population.

Note: Private sector completion rates calculations contain some estimated figures for Aberdeen City, Dundee City, East Dunbartonshire, South Ayrshire, and Stirling. More details are available in the Data and Methodology section.

Map B: New build housing – Private Sector completions: rates per 10,000 population, year to end September 2023.


Completions (per 10,000)
Up to 16
More than 16 up to 28
More than 28 up to 40
More than 40
Shetland Islands
Orkney Islands
Na h-Eileanan Siar
Highland
Moray
Aberdeenshire
Aberdeen City
Angus
Perth & Kinross
Dundee City
Fife
Stirling
Argyll & Bute
North Ayrshire
East Ayrshire
South Ayrshire
South Lanarkshire
East Lothian
Scottish Borders
Dumfries & Galloway
1
2
3
4
5
6
7
8
9
10
11
12
Note: Private sector completion rates calculations contain some estimated figures for Aberdeen City, Dundee City, East Dunbartonshire, South Ayrshire, and Stirling
1. West Dunbartonshire
2. East Dunbartonshire
3. North Lanarkshire
4. Glasgow City
5. East Renfrewshire
6. Renfrewshire
7. Inverclyde
8. Clackmannanshire
9. Falkirk
10. West Lothian
11. City of Edinburgh
12. Midlothian
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The Scottish Government 12 December 2023

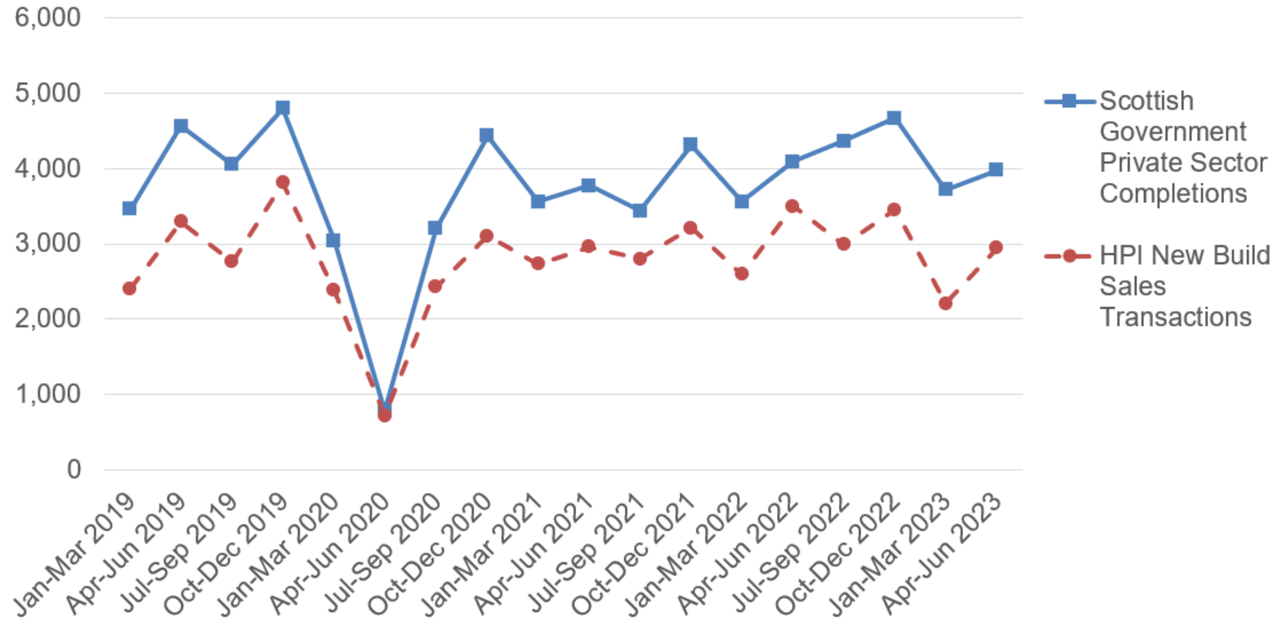
UK House Price Index (HPI) new build sales transactions, as a measure of private-led housebuilding activity to end June 2023

This section shows how the latest quarterly trends in the number of new build sales transactions in Scotland to end June 2023, based on residential property transaction figures published as part of the UK House Price Index (HPI), compared to the quarterly Scottish Government new housebuilding figures.

Chart 7 illustrates how the UK HPI figures compare to Scottish Government Private sector-led completion figures in each quarter from January to March 2019 onwards.

It can be seen across the period January to March 2019 to April to June 2023 that both data series generally follow broadly similar trends in respect of increases or decreases compared to the previous quarter. The Scottish Government figures are higher in most quarters, but this is likely to be explained by differences in how the figures are constructed, given that some self-build dwellings or dwellings built privately for tenures other than private sales will be included, whereas the HPI figures are based on private sales transactions only, and are based on date of completed sales transaction rather than date of completion.

Chart 7: Scottish Government Private Sector led new housebuilding completions and HPI new build sales transactions. Scotland: Jan – Mar 2019 to Apr – Jun 2023.



Further information on the HPI data for Scotland, which is sourced from Registers of Scotland, is available in the HPI Quality assurance of administrative data section.

Social sector new housebuilding

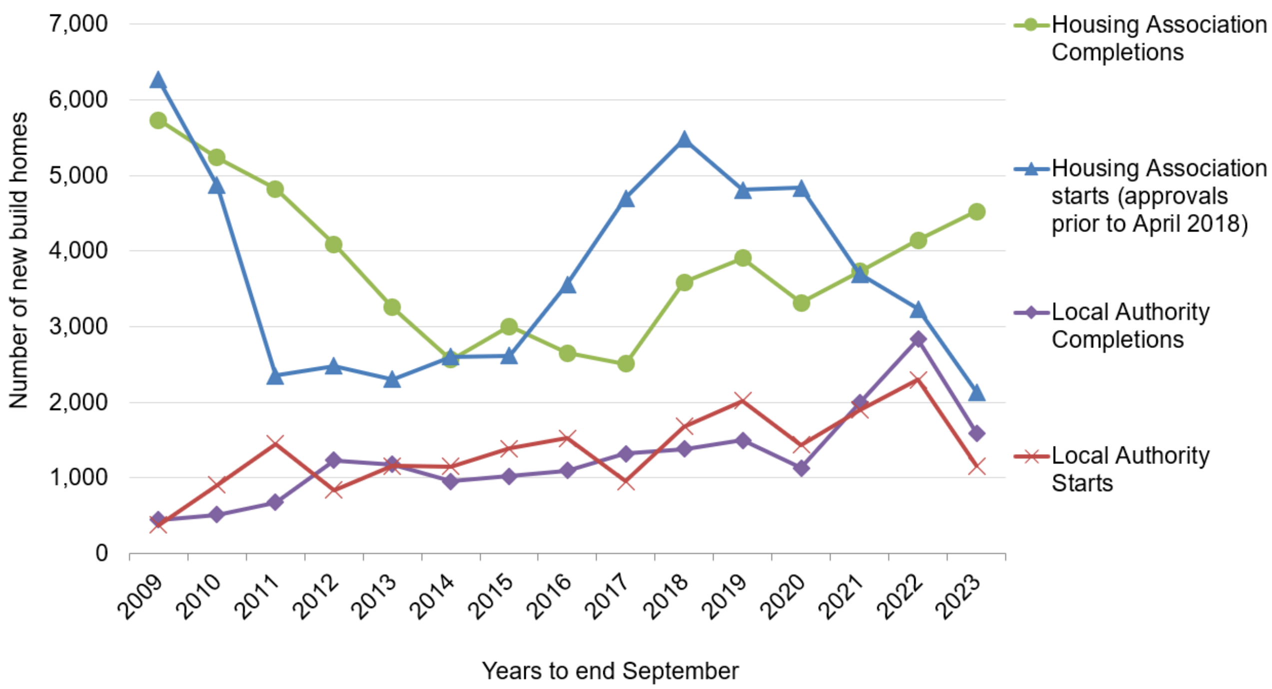
Social sector housing consists of local authority and housing association which has accounted for just under a third (28%) of all new build homes completed over the 12 months to the end of September 2023.

Chart 8 shows the number of local authority and housing association homes started and completed each year to end September.

Annual levels of local authority starts and completions have shown a broadly increasing trend over time since 2009, although starts and completions have both decreased in the most recent year 2023.

Housing association trends have shown a different picture, with levels of starts dropping across the 2009 to 2011 period before levels started to increase after 2015, peaking in 2018 before decreasing to levels below 2010 in 2023. Levels of housing association completions dropped between 2009 and 2014 and remained at this lower levels until 2017 after which levels have increased up to the latest year 2023 aside from a drop in 2020 due to the pandemic.

Chart 8: Latest annual social sector new build completions figures to end September 2023 show increases on the previous year for housing association completions, with housing association and local authority starts as well as completions decreasing



A total of 1,555 social sector new build homes were completed between July to September 2023, a decrease of 27% (564 homes) on the same quarter in 2022. This brings the total completions for the 12 months to end September 2023 to 6,115, a decrease of 12% (864 homes) on the 6,979 social sector new build homes completed in the previous year.

Meanwhile, 924 social sector new build homes were started between July to September 2023. This is 29% (372 homes) lower than the same quarter the previous year. This brings the total for the 12 months to end September 2023 to 3,292, a decrease of 41% (2,243 homes) on the 5,535 social sector homes started in the same period in 2022.

Maps C and D below show the rates of housing association and local authority new build completions in each local authority area for the year to end September 2023 per 10,000 of the population.

Note that 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.

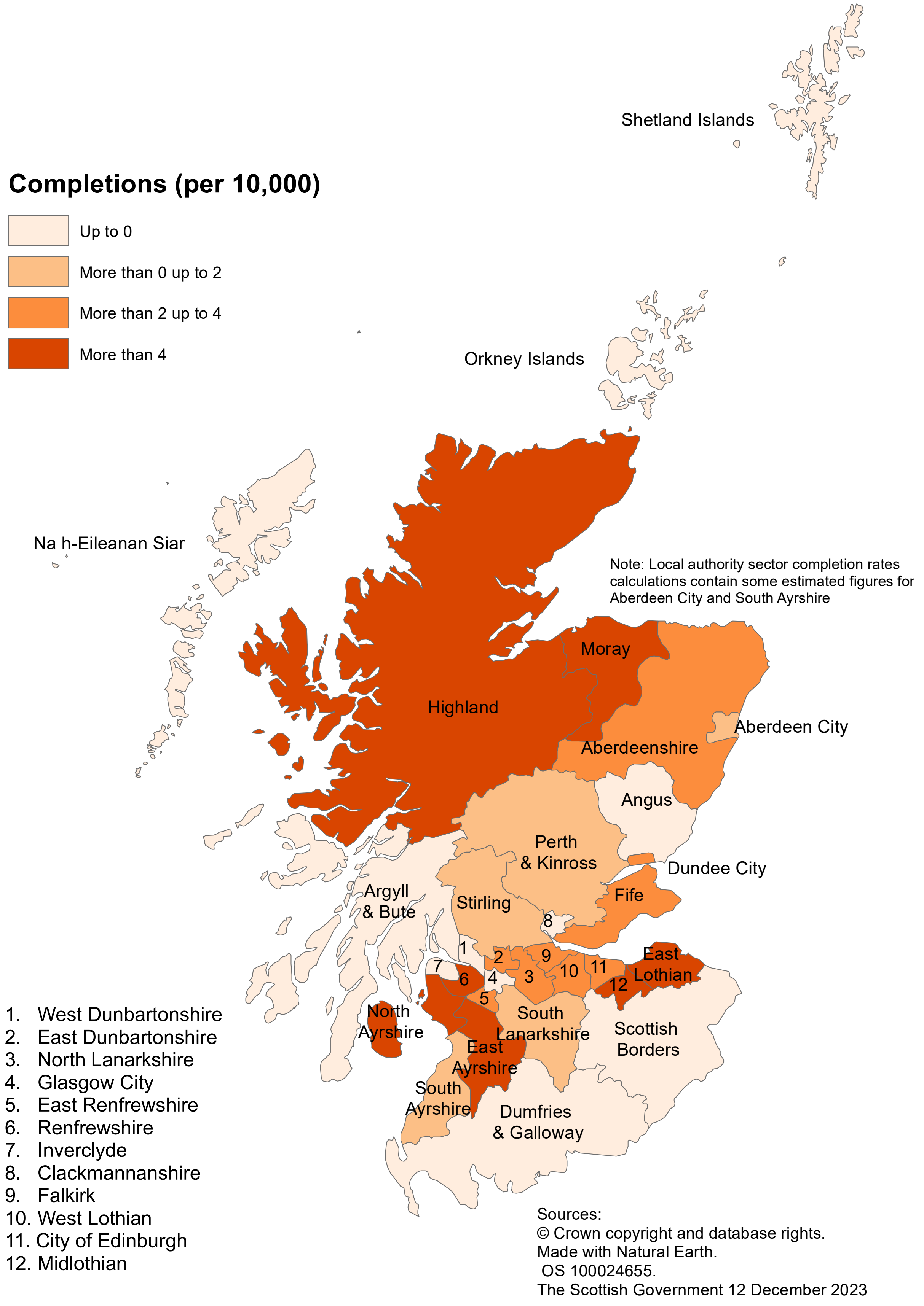
In the year to end September 2023 local authority sector new build rates were highest in East Ayrshire, East Lothian, Highland, Midlothian, Moray, North Ayrshire and Renfrewshire, and with all having rates of over 4 homes per 10,000 population.

As well as the 6 stock transfer authorities mentioned above, Angus, Clackmannanshire, Orkney, Shetland Islands and West Dunbartonshire built no new local authority sector homes in the year ending September 2023.

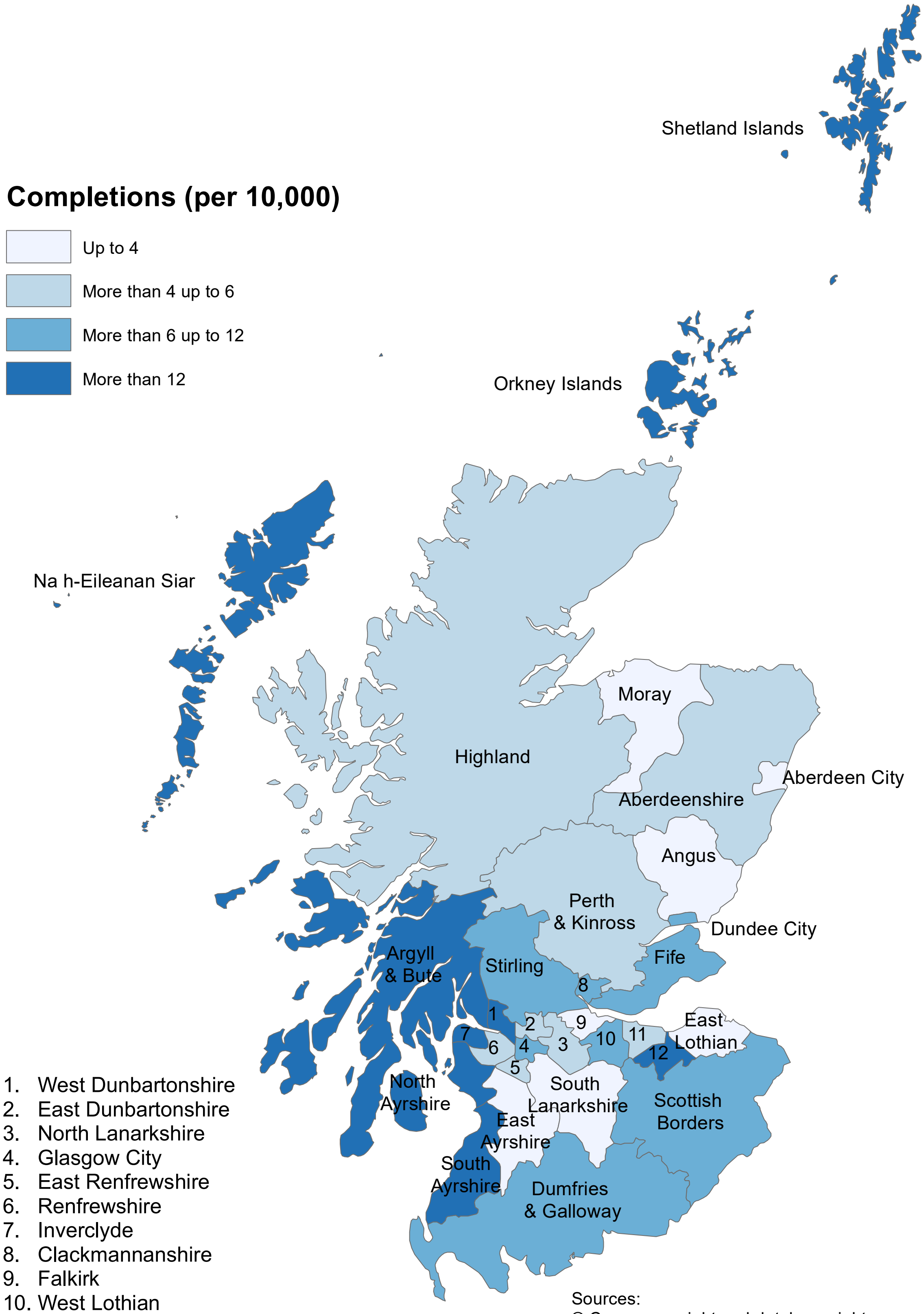
Meanwhile rates of housing association new build completions were highest in Argyll & Bute, Inverclyde, Midlothian, Na h-Eileanan Siar, North Ayrshire, Orkney, Shetland Islands, South Ayrshire and West Dunbartonshire, all having rates of over 12 homes per 10,000 population.

Aberdeen City, Angus, East Ayrshire, East Lothian, Falkirk, Moray and South Lanarkshire, all had a rate less than 4 housing association homes per 10,000 population.

Map C: New build housing – Local Authority Sector completions: rates per 10,000 population, year to end September 2023.



Map D: New build housing – Housing Association Sector completions: rates per 10,000 population, year to end September 2023.



Sources:

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OS 100024655.
The Scottish Government 12 December 2023

Charts 9 and 10 along with Table 5 show the latest quarterly figures for housing associations and local authorities to end September 2023.

Chart 9: Housing association new housebuilding starts and completions by quarter.

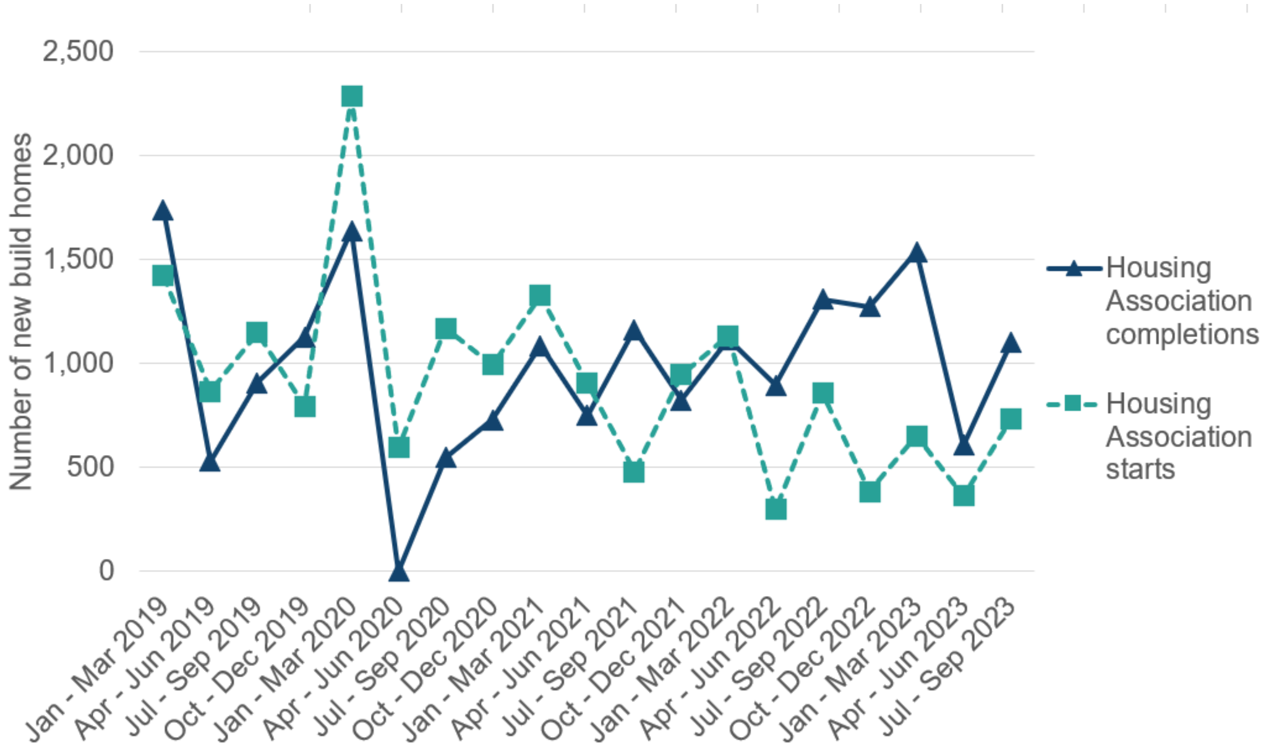


Chart 10: Local authority new housebuilding starts and completions by quarter.

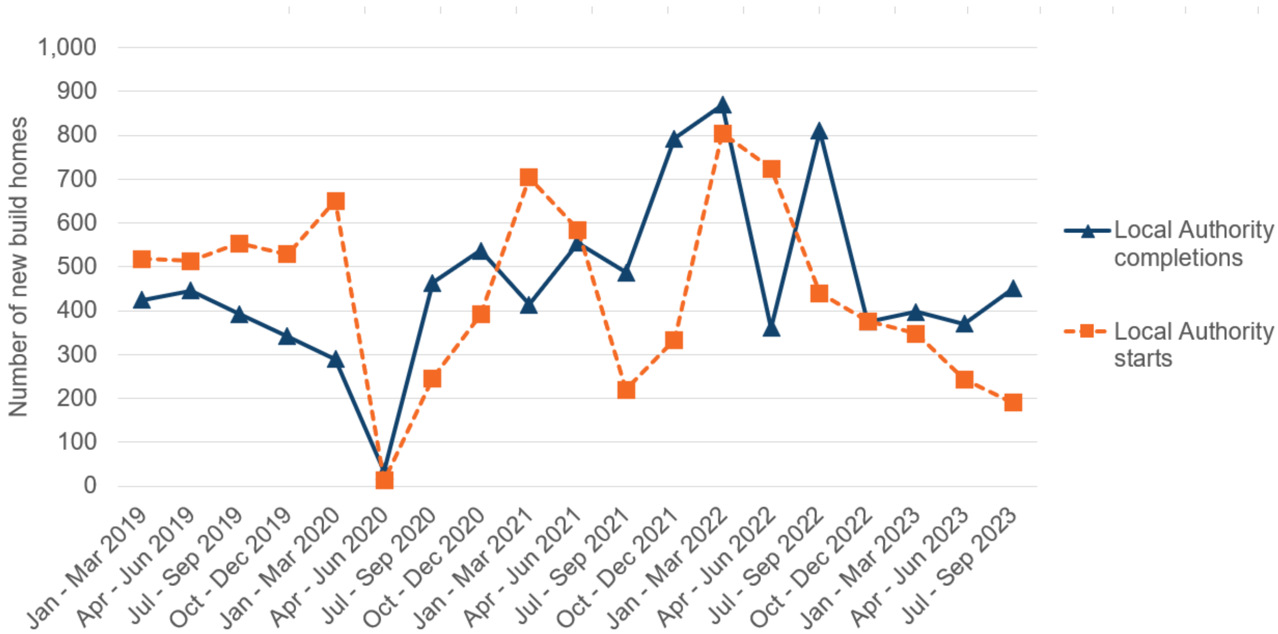


Table 3: Social sector new housebuilding to end September 2023

Social sector homes	Total Social starts	Total Social completions	Local authority starts	Local authority completions	Housing association starts	Housing association completions
Jul - Sep 2020	1,414	1,011	246	464	1,168	547
Jul - Sep 2021	698	1,649	220	487	478	1,162
Jul - Sep 2022	1,296	2,119	440	810	856	1,309
Jul - Sep 2023	924	1,555	190	450	734	1,105
Change	-372	-564	-250	-360	-122	-204
Change (%)	-29%	-27%	-57%	-44%	-14%	-16%
Year to Sep-20	6,277	4,442	1,438	1,128	4,839	3,314
Year to Sep-21	5,598	5,722	1,899	1,993	3,699	3,729
Year to Sep-22	5,535	6,979	2,301	2,833	3,234	4,146
Year to Sep-23	3,292	6,115	1,157	1,592	2,135	4,523
Change	-2,243	-864	-1,144	-1,241	-1,099	377
Change (%)	-41%	-12%	-50%	-44%	-34%	9%

Note in the table above that new housebuilding starts and completions in April to June 2020 were affected by the impact of the COVID-19 lockdown measures that were in place during that quarter.

Affordable housing supply

Affordable Housing Supply Programme 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. Latest statistics are available up to the end of September 2023.

The statistics reflect the number of affordable homes delivered that have received some form of government support through loans, grant or guarantees.

Approvals, starts and completions are all measured for the Affordable Housing Supply Programme. Approval is the point at which funding is granted. Starts are recorded when an on-site presence is established to progress site work. Completion measures when the units are delivered and ready for occupation.

- 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.

Chart 11: In the latest year to end September 2023, the number of affordable homes completed has increased by 9%, whilst the number of homes approved has decreased by 14%, and the number of homes started has decreased by 24%.

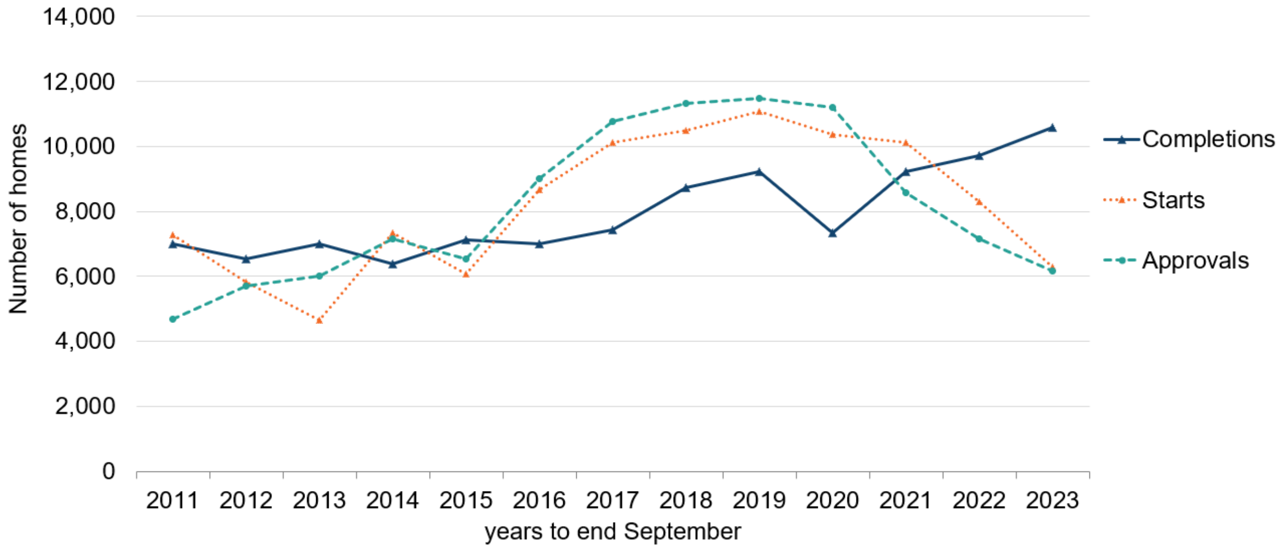


Chart 11 above shows that the numbers of affordable homes completed has increased on an annual basis over the latest year to end September 2023, whilst the number of homes approved and started have dropped. In the year to end September 2023, 6,178 affordable homes were approved, a decrease of 14% (981 homes) on the previous year, and 6,302 homes were started, a decrease of 24% (1,996 homes). A total of 10,582 homes were completed, an increase of 9% (877 homes).

Table 4 below shows that in the latest quarter July to September 2023, 1,153 homes were approved, 1,341 homes were started, and 2,351 homes were completed. The number of approvals is higher than in the same period in the previous year, with approvals being 11% (118 homes) higher. Starts and completions are both lower than they were in the same period in the previous year by 39% (840 homes) and 9% (235 homes) respectively.

Table 4: Affordable Housing Supply to September 2023

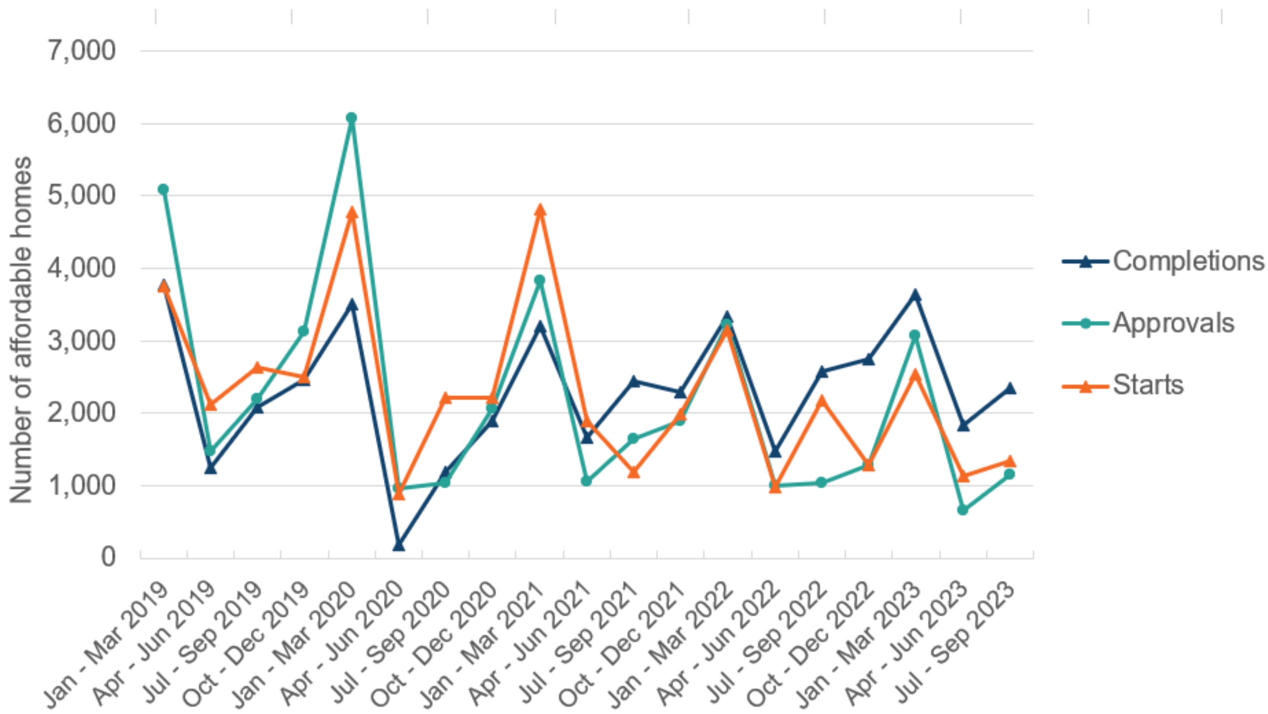
Affordable housing supply homes	Approvals	Starts	Completions

Quarter Jul to Sep 2017	2,021	2,071	1,715
Quarter Jul to Sep 2018	925	2,159	1,064
Quarter Jul to Sep 2019	2,194	2,642	2,079
Quarter Jul to Sep 2020	1,036	2,222	1,190
Quarter Jul to Sep 2021	1,642	1,187	2,450
Quarter Jul to Sep 2022	1,035	2,181	2,586
Quarter Jul to Sep 2023	1,153	1,341	2,351
Change over latest year	118	-840	-235
Change (%) over latest year	11%	-39%	-9%
Year to Sep 2017	10,776	10,112	7,443
Year to Sep 2018	11,325	10,477	8,731
Year to Sep 2019	11,481	11,086	9,237
Year to Sep 2020	11,204	10,381	7,335
Year to Sep 2021	8,574	10,123	9,230
Year to Sep 2022	7,159	8,298	9,705
Year to Sep 2023	6,178	6,302	10,582
Change over latest year	-981	-1,996	877
Change (%) over latest year	-14%	-24%	9%

Note in the table above that levels of housing supply activity in July to September 2020 were affected by the impact of the COVID-19 lockdown measures that were in place during that quarter.

Chart 12 below presents quarterly trends in the number of affordable housing approvals, starts and completions from January 2019 up to end September 2023.

Chart 12: The number of affordable homes approved, started and completed each quarter, Jan-Mar 2019 to Jul-Sep 2023.



Charts 13 to 15 below present information on trends in affordable housing supply by type.

Chart 13 shows that total affordable housing supply programme approvals decreased by 14% between 2022 and 2023 (years to end September), with decreases in the number of approvals for social rent (by 18% or 985 homes) and for other affordable rent (by 37% of 320 homes), but an increase in the number of approvals for affordable home ownership by 46% of 324 homes.

In the latest year 2023, social rent approvals accounted for 74% of all approvals, with other affordable rent and affordable home ownership making up 9% and 17%, respectively.

Chart 13: Affordable housing supply approvals by type, 2013 to 2023.

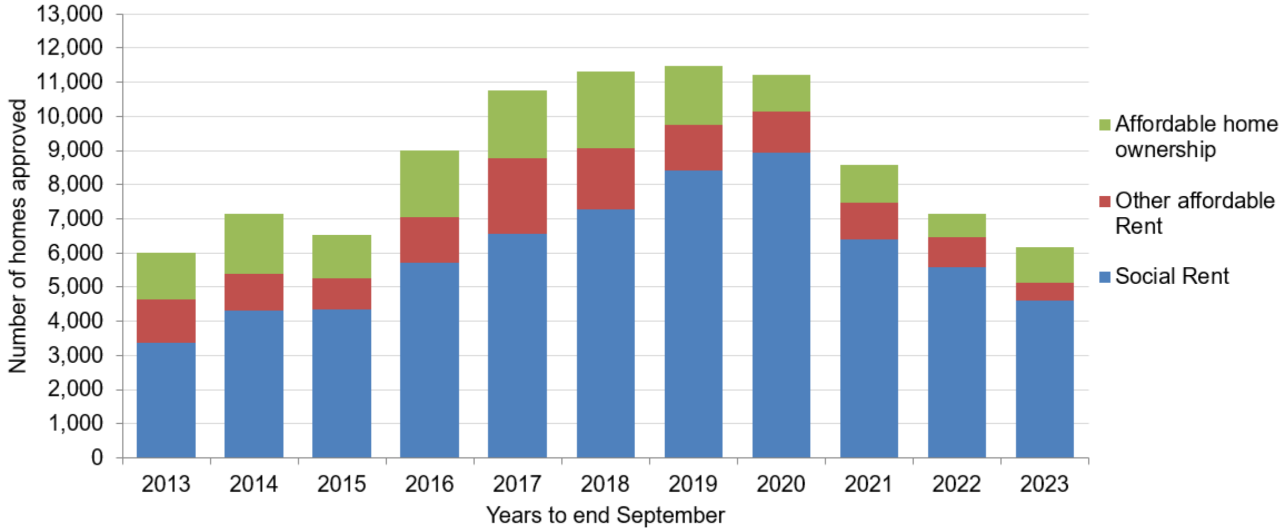


Chart 14 shows that total affordable housing supply programme starts decreased by 24% (1,996 homes) between 2022 and 2023 (years to end September), with decreases in the number of starts for social rent by 29% or 1,947 homes and other affordable rent (by 40% or 377 homes) but increases in the number of affordable home ownership (by 45% or 328 homes).

In the latest year 2023, social rent starts accounted for 74% of all starts, with other affordable rent and affordable home ownership making up 9% and 17%, respectively.

Chart 14: Affordable housing supply starts by type, 2013 to 2023.

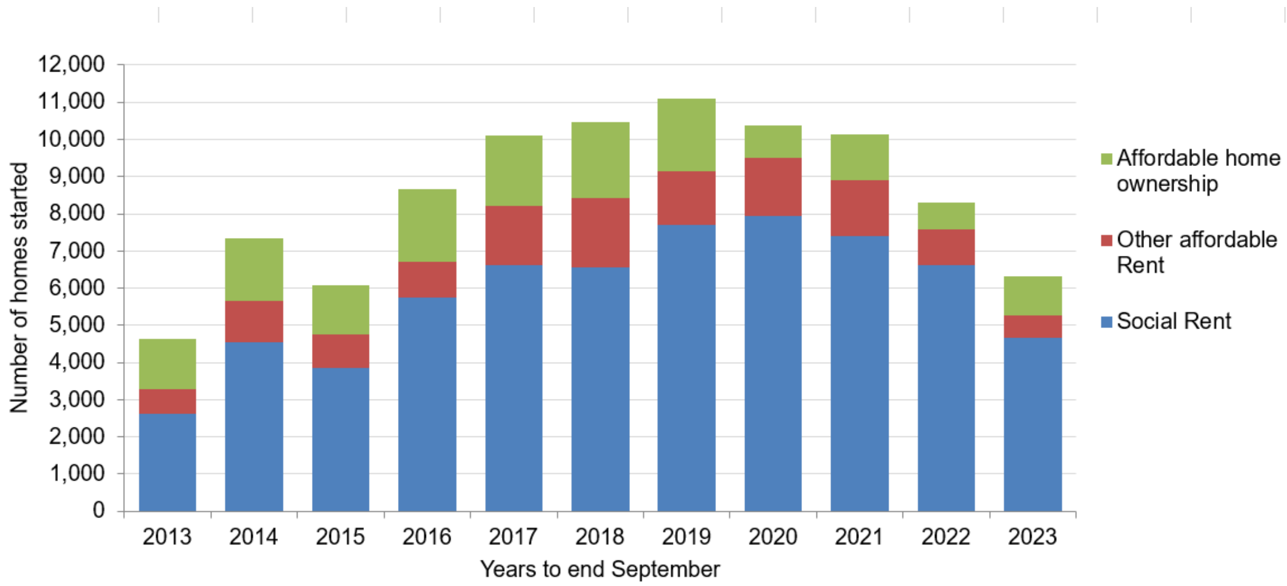
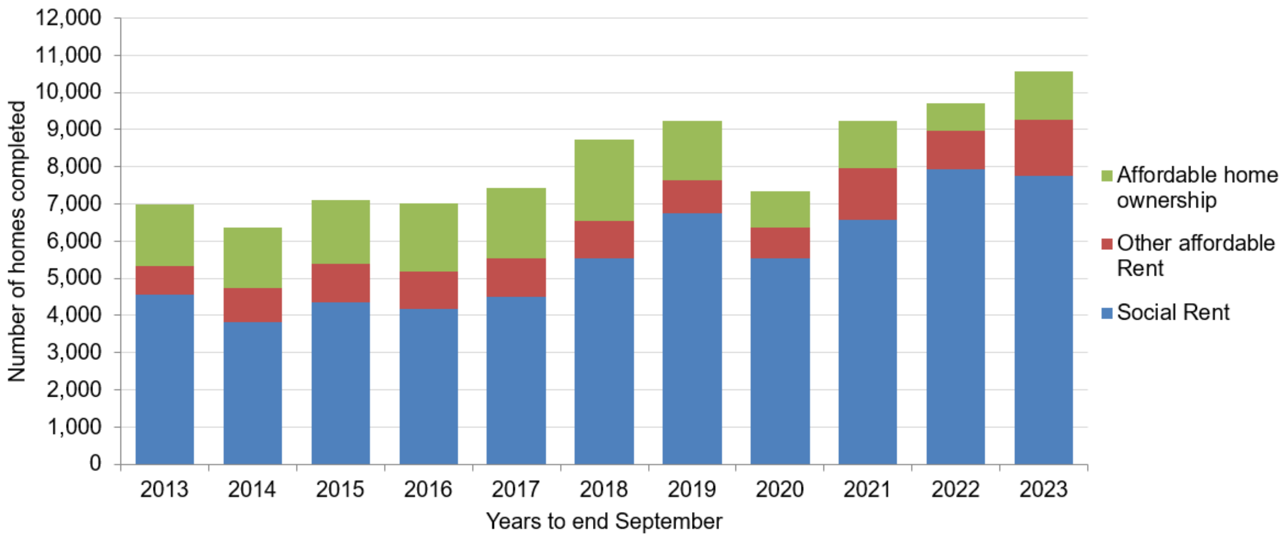


Chart 15 shows that total affordable housing supply programme completions increased by 9% (877 homes) between 2022 and 2023 (years to end September), with a decrease in the number of completions for social rent (by 2% or 196 homes) and increases in other affordable rent (by 47% or 481 homes) and affordable home ownership (by 80% or 592 homes).

In the latest year 2023, social rent completions accounted for 73% of all completions, with other affordable rent and affordable home ownership making up 14% and 13% of the total.

Chart 15: Affordable housing supply completions by type, 2013 to 2023.



Quarterly affordable housing supply statistics are used to inform progress against Scottish Government affordable housing delivery targets, in which the ambition is to deliver 110,000 affordable homes by 2032, of which at least 70% will be for social rent and 10% will be in remote, rural and island communities.

A total of 15,765 affordable homes have been completed between 23 March 2022 and 30 September 2023 towards the target of 110,000 affordable homes by 2032, consisting of 12,188 (77%) homes for social rent, 1,917 (12%) for affordable rent, and 1,660 (11%) for affordable home ownership.

The Scottish Government Affordable Housing Supply Programme policy area webpages also include annual Out-Turn Reports, which provide further detailed programme information for each financial year.

Figures on the remote, rural and island communities element of the 110,000 target are planned to be reported on as part of future annual out-turn reports, although we are considering whether it is feasible for these figures to be reported on a quarterly basis in addition to this.

Affordable housing supply across UK countries

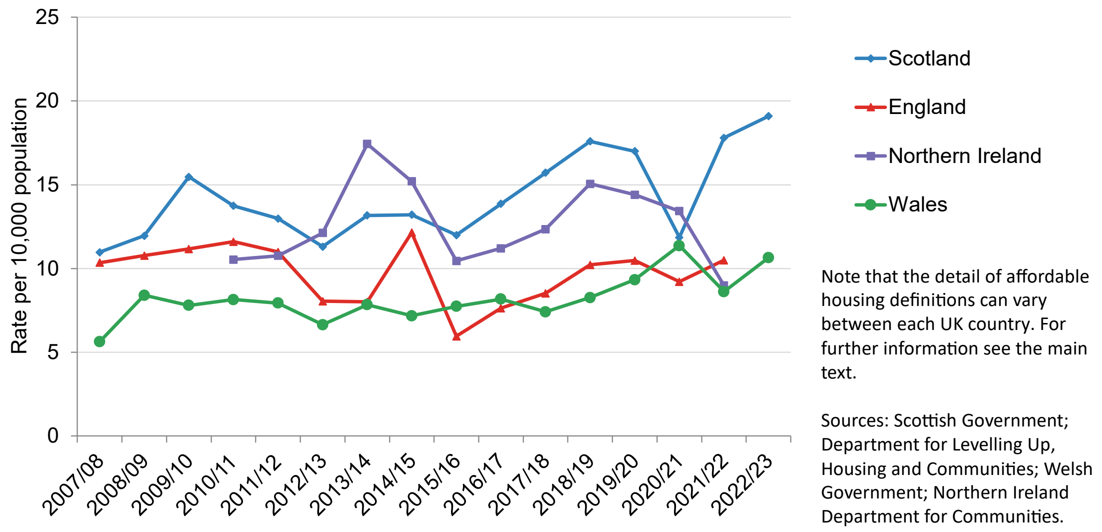
Chart 16 below illustrates how affordable housing supply figures per 10,000 population have varied on a financial year basis across the 2007/08 to 2022/23 period by UK country.

Across the 15 years between 2007/08 and 2022/23, the annual average supply of affordable housing per head of population in Scotland has been 14.2 homes per 10,000 population, higher than Wales (8.2 homes per 10,000 population), England

(9.7 homes per 10,000 population - average across the years 2007/08 to 2021/22), and Northern Ireland (12.7 homes per 10,000 population – average across the years 2010/11 to 2021/22).

Scotland has had a higher rate of supply than all other UK countries in each year but one from 2015/16 to 2021/22, with the rate dropping below the rate for Northern Ireland in the year 2020/21 following COVID-19 restrictions.

Chart 16: The 10,462 affordable homes completed in Scotland in the latest financial year 2022/23 equates to a rate of 19.1 homes delivered per 10,000 population.



In addition to the differences in total affordable supply between each country, there are also some differences in the use of different affordable housing products within the mix of overall affordable housing in each country. For example, in England in recent years there has been a greater use of affordable / intermediate rent compared to social rent. Therefore when looking over the four years to 2021/22, in England there have been on average 5.1 affordable / intermediate rent homes completed per 10,000 head of population and 1.2 social rented homes completed 10,000 per-head of population. This compares to a rate of 1.9 for affordable rent homes and a rate of 11.7 for social rented homes in Scotland.

Note that the statistics for England and Wales both include developer-funded Section 106 supply, although for England it is thought that some will be missed as local authorities are not aware of it all. Northern Ireland does not currently have an equivalent mechanism. Data for Scotland include Section 75 units receiving some form of government funding. Data are not available to estimate the number of affordable homes delivered without central government funding in Scotland, but it is thought that the numbers of these homes may be relatively low based on current estimates of the number of funded Affordable and Section 75 homes being delivered.

Long-Term Empty Properties and Second Homes

Councils classify some properties in their area as long-term empty, unoccupied, or second homes for the purposes of calculating council tax liabilities. These statuses impact on the council tax through exemptions for unoccupied properties, discounts for second homes and some long term empty properties, or a levy for some long term empty properties. As a result information on the numbers of such properties is sourced from Council tax base returns. This is collected annually from local authorities and is available for:

- **Long-term empty properties:** generally, properties which have been empty for more than 6 months and are liable for council tax. A 100% premium (double the full rate) can be applied by local authorities to homes that have been empty for more than 12 months.
- **Unoccupied exemptions:** generally, properties which are empty and unfurnished for less than 6 months and exempt from paying council tax.
- **Second homes:** homes which are furnished and lived in for at least 25 days in a 12-month period but not as someone's main residence.

Trends over time within each of these categories should be interpreted with some caution, given that increases and decreases can be caused in part by reclassification exercises which local authorities carry out from time to time, or issues with management information systems, rather than being real changes in the numbers of properties.

Empty properties are of particular interest as they can help increase the supply of occupied housing in Scotland when brought back into use.

There are several factors that can impact on the number of long term empty properties and second homes that are counted through the council tax statistics including changes to council tax liability policy and management information systems.

Regarding policy changes, from 1st April 2013, local authorities gained the discretionary power to remove the council tax discount associated with long term empty properties or to set a council tax increase of up to 100% on certain properties which have been empty for 12 months or more. Prior to April 2017, second homes were entitled to a council tax discount of between 10% and 50%, and as of April 2017, local authorities were also given the option to remove the council tax discount on second homes. For 2022-23, 25 out of the 32 local authorities have removed the council tax discount on second homes, 6 will retain the 10% discount and in one local authority from 1 October 2019 a second home discount of 10% will only apply for a period of 12 months from the date the property was last occupied as a sole or main residence, following the 12 month period the discount will be removed.

Management information systems can also have an impact on how properties are recorded. In addition, there have also been some improvements in the data held by some local authorities leading to the reclassification of a number of properties between the long term empty and second home categories. These changes should be kept in mind when comparing the numbers in recent years. An audit on long-term empty homes policy, including the methodology used to measure empty homes was published by the Scottish Government in September 2023: [Bringing empty homes back into use: audit of privately owned empty homes - gov.scot (www.gov.scot)]

In addition, there may have been some impact of the COVID-19 lockdown restrictions on the levels of empty homes in 2020 due to COVID-lockdown restrictions between mid-March and late June 2020. A correction for the empty homes figure for Aberdeen City in 2021/22 has been included for this year's council tax data release.

The latest council tax data shows that for September 2023 there were 24,061 second homes, 47,293 unoccupied exemptions which have generally been empty and unfurnished for less than 6 months, and 46,217 long term empty properties that had been empty for more than 6 months. Of those that had been empty for more than 6 months, just under two-thirds (28,280 or 61%) had been empty for over 12 months, and of those 21,752 had a council tax discount below 10% or a council tax increase applied under the new powers described above.

Chart 17: The number of long term empty properties, according to council tax data, has increased by 4% between 2022 and 2023, whereas the number of second homes decreased by 1% and the number of unoccupied exemptions remained stable.

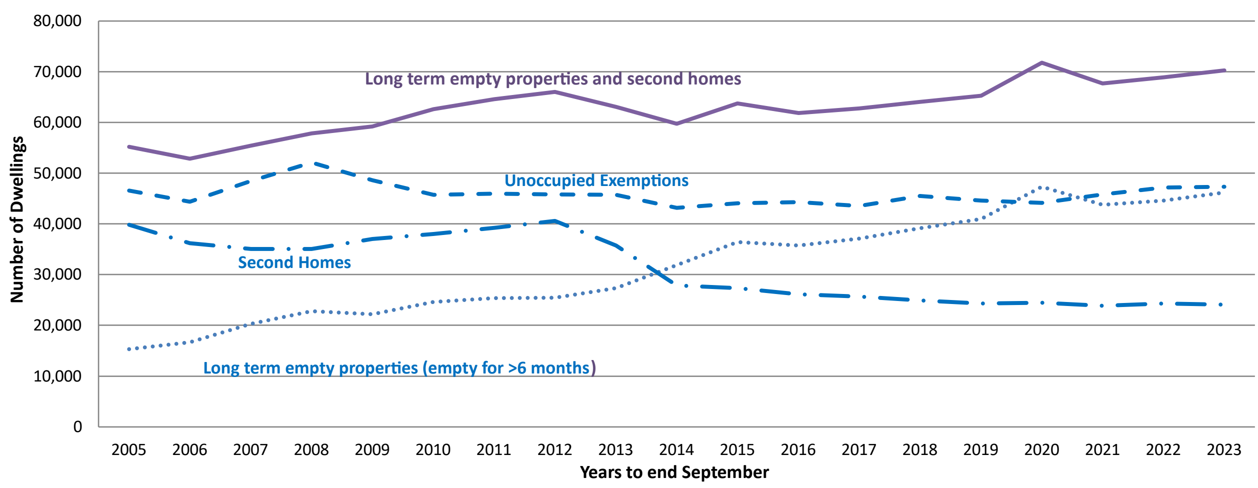


Chart 17 above shows that, since 2005, the number of long term empty properties as recorded in council tax data has generally been on the rise, having tripled over this period. Some of the rises in 2013 to 2015 will be due to the reclassification of some properties in the light of the new powers described above. There were slight decreases between 2008 and 2009 and 2015 and 2016, but an increase since then until 2020.

The increase in the number of empty properties in the year 2020 was likely to be associated with the COVID-19 pandemic, which directly affected both the property rental and sales markets, with the movement restrictions in place also having a range of other impacts, with the number of long-term empty properties subsequently falling in 2021. In the latest year as of September 2023, the number of long term empty properties increased by 4% (1,616 properties) to 46,217, with the number of properties 13% (5,254 homes) above the 2019 pre-Covid position.

Trends in the number of second homes recorded in council tax data show an increase from 35,036 in 2008 to 40,599 in 2012. This was followed by reductions in the number of second homes in 2013 to 2016 to 26,140 which are also likely to be at least partly due to reclassification, following which the number then dropped further to 24,314 in 2019. In the latest year, the number of second homes (24,061) is 1% (226 homes) lower in 2023 than in 2022.

The number of unoccupied exemptions has remained relatively steady each year since 2005 except for a slight increase in 2008, with levels of unoccupied exemptions being at 46,530 in 2005 and 44,143 in 2020. However, the number of unoccupied exemptions increased in 2021 to 45,801. In the year to end September 2022, it increased again, and has since remained level, at 47,293 in the year to end September 2023.

After a decrease between 2005 and 2006 the total number of long term empty properties and second homes increased from 52,823 in 2006 to 66,053 in 2012 (13,230 dwellings or 24%). It has since fallen to 59,763 in 2014 before increasing to 71,799 in 2020 (with a slight peak of 63,736 in 2015), before falling in 2021. In has since increased in 2022, and again in the year to end September 2023 by 2% (1,390 homes) to 70,278.

Data and Methodology

This document should be read along with the explanatory notes on data sources and quality can be found in the Housing Statistics webpages.

The statistics break down new build construction activity into private-led and social sector starts and completions, with the social sector further broken down between local authority and housing association activity.

The figures are sourced from local authority administrative systems and the Scottish Government Housing and Regeneration Programme (HARP) system. Private sector construction activity includes not only homes built for private sale but also some homes which are used in the affordable housing sector and self-build activity by local builders.

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.

The figures have not been seasonally adjusted and so commentary tends to compare the latest 12 month period with the previous 12 month period, or the latest quarter with the same quarter in the previous year.

It should be noted that the amount of all-sector new housebuilding activity recorded in the quarters January to March 2020 and April to June 2020 will have been impacted by the introduction of measures to reduce the spread of the coronavirus (COVID-19) from mid-March to late June, in which non-essential construction activity stopped and home buyers were advised to delay moving to a new home where possible, after which there has been a phased re-start of supply activity.

Also note for housing association new build figures presented prior to April 2018 that approvals are used as a proxy for housing association new build starts due to data quality considerations in the historic series for starts. From this publication onwards, housing association starts data is now used as the basis for housing association starts figures for the financial year 2018/19 onwards. More detail is available at the end of the social sector new housebuilding section.

A small number of local authorities have private-led new build data estimated due to delays in the provision of this data. These are:

- Aberdeen City, private-led starts and completions since 2023 Q2.
- East Dunbartonshire, private-led starts and completions since 2020 Q4.
- Dundee City, private-led starts and completions since 2023 Q1.
- South Ayrshire, private-led starts and completions since 2022 Q1.
- Stirling, private-led starts and completions since 2022 Q1

We are working with these local authorities to obtain these figures and aim to replace these estimates with actual figures in future publications.

As with previous publications, the estimates of private-led new build activity are each based on an average of the preceding four quarters, with an adjustment made to account for different overall levels of construction activity seen in particular quarters, which is based on the aggregate trends from the local authorities who have provided data across the period in question.

Also as with previous publications, Highland starts data has been estimated since 2006 Q3, based on the completions data provided by the authority as an estimated level of contribution to national level new build housing starts.

Additional estimates have been made for local authority led new housebuilding starts and completions for Highland since 2020 Q4 due to a delay in the return, Edinburgh for 2023 Q2, as well as Aberdeen City and South Ayrshire since 2022 Q2. As with previous estimates for local authority led new housebuilding figures, these estimates are based on separate starts and completions figures taken from the Scottish Government Housing and Regeneration Programme (HARP) system.

As with previous publications, Glasgow private-led figures for the period Q2 2020 to Q1 2022 have been based on data provided by Glasgow Council for all-sector figures across this period, from which we have derived the private-led component by netting off housing association starts and completions based on separate social sector new build figures taken from the Scottish Government Housing and Regeneration Programme (HARP) system. More recently provided quarters of data for the periods Q2 2022 onwards include a split for the private-led component of the data, and so figures presented across this period are now based directly on the data provided rather than through a netting off calculation.

A number of additional historic corrections provided by local authorities have also been made, for example where more up-to-date data for activity related to previous quarters has come to light, with further details on these changes available in the Excel webtables.

Further details of these revisions, along with the impact on national totals, are detailed in Tables R1a to R7b in the Supporting Charts and Tables Excel document.

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We are always interested to hear from our users about how our statistics are used, and how they can be improved.

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We'd appreciate it if you would complete our short feedback survey on this publication.

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