

## Housing statistics for Scotland 2009: 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 2008-09 (for annual data) 30 June 2009 (for social sector new build and affordable housing quarterly series) or 31 March 2009 for other quarterly series.

The tables include information on public sector stock and house sales, demolitions, new build, the Affordable Housing Investment Programme (AHIP), local authority housing management, houses in multiple occupation, special needs housing, rent registration and private sector improvement grants.

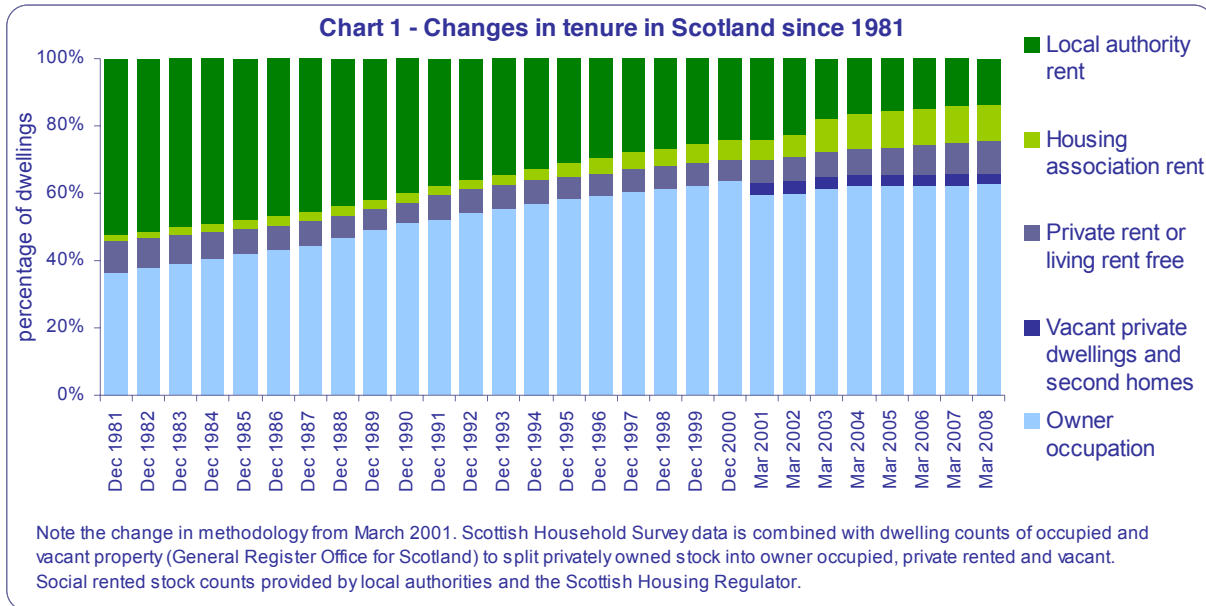
### *Key Points*

- **New housing supply:** new housing supply (new build, refurbishment and conversions) decreased by 18% between 2007-08 and 2008-09, from 27,500 to 22,600 units. This was driven by a decrease in private completions. However, despite the overall fall, both housing association and local authority new build figures increased from the previous year. These data are the basis for National Indicator number 32 in the Scottish Government's 2007 Spending Review. This indicator is also presented on the Scotland Performs website <http://www.scotland.gov.uk/About/scotPerforms/indicators> which provides the latest information on how Scotland is performing on a range of topics affecting all aspects of Scottish life.
- **New house building:** In 2008-09, there were 21,400 completions in Scotland, a decrease of 17% on the previous year. Starts also fell, by 26% from 26,900 in 2007-08 to 20,000 in 2008-09.
- **Affordable Housing Investment Programme (AHIP):** The number of units approved through AHIP activity has remained constant for the past three years at just over 7,000. In the same period the number of units provided through the programme has increased by almost 30%. For the latest quarter, to end-June 2009, approvals stood at 890 and completions at 1,200, an increase on 2008 quarter 2 of 70% and 35% respectively.
- **Sales of public authority dwellings:** Sales of public authority dwellings fell by 46% in 2008-09, from 6,800 to 3,700. This continues the declining trend in sales observed over recent years, following a small increase prior to the introduction of the modernised Right to Buy, which came into effect on 30 September 2002.
- **Public sector housing stock:** At 31 March 2009, there were 325,600 local authority dwellings in Scotland, a 1% decrease on the previous year.
- **Public sector vacant stock:** At 31 March 2009, there were 9,100 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 2008-09 there were about 24,700 permanent lettings of local authority dwellings, a decrease of 8% compared to the previous year. Lets to homeless households represented 45% of all local authority lets in 2008-09, compared to 39% in 2007-08.
- **Evictions:** Eviction actions against local authority tenants resulted in 1,800 evictions or abandoned dwellings in 2008-09 (900 evictions, 900 abandoned dwellings). This is a decrease of 15% on the previous year.
- **Housing Lists:** Applications held on local authority lists decreased by 1% from 202,200 at 31 March 2008 to 199,600 in 2009
- **Houses in multiple occupation:** In 2008-09, 8,500 applications were received in respect of the mandatory licensing scheme for houses in multiple occupation. At 31 March 2009 there were 11,400 licences in force, representing an increase of 12% over the previous year.
- **Improvement of dwellings:** The total amount of grant approved for private sector housing improvement and repair grants in 2008-09 was £52.2 million, a decrease of 10% on 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.



## New housing supply

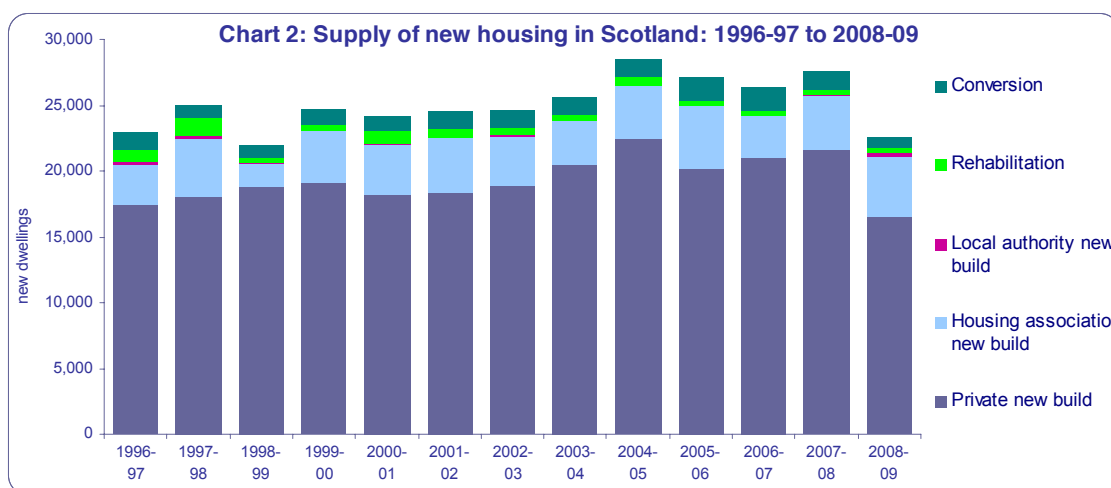
Data on housing supply informs National Indicator 32 (Increase the rate of new house building) which is assessed as part of the Scotland Performs framework, and comprises the following elements:

- **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:** net new dwellings created by conversion from non-housing to housing use or by alterations to existing dwellings in all tenures.

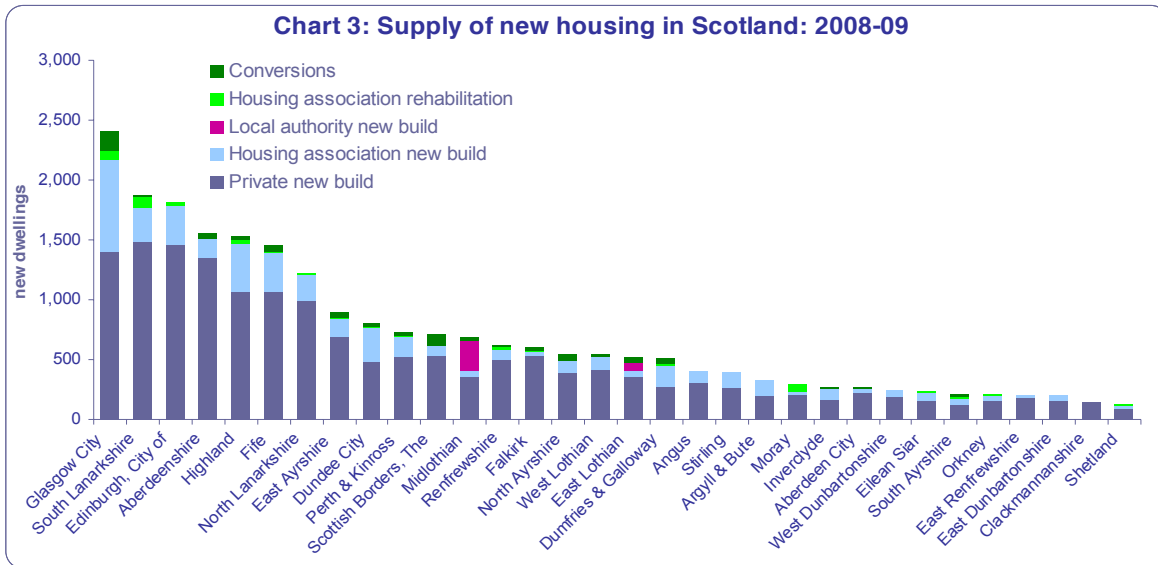
The supply of new housing decreased by 18% between 2007-08 and 2008-09, driven by a steep drop in private house building in the latest three quarters. This follows a rise of 5% between 2006-07 and 2007-08, and brings new housing supply down to levels last seen in 1998-99 (Table 1, Chart 2).

**Table 1: Components of new housing supply in Scotland**

	Private new build	Housing association new build	Local authority new build	Rehabilitation	Conversion	Total housing supply
1996-97	17,491	2,963	241	984	1,244	22,923
1997-98	17,983	4,489	114	1,514	968	25,058
1998-99	18,784	1,753	120	380	968	21,995
1999-00	19,088	3,964	69	413	1,151	24,685
2000-01	18,195	3,804	112	971	1,103	24,185
2001-02	18,316	4,197	65	597	1,311	24,486
2002-03	18,938	3,715	94	514	1,305	24,566
2003-04	20,453	3,368	-	410	1,409	25,640
2004-05	22,444	4,024	-	677	1,336	28,481
2005-06	20,235	4,698	-	469	1,695	27,097
2006-07	20,987	3,231	6	437	1,702	26,363
2007-08	21,659	4,097	28	389	1,417	27,590
2008-09	16,471	4,577	336	426	759	22,569

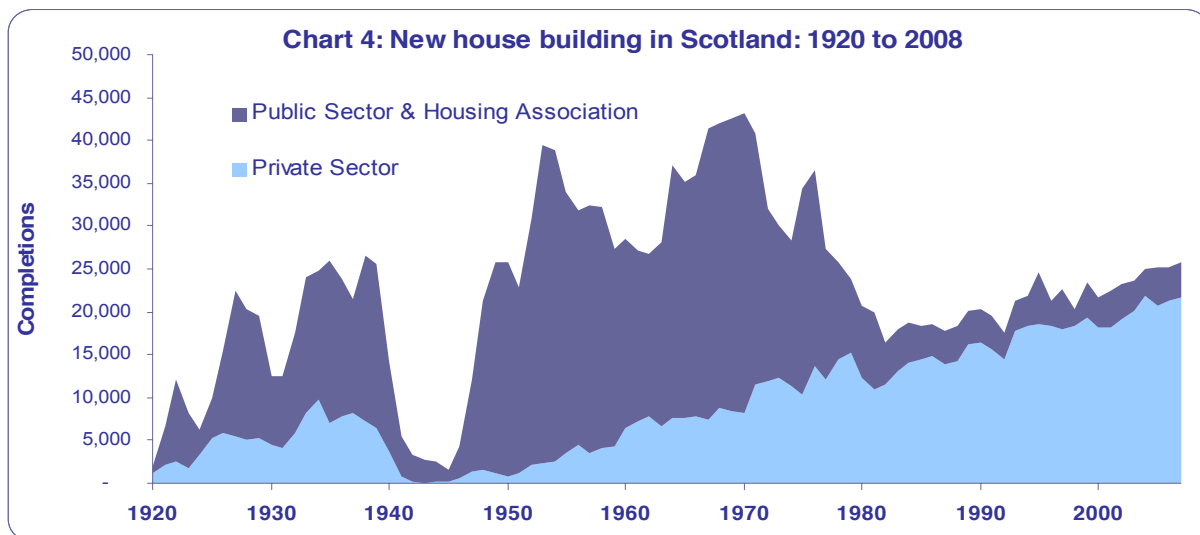


The components of housing supply within each local authority are shown for 2008-09 in Chart 3. Glasgow City accounted for 11% of Scotland's new housing in 2008-09, with over 2,400 new units. Just under 60% of these were private sector new build completions, and the majority of the remainder were completions by housing associations. Conversions from non-housing to housing use were of particular importance to the supply of new housing in the Scottish Borders, representing 13% of the supply of new housing in 2008-09, whereas in Moray, 19% consisted of housing brought back into use through refurbishment. Local authority new build accounted for 38% of all new housing supply in Midlothian, and also 14% in East Lothian.



## 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 1980s 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 represented around 84% of all completions. The remainder of new build is predominantly by housing associations (Chart 4).



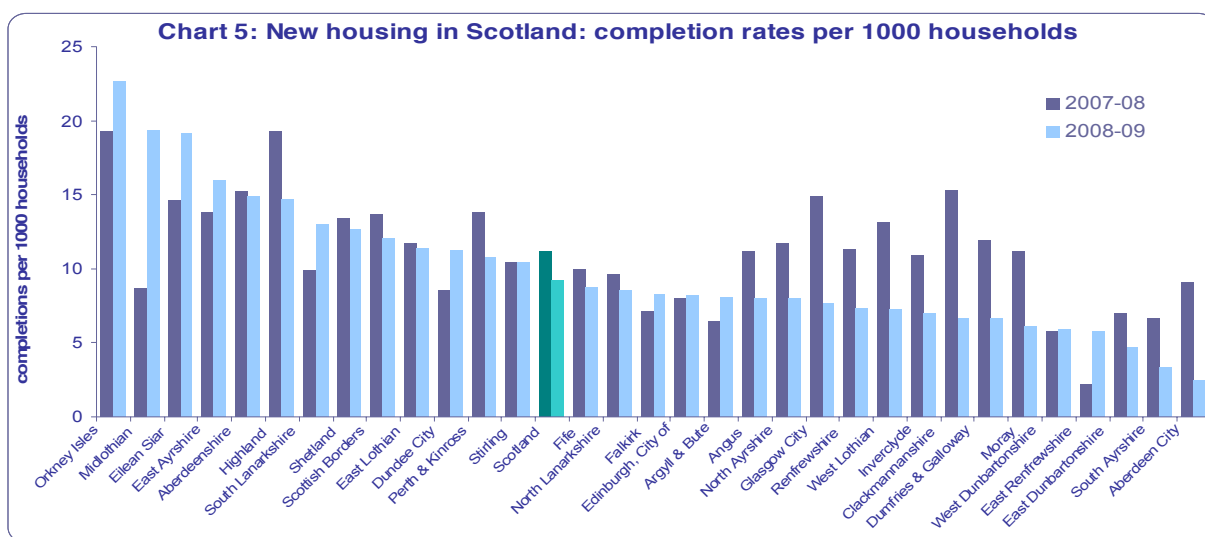
In 2008-09, there were 21,400 completions in Scotland, a decrease of 17% on the previous year, when 25,700 had been completed. Starts in 2008-09 also fell, with a 26% drop from 26,900 in 2007-08 to just 20,000 in 2008-09.

The recession has hit the private house building industry particularly hard, with a 24% reduction in completions and over 30% reduction in starts since last year. Private starts for 2008-09 stand at 14,200, falling below levels seen in the early 1990s to those of 1987-88.

In contrast, housing association completions show a 12% increase to 4,600, the third highest number since this was first measured in 1992-93.

Over recent years there have been very few new local authority housing completions in Scotland. However, there are signs of a new wave of council house building. Local authority completions reached 336 in 2008-09; more than were completed in the previous eight years combined. 261 of these were in Midlothian, who have now completed 385 council houses between April 2007 and end-June 2009. While starts are down on the previous year, they remain at a higher level than has otherwise been seen since 1995-96 when four councils began building.

Chart 5 shows the change in completion rates per 1,000 households between 2007-08 and 2008-09, for local authority areas.



### **Affordable Housing Investment Programme (AHIP)**

The Scottish Government’s Affordable Housing Investment Programme (AHIP) funds both housing for rent and for low cost home ownership. The majority of funding is provided to Registered Social Landlords (RSLs) although the AHIP also provides funding to others including individuals and private developers. Further information on the scope of AHIP and detailed statistics can be found on the Scottish Government’s website <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuild>

The number of units approved and provided through the AHIP programme since 2000-01 are illustrated in the charts below.

**Chart 6: Units Approved Through AHIP Activity: 2000-01 to 2008-09**

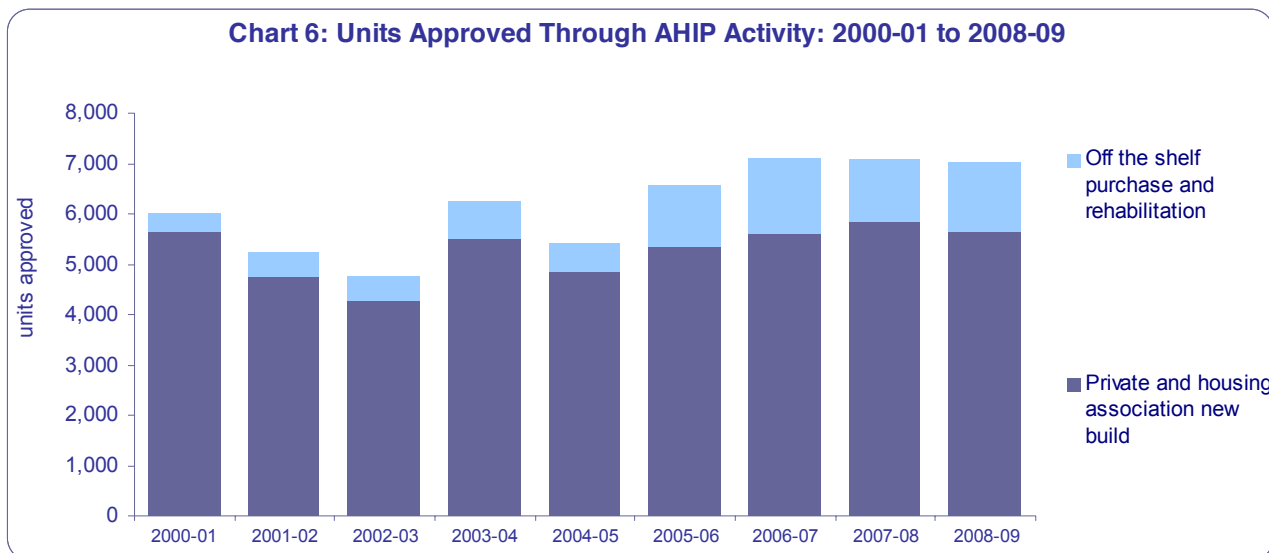
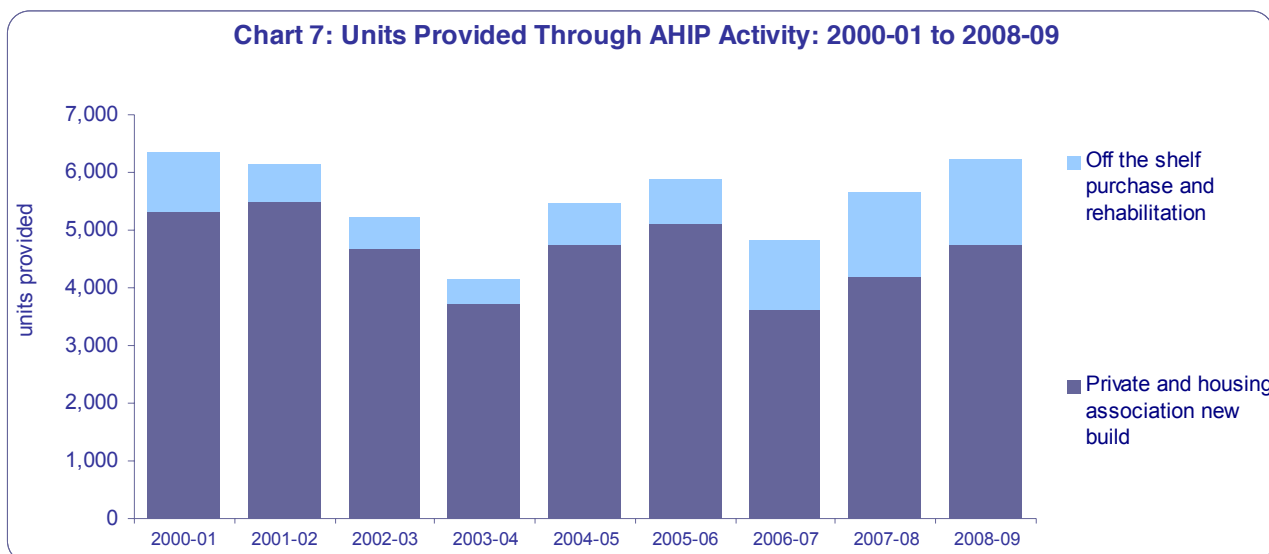


Chart 6 above shows that in 2008-09 there were just over 7,000 units approved through all AHIP activity. This figure has remained fairly constant for the past three years. Prior to this the number of units approved annually tended to be lower, with fewer than 5,000 approvals in the year 2002-03.

**Chart 7: Units Provided Through AHIP Activity: 2000-01 to 2008-09**



In 2008-09 there were around 6,200 units provided through all AHIP activity. This represented an increase of almost 10% from the previous year. Chart 7 above shows the figures have been variable since 2000-01. There was a decrease to 2003-04, an increase to 2005-6 followed by a fall and a further increase over the latest three years.

For the latest quarter available, to end-June 2008, approvals and completions are both up on the same period in 2008 by 70% (890 units) and 35% (1,200 units) respectively. For the most recent four quarters (July 2008 to 30 June 2009) completions have increased by 20% to 6,500 compared to the preceding four quarters and approvals have remained constant.

## Sales of social sector housing to sitting tenants

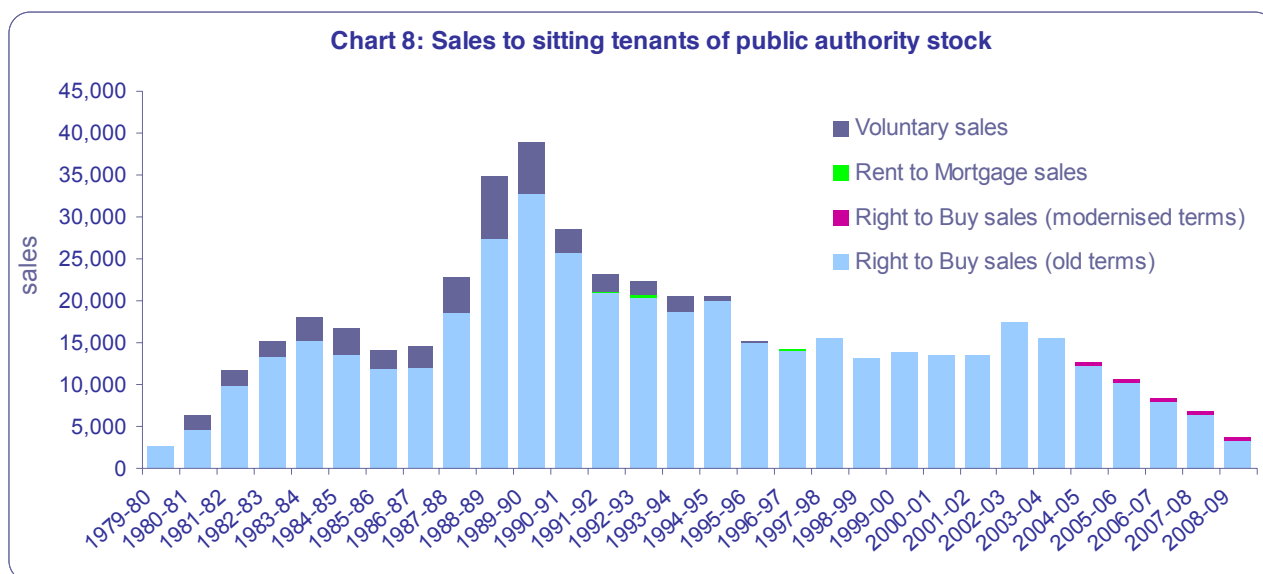
The introduction of right to buy legislation in 1979 had a substantial impact on the profile of Scottish housing, and the scale and nature of these changes are shown in the 2006 report to the Scottish Parliament [The right to buy in Scotland: pulling together the evidence](#).

Over the years, nearly half a million public sector properties have been sold under the Right to Buy scheme (Chart 8). 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 to a current level of about 3,700 public authority right to buy sales for 2008-09 (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 than previously.

Since the change in legislation, there have been around 1,700 modernised sales, representing 3% of the total number of sales over that time period. Across Scotland, modernised terms sales accounted for 8% of all right to buy transactions in 2008-09. This proportion has been steadily rising since their introduction in 2002-03, but this is due to the consistent fall in old terms right to buy rather than any increase in modernised sales, which have remained at a low level of around 300 to 400 sales per year since 2005-06.

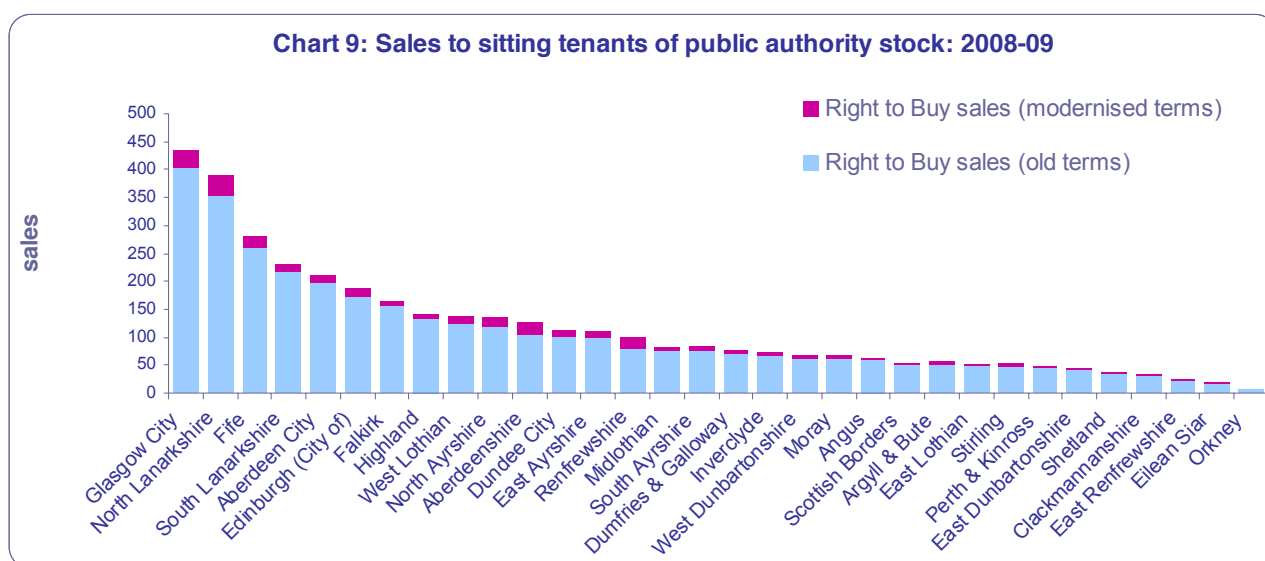
The scale of sales to sitting tenants since the inception of the Right to Buy scheme in 1979 is shown in Chart 8.



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, 12 local authorities have made 14 successful applications for pressured area designation and several more have applications under consideration.

Further changes to the Right to Buy are expected to be introduced in the forthcoming Housing (Scotland) Bill. The Bill will include a provision to end the Right to Buy for new supply social housing and is also expected to include other reforms to end the Right to Buy for new tenants and to reform the pressured-area designation process which were proposed during the recent consultation.

Chart 9, below, shows the numbers of sales in each local authority under the old and modernised terms for 2008-09. This chart includes sales of former council houses in local authorities which transferred their stock to housing associations. Glasgow had the highest number of sales at around 430, followed by North Lanarkshire at around 390. North Lanarkshire also had the highest number of modernised terms sales, at 37. However the council with the highest proportion of its sales made under modernised terms was Renfrewshire (just over 20%).



### Public authority housing

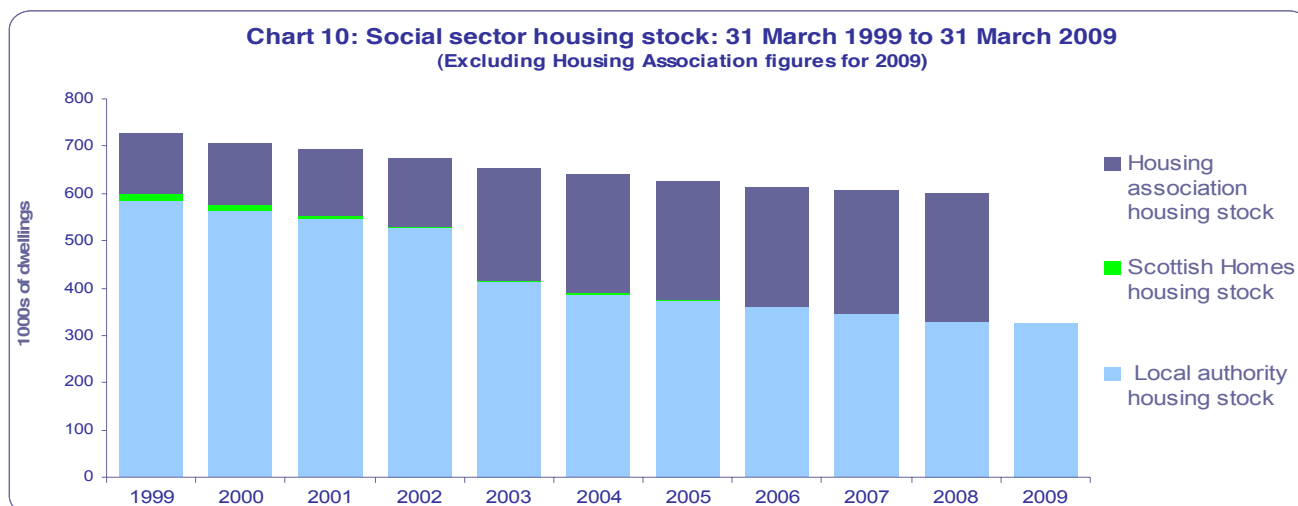
Public authority stock levels have been decreasing each year since the 1980s. This is mainly due to tenants buying their homes under right to buy coupled with a decline in the number of new public authority dwellings being built, as well as community ownership programmes whereby a public authority transfers 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.



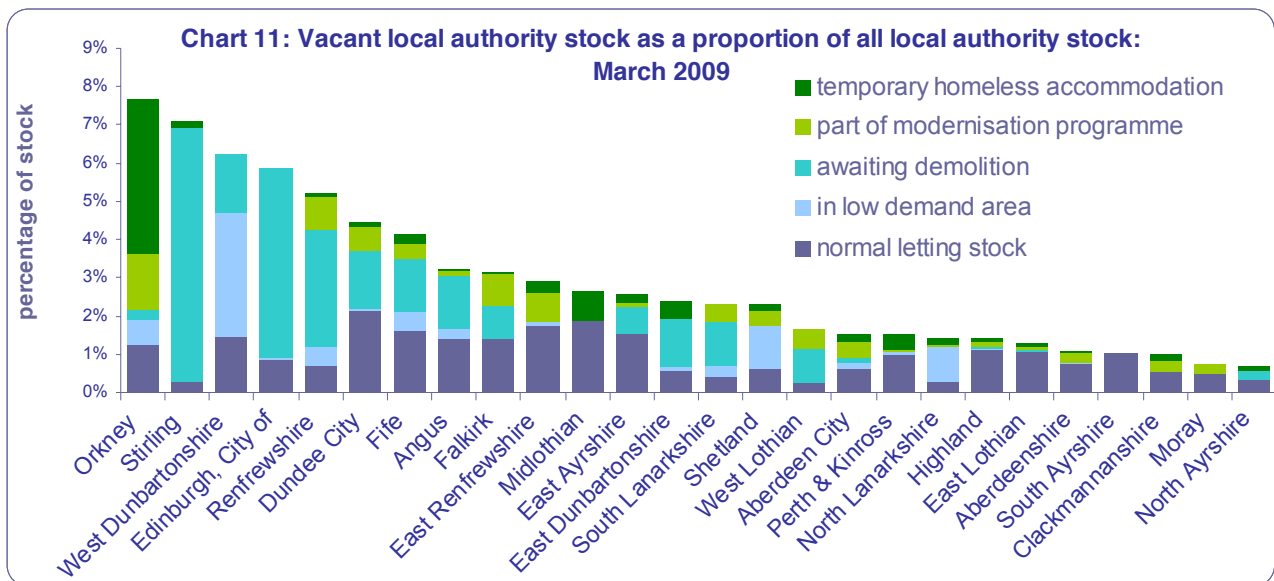
Stock figures for RSLs in March 2009 have not yet been published by the Scottish Housing Regulator. Local authority stock levels have decreased by 1.2% from the previous year to a little under 325,600 units. Figures for social sector stock as at March 2008 showed that of the 599,000 units, 55% was owned by public authorities. This was a decrease of 2 percentage points on 2007, 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 10 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 31 March 2009, there were 9,100 units of vacant stock. Of this, 39% was awaiting demolition or sale, 12% was in a low demand area, 10% was part of a modernisation programme, and a further 5% 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 – Information on vacant RSL stock is published by the Scottish Housing Regulator) is shown in Chart 11 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 2009, nearly a quarter of vacant letting stock had been vacant for less than 2 weeks, and only 4% had been vacant for over two years. Of stock awaiting demolition however, only 0.3% had been vacant for less than two weeks, and 42% had been vacant for over two years.

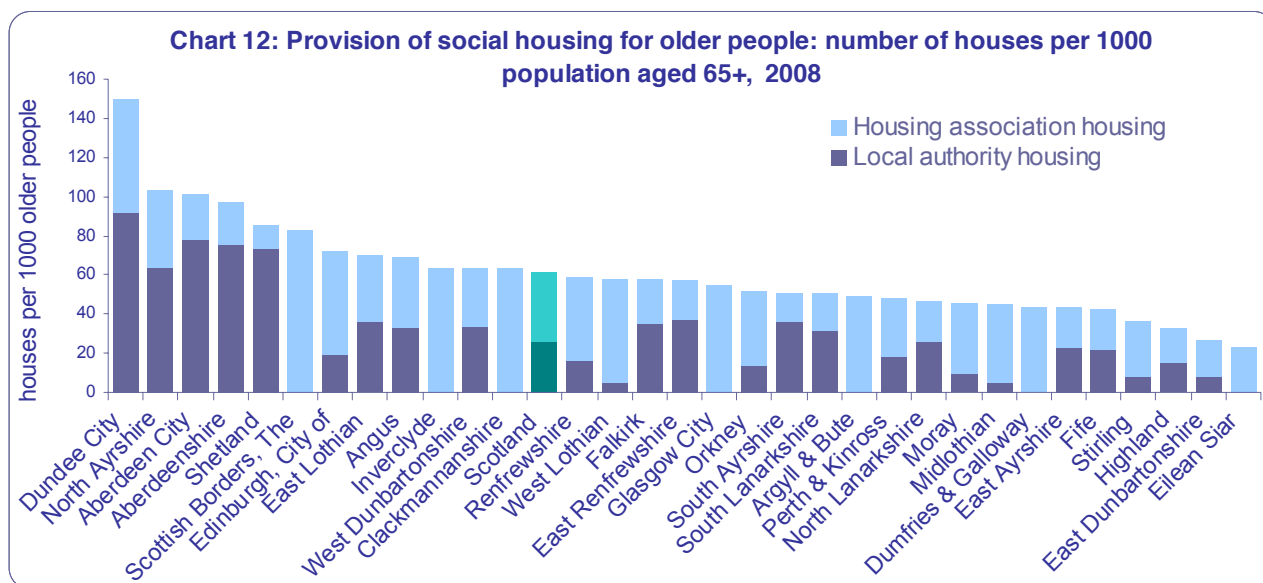
### ***Social housing for older people and those with disabilities***

Housing for older people and those with disabilities is provided by both public authorities and housing associations. In addition, councils provide their own programmes, following on from the disbanded 'Supporting People' scheme, to help 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.

Until 2007 the amount of very sheltered accommodation had shown consistent increases every year, rising from about 700 in 1996 to 5,100 in 2008. Figures for sheltered accommodation remained fairly constant between 1996 and 2008 at between 33,000-35,000 units. The less specialised medium dependency housing has shown an overall drop from 17,600 to 13,600 units since 1996. Housing adapted for wheelchair use by those with disabilities has increased from 2,300 in 1996 to 6,000 in 2008.

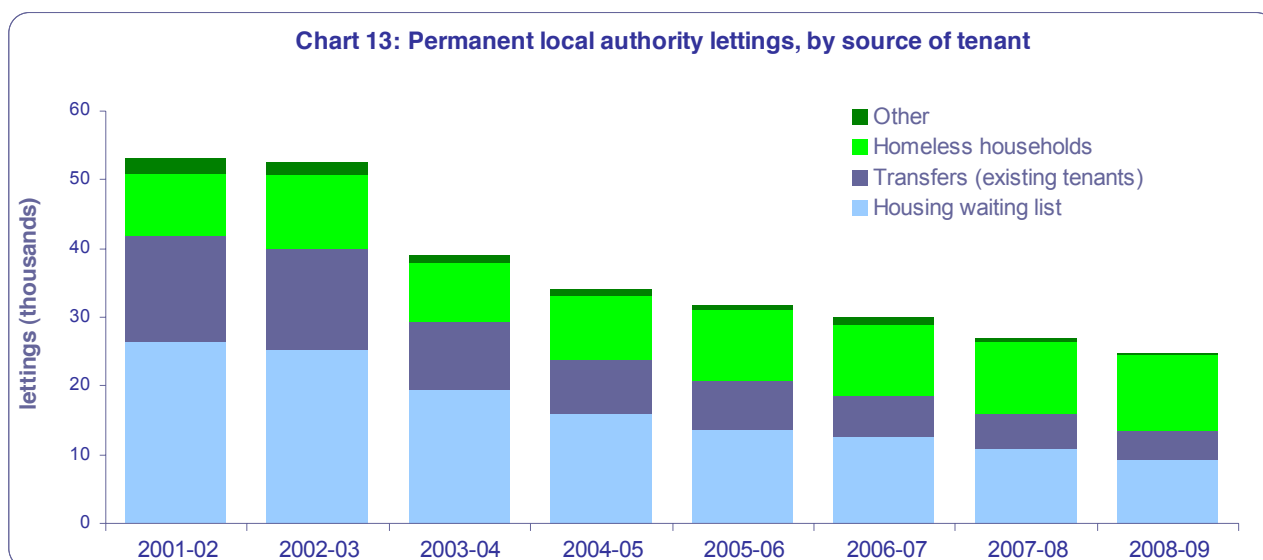
RSL special needs housing figures for 2009 have not yet been published by the Scottish Housing Regulator. Local authority figures to 31 March 2009 show a 9% increase in all adapted dwellings. The supply of medium dependency housing, that for the ambulant disabled and that with other adaptations has increased by 27%, 15% and 44% respectively, from 2008 levels. The proportion of sheltered housing which is adapted for wheelchair use has also increased to now constitute 12% of all sheltered housing, although levels of sheltered and very sheltered council dwellings have remained steady.

Chart 12 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.



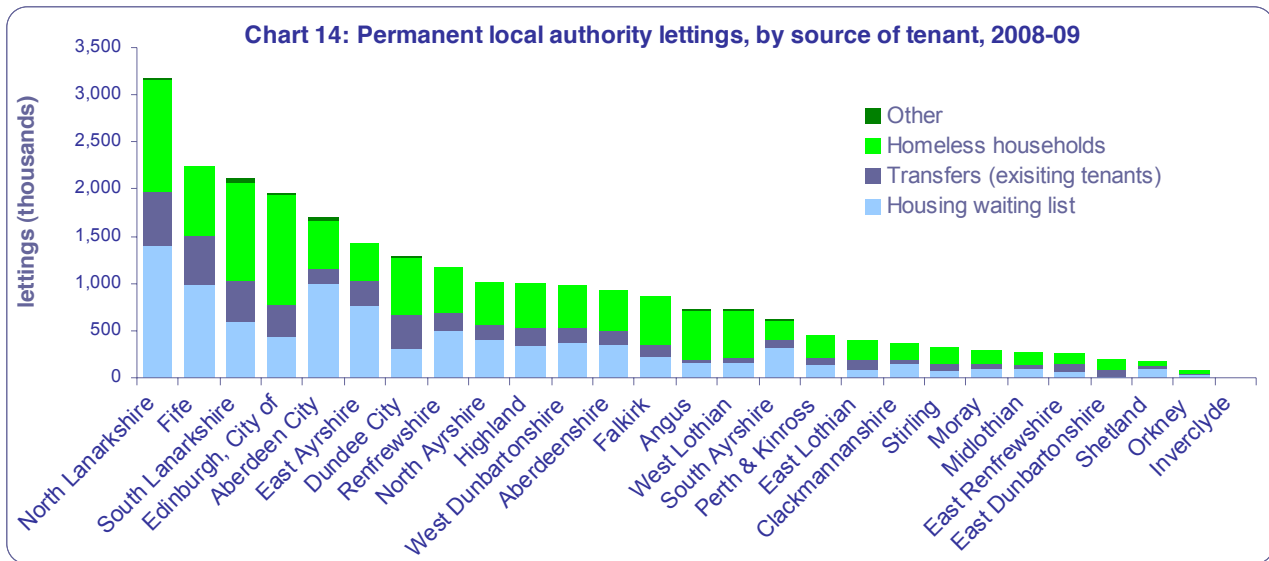
### Local authority lettings

Mirroring the falling stock levels, the number of local authority lettings has decreased each year since the early 2000s (Chart 13). During 2008-09 there were about 24,700 permanent lettings made, a decrease of 8% compared to the previous year. Some of this decrease can be attributed to the stock transfer of Inverclyde in December 2007 and the fact that there were 4% fewer local authority vacancies arising than in 2007-08



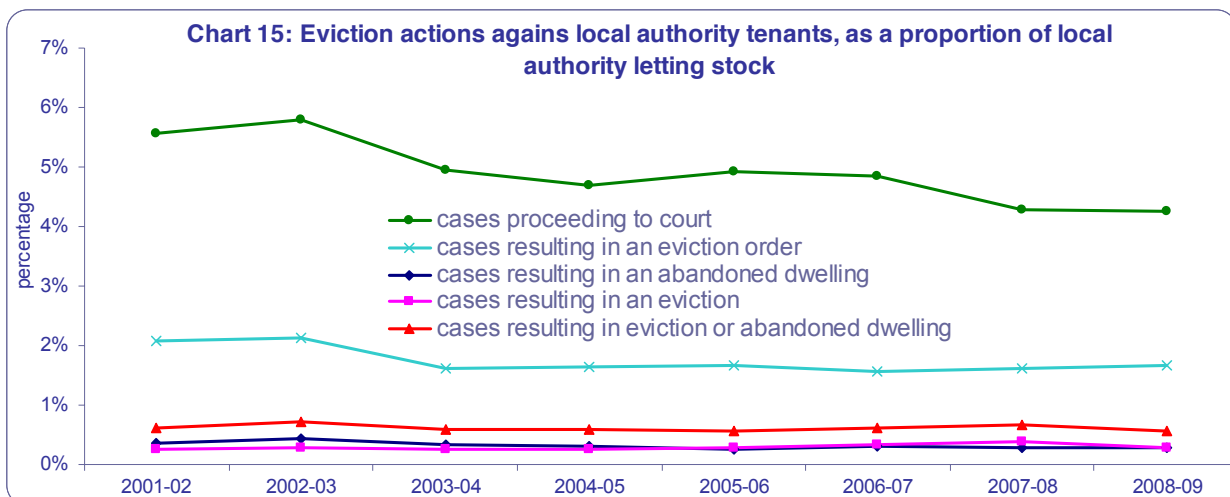
The proportion of lets allocated to homeless applicants is a key indicator in measuring local authorities' capacity to respond to changes in homelessness legislation in relation to removing the distinction between priority and non-priority need in 2012. The number and proportion of lets to homeless households has increased in the latest year. In 2008-09,

45% of all local authority lettings were to homeless households, compared to 39% for 2007-08. This represents a substantial increase compared to the situation a decade ago (12% in 1996-97). In fact, of lets made made to *new* tenants, over half are now allocated to homeless applicants (54% in 2008-09) (Chart 14).



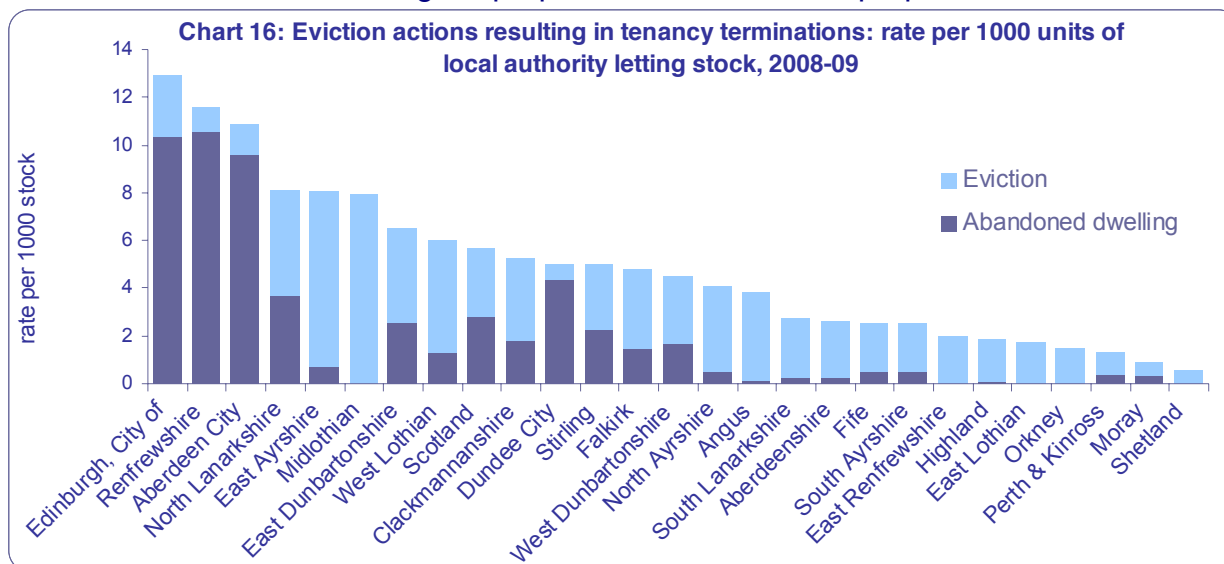
### Local authority evictions

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, at just over 0.5% of local authority letting stock (Chart 15). Within this, the number of evictions of local authority tenants has fallen by 27% this year, from over 1,200 in 2007-08 to 900 in 2008-09. This currently represents about 7% of all cases proceeding to court. Eviction actions resulting in abandoned dwellings have remained constant, at around 900 (currently 7% of cases proceeding to court).



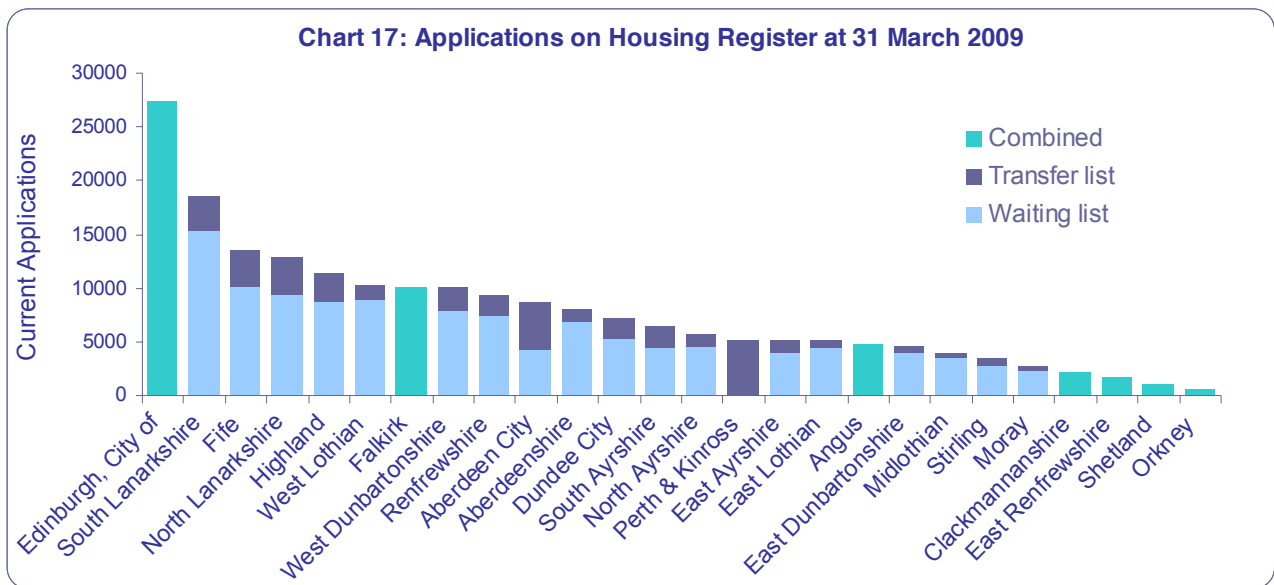
Across local authorities, there is considerable variation in the rate of evictions or abandoned dwellings in relation to normal letting stock levels (Chart 16). In 2008-09, The City of Edinburgh had the highest eviction/abandoned dwelling rate at just over 13 per 1000 units of letting stock (51 evictions, 212 abandoned dwellings). In contrast, Moray and Shetland reported a rate of less than 1 per 1000 letting stock. Orkney and Shetland each reported just one abandoned dwelling and no evictions.

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.



## Housing Lists

Local authorities vary in the way in which they operate and manage applications for housing and allocations, with some holding separate lists for waiting and transfer applicants and others not distinguishing. In recent years, a number of local authorities have begun to operate Common Housing Registers with Housing Associations in the area, meaning that a household may be allocated to any social rented housing. Of councils who switched from operating their own list to a Common Housing Register, there was little increase in numbers so, in these regions, applications to the council only register gave a fairly close indication of the numbers for the whole social sector.



At 31 March 2009, 199,600 applications were recorded for Scottish local authority owned housing, a 1% decrease from 202,200 in 2008. Around one third of these applications were from existing tenants of the authority (see chart 17). While numbers of applications are recorded accurately in each authority, there is difficulty in recording actual numbers of people wishing to access all social housing and also in determining their current tenure. In addition to the inevitable double-counting of people who apply to more than one local authority, households often apply for both council and RSL housing in their desired area. While only 14% of households on the waiting list at 1 April 2008 were re-housed in local authority accommodation in 2008-09 and 1% through nomination to RSLs, they may also exit the lists as they take up tenancies with other housing providers or for other reasons. A further 28% of these applicants had withdrawn or been deleted from the list by 31 March 2009.

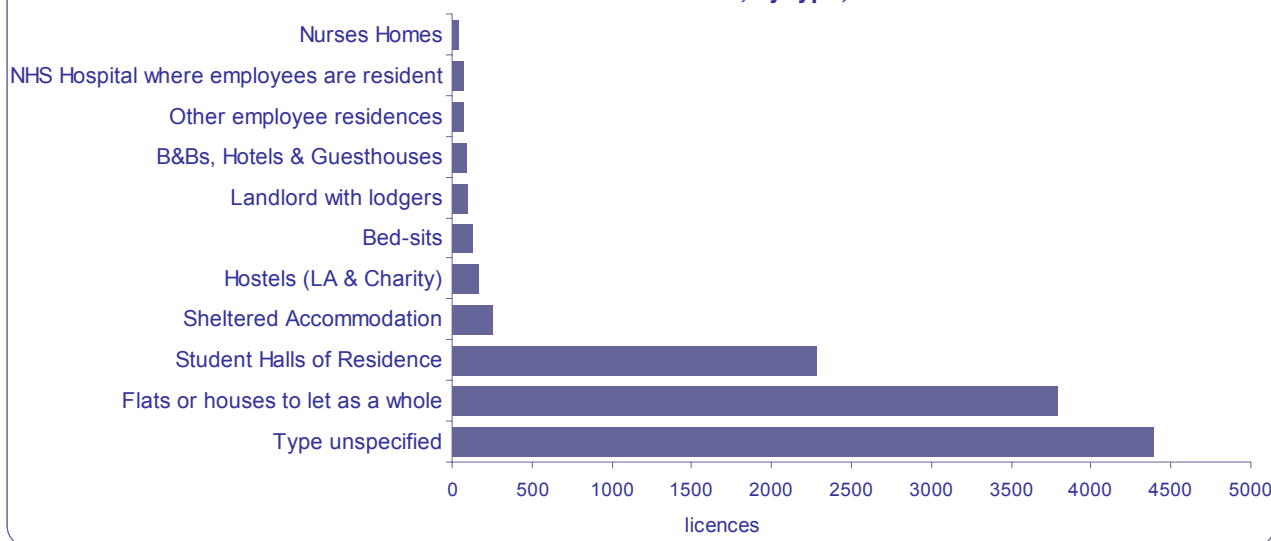
### ***Houses in multiple occupation***

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 2009 show about 11,400 licences in force at 31 March, 12% more than the previous year. 78% of the licences are in force in just four local authority areas – Aberdeen City, Edinburgh, Dundee City and Glasgow. 38% of Scotland’s HMO licences operate in Edinburgh alone.

There were 8,500 applications received in 2008-09, 18% more than the year before. 24% of these were new applications, and the remainder were applications for licence renewals.

Chart 18 below shows the number of licences in force at 31 March 2009, 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 18: HMO licences in force, by type, March 2009**

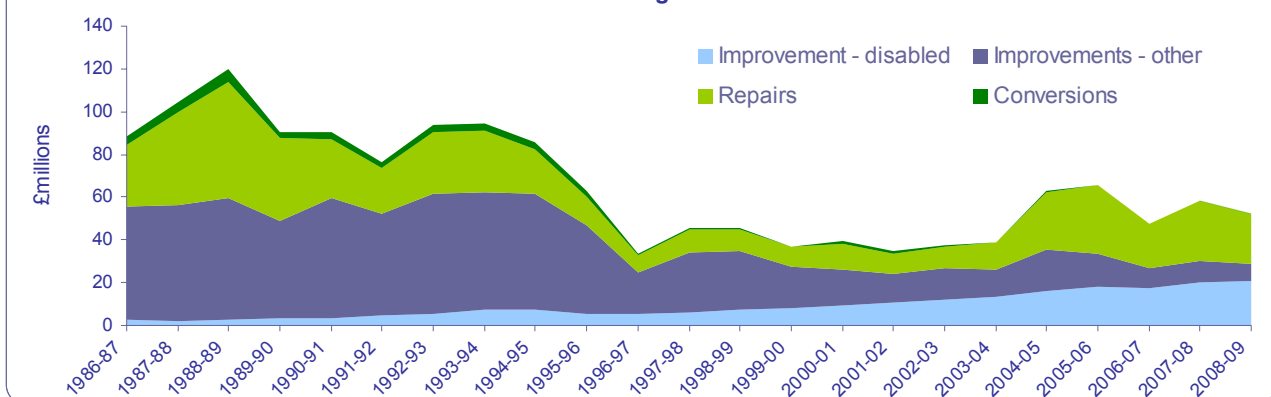


### Private sector housing improvement and repair grants

Historically, the total amount approved<sup>1</sup> 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 over £20 million in 2008-09, and now represents 40% of the total amount approved for all work types in 2008-09 (£52.2 million) (Chart 19). The *number* of grants approved for disabled adaptations has similarly increased – from an average of 1,300 per year in the late 1980s to 5,700 in 2008-09.

**Chart 19: Private sector housing improvement and repair grants: amount approved by type of grant**



<sup>1</sup> Refers to grants approved each year regardless of whether the money was spent in that year or not.

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