A National Statistics publication for Scotland

The Scottish Government
Riaghaltas na h-Alba

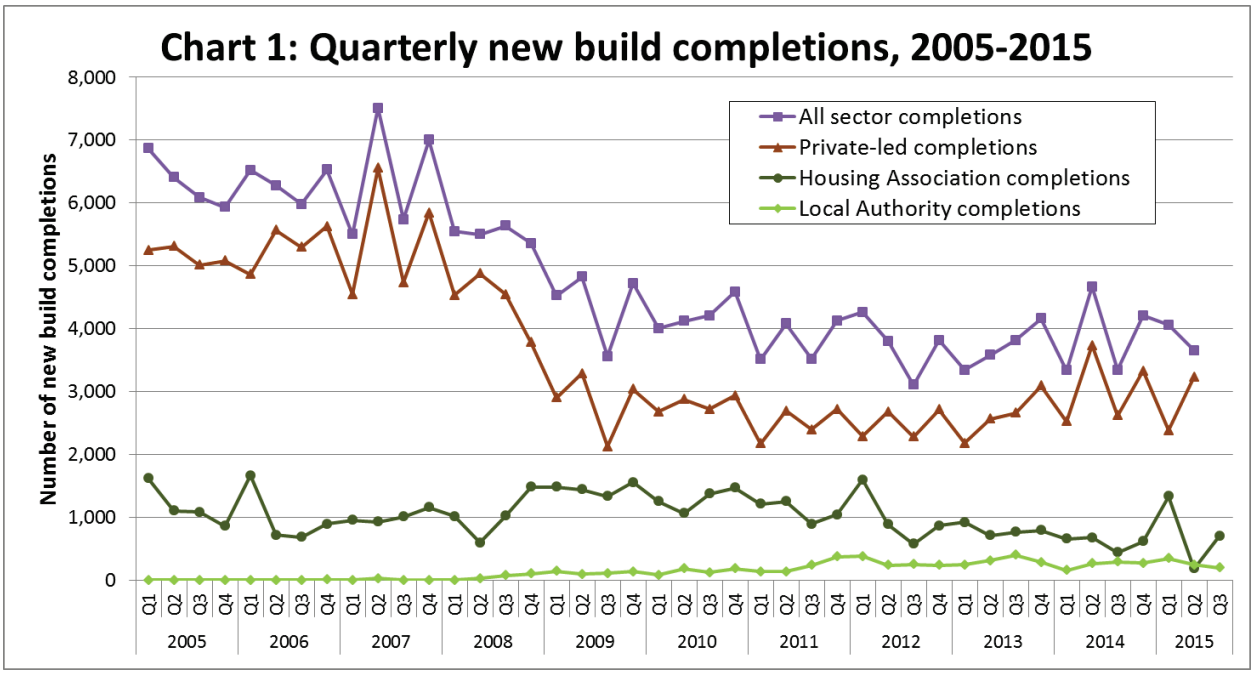
PEOPLE, COMMUNITIES AND PLACES

Housing Statistics for Scotland Quarterly Update (published 1 Dec 2015)

This quarterly statistical publication provides information on recent trends in:

- **New build housing starts and completions** by sector (up to end June 2015, with more up-to-date social sector information available up to end September 2015)
- **The Affordable Housing Supply Programme** (up to end September 2015, with more up-to-date preliminary figures up to October 2015 presented to help inform progress in meeting the Affordable Housing Supply target)
- **Local authority house sales including Right to Buy** (up to end June 2015)
- **Long term empty properties and Second Homes** (September 2015 snapshot)

The background data used in this document can be found in the new house building, Affordable Housing Supply Programme (AHSP) and local authority house sales web tables, along with an explanatory note.



Key Points

New Build Housing – All Sectors:

- There were 3,653 new build homes **completed** between April and June 2015; 22% down on the same quarter in 2014. This brings the total for the year to end June 2015 to 15,258, down 5% (719 homes) compared to the 15,977 completed in the previous year.
- There were 3,846 **new build homes started** between April and June 2015; 6% up on the same quarter in 2014. This brings the total for the year to end June 2015 to 16,427 which is up by 6% (934 homes) compared to the 15,493 homes started in the previous year.

New Build Housing – Private-led Housing:

- Between April and June 2015, 3,229 **private sector led** homes were **completed**; 13% down on the same quarter in 2014. This brings the total for the year to end June 2015 to 11,549 – down by 4% (454 homes) on the 12,003 completions in the previous year.
- There were 3,326 **private sector led starts** between April and June 2015, 7% up on the same quarter in 2014. This brings the total for the year to end June 2015 to 12,530, 5% (550 homes) higher than the 11,980 starts in the previous year.

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

- There were 424 **social housing completions** between April and June 2015; less than half compared with the same quarter in 2014. This brings the total for the year to end June 2015 to 3,709. This is decrease of 7% on the 3,974 completions the previous year.
- Meanwhile 520 **social sector** homes were **started** between April and June 2015; down 3% on the same quarter in 2014. This brings the total for the 12 months to end June 2015 to 3,897; up 11% on the previous year.
- **More up-to-date** figures show that, in July to September 2015, 895 social sector homes were completed (23% more than the 725 completions in the same quarter in 2014), and 508 were started (down by 26% on the same quarter in 2014). This brings the total completions for the 12 months to end September to 3,879 (an increase of 10% on the 3,540 social sector homes completed in the previous year). Total starts over the 12 months to end September are now at 3,703 (2% lower than the 3,779 started in the previous year).

New Build Housing – Housing Association Homes:

- There were 180 **housing association completions** between April and June 2015; less than a third compared with the same quarter in 2014. This brings

the total for the year to end June 2015 to 2,567. This is a 11% (315 homes) decrease on the 2,882 completions the previous year.

- There were 179 **housing association approvals** between April and June 2015; down 21% on the same quarter in 2014. This brings the total for the year to end June 2015 to 2,586. This is an increase of 1% (31 homes) on the 2,555 approvals in the previous year.
- **More up-to-date** figures show that a total of 700 Housing Association homes were completed between July to September 2015, a 59% increase on the 439 homes completed in the same period in 2014. This brings the total completions for the 12 months to end September 2015 to 2,828, which is an increase of 10% on the 2,560 homes completed in the previous year. A total of 288 Housing Association homes were approved between July to September 2015 (down by 4% on the same quarter in 2014). This brings the total approvals for the 12 months to end September to 2,574, a 1% decrease on the 2,602 approvals in the previous year.

New Build Housing – Local Authority Homes:

- There were 244 **local authority completions** between April and June 2015, which is 6% lower than the number that were completed in the same quarter in 2014. This brings the total for the year to end June 2015 to 1,142. This is a 5% (50 homes) increase on the 1,092 completions the previous year.
- There were 341 **local authority starts** between April and June 2015; 10% higher than the number in the same quarter in 2014. This brings the total for the year to end June 2015 to 1,311. This is a 37% (353 homes) increase on the 958 starts in the previous year.
- **More up-to-date** figures show that, in July to September 2015, 195 local authority houses were completed (a 32% decrease on the same quarter in 2014), and 220 were started (down by 45% on the same quarter in 2014). This brings the total completions for the year to end September to 1,051, 7% higher than the 980 completions in the previous year. Total starts for the 12 months to end September now stands at 1,129 which is a decrease of 4% on the 1,177 social sector homes completed in the previous year.

Affordable Housing Supply – up to end September 2015

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off-the-shelf purchases and rehabilitations as well as new build.

- The latest quarterly statistics for the year to end September 2015 show that **affordable housing supply completions** have totalled 6,912 for the year up to September 2015, up 7% on the previous year. This includes an increase in affordable rent completions (up by 13% or 122 homes), and social rent completions (up by 9% or 352 homes), while affordable home ownership completions figures have been stable. Total starts are down 26% on the

previous year to 5,487, while approvals are down 10% on the previous year to 6,465.

Affordable Housing Supply - up to end October 2015

As a one-off, to help inform progress in meeting a target in a timely way, the findings in this publication include an update for the month of October, on affordable housing completions in relation to the Scottish Government target to deliver 30,000 affordable homes, 20,000 social rented homes, and 5,000 council homes between 2011-12 and 2015-16.

- Including preliminary figures for the month of October 2015, there were a total of 30,133 affordable housing completions between April 2011 and end-October 2015, a figure which exceeds the target by 133 homes. Social rented completions during this time period totalled 20,400 exceeding the target by 400 homes, and council house completions totalled 5,292 exceeding the target by 292 homes.

Right to Buy Applications and Sales:

- Following the announcement of the end of Right to Buy in July 2013 the number of applications and the number of sales both increased. The most recent figures available are for April to June 2015. During this period there were 1,099 **Right to Buy applications** (25% higher than in the same quarter the previous year, and 57% higher than in the same quarter in 2013) and 320 **sales** (5% lower than in the same quarter in the previous year, but 40% higher than in the same quarter in 2013).

Long Term Empty Properties and Second Homes

- The total number of **long term empty properties and second homes** has increased by 3,973 properties (7%) from 59,763 in 2014 to 63,736 in 2015, but is 4% lower than the figure of 66,053 in 2012.

Contents

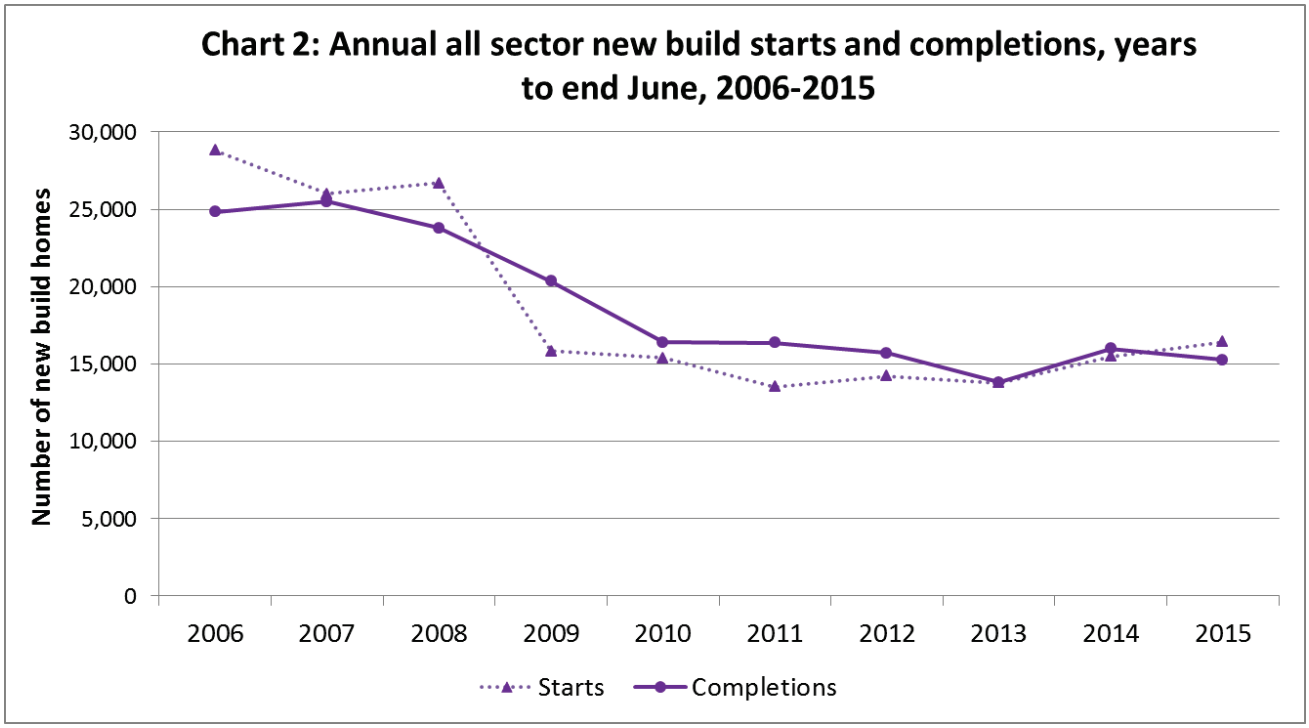
New Build Housing – All sectors

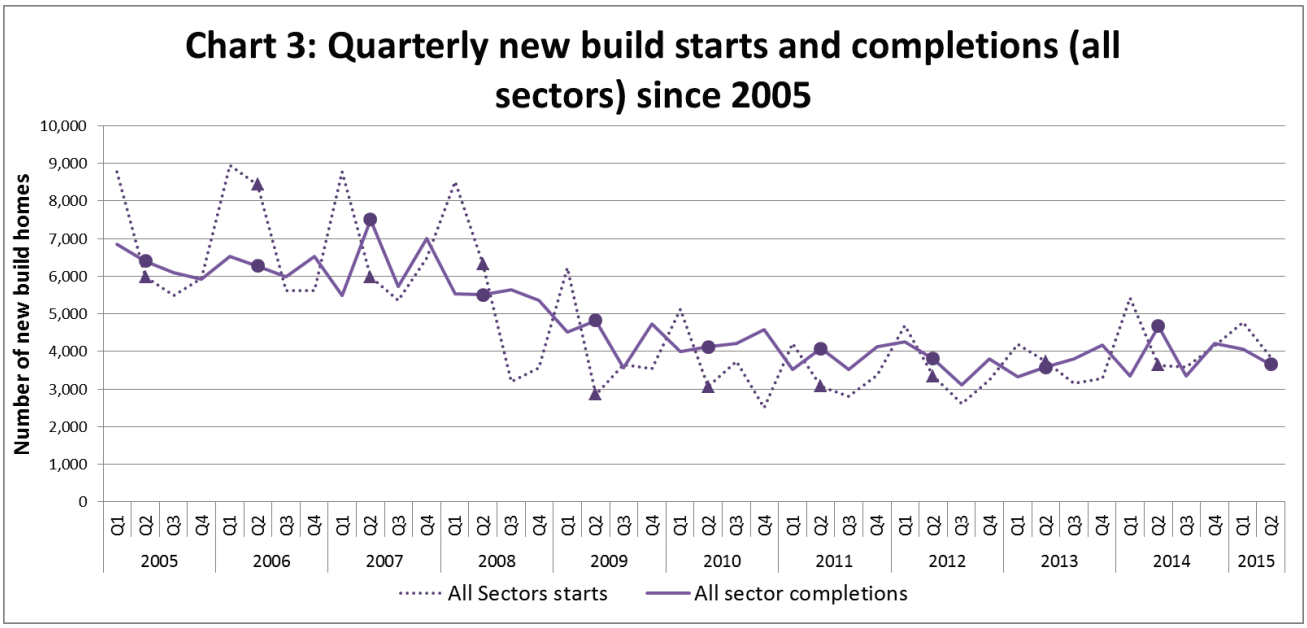
The new-build section of this document provides figures on the number of homes started (when the foundations are begun) and completed (when a building inspector deems the property complete).

Figures are presented for homes built on privately led (referred to throughout as private sector), local authority led (referred to as local authority sector) and housing association led (referred to as housing association sector) sites. For the private sector the latest information available is for the quarter ending June 2015. Whilst more up-to-date information is available for local authority and housing association new build, findings for these sectors are mainly presented up to June 2015 to simplify comparisons between sectors.

The figures have not been seasonally adjusted and so commentary tends to compare the latest quarter with the same quarter the previous year. To help with this, Quarter 2 figures (from April to June) have been highlighted in the charts to allow easy comparison over time. Some of the peaks in the number of starts in Quarter 1 (Jan to March) each year are due to large numbers of housing association approvals being granted near the end of the financial year.

Chart 1 (see page 1) shows the number of private sector, social sector and total new homes completed each quarter since 2005, whilst Charts 2 and 3, below, show annual and quarterly trends in starts and completions across all sectors.





Trends over the last ten years:

Chart 2 shows that between 25,000 and 29,000 homes were started each year between 2006 and 2008 (years to end June) whilst slightly fewer (between 23,000 and 26,000) were completed.

Charts 1 to 3 all clearly show the impact of the recession in the second half of the last decade, with private sector led completions in particular falling throughout 2008 and the start of 2009. Home completions for all sectors fell more gradually between 2010 and 2012, then dipped under 14,000 in 2013, before increasing in 2014.

New Build Housing – All Sectors:

There were 3,653 new build homes **completed** between April and June 2015; 22% down on the same quarter in 2014. This brings the total for the year to end June 2015 to 15,258, down 5% (719 homes) compared to the 15,977 completed in the previous year.

There were 3,846 new build homes **started** between April and June 2015; 6% up on the same quarter in 2014. This brings the total for the year to end June 2015 to 16,427 which is up by 6% (934 homes) compared to the 15,493 homes started in the previous year.

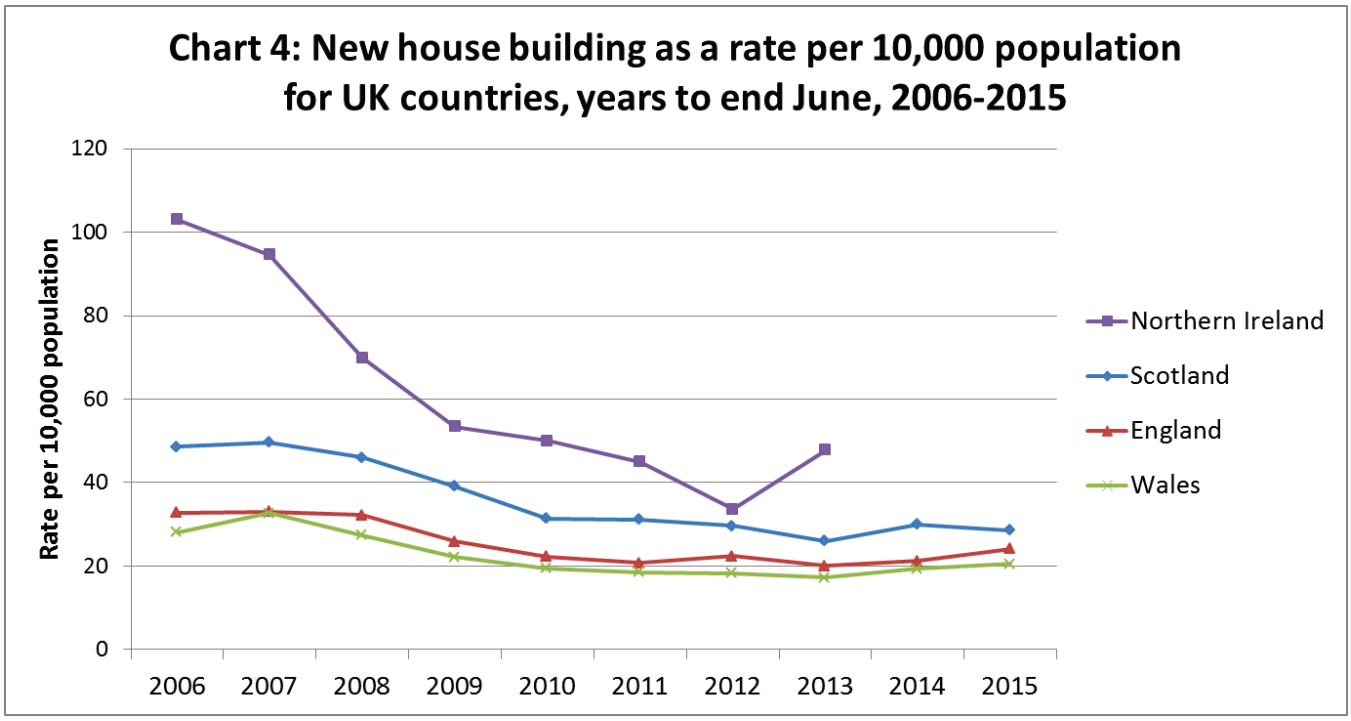
Comparison with the rest of the UK from 2006 to 2014:

Each of the countries of the UK produces their own statistics on new build housing and all use broadly consistent definitions. New build statistics for each of the countries of the UK, as well as for Great Britain and the UK as a whole can be found here: https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building

As Chart 4 shows, the rate of house building completions in Scotland has been below that of Northern Ireland but above that of England and Wales throughout the 2006 to 2015 period. The rates in all countries have generally dropped since

2005/06, but have risen slightly in the latest two years in Scotland, England and Wales. Data for 2014 and 2015 is not currently available for Northern Ireland but the completion rate per 10,000 population decreased between 2006 and 2012 before increasing up to 2013.

The 15,258 homes completed in Scotland in the year to end June 2015 equates to a rate of 29 per 10,000 population. This is higher than the equivalent rates in England (24) and for the latest available rates for Wales (20) although lower than the latest available rate for Northern Ireland (48 in 2013).

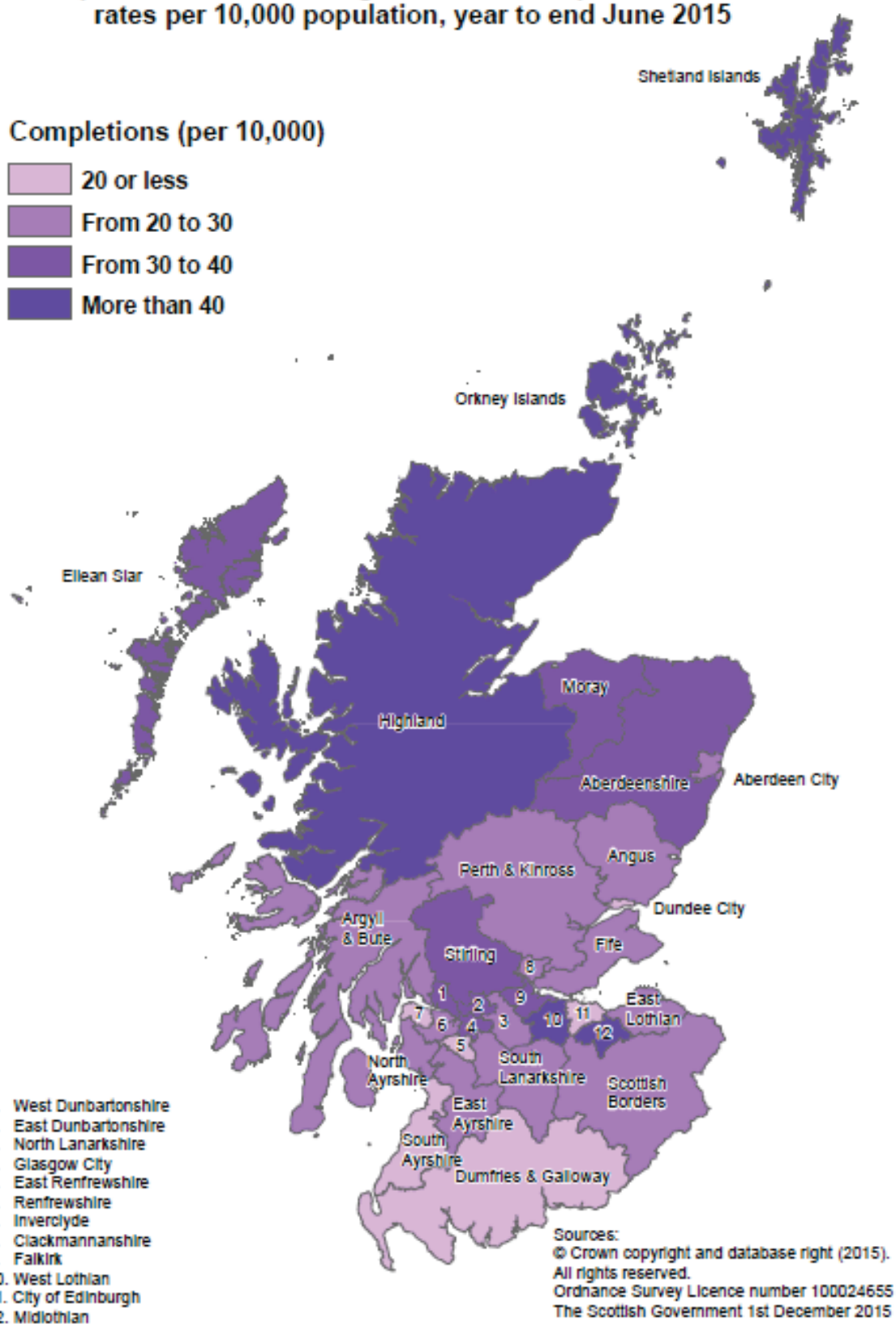


Sub-national figures for the year to end June 2015:

The information on new build housing in Scotland is collected and published at local authority level. Map A, below, shows new house building in the year to end June 2015, as a rate per 10,000 population.

In the year to end June 2015 the highest new build rates were observed in Midlothian, Shetland Islands and Orkney Islands, and the lowest in Dundee City, South Ayrshire and Inverclyde.

Map A: New build housing - all sector completions: rates per 10,000 population, year to end June 2015

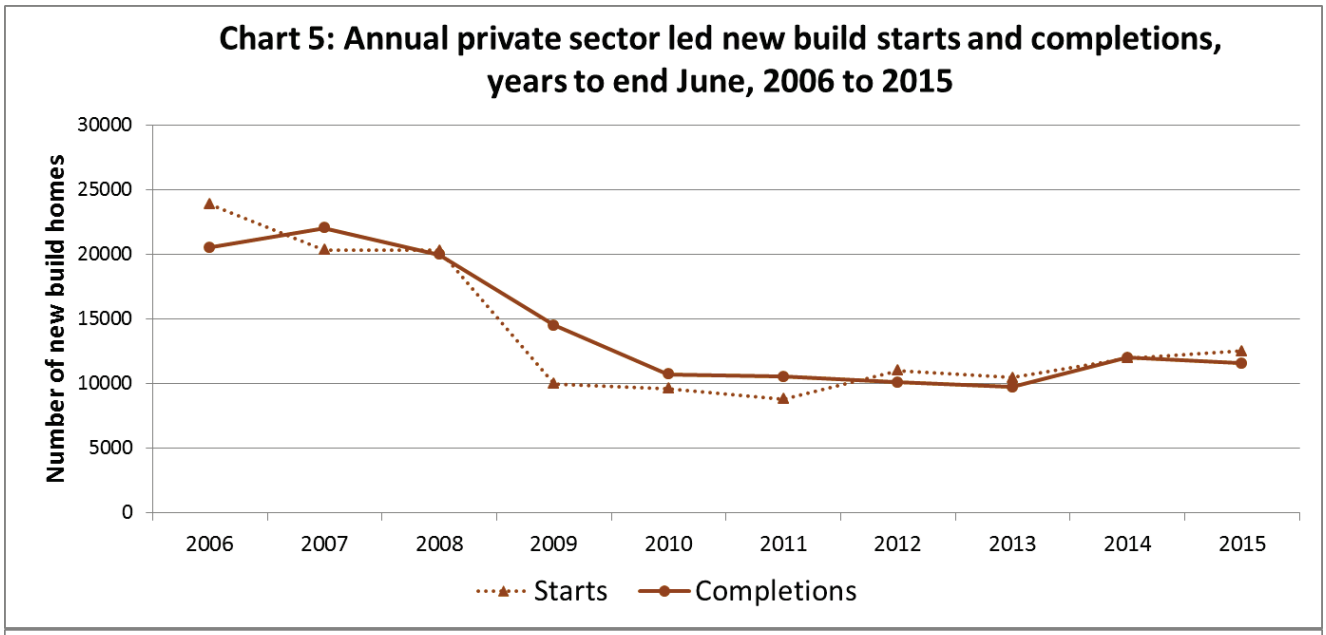


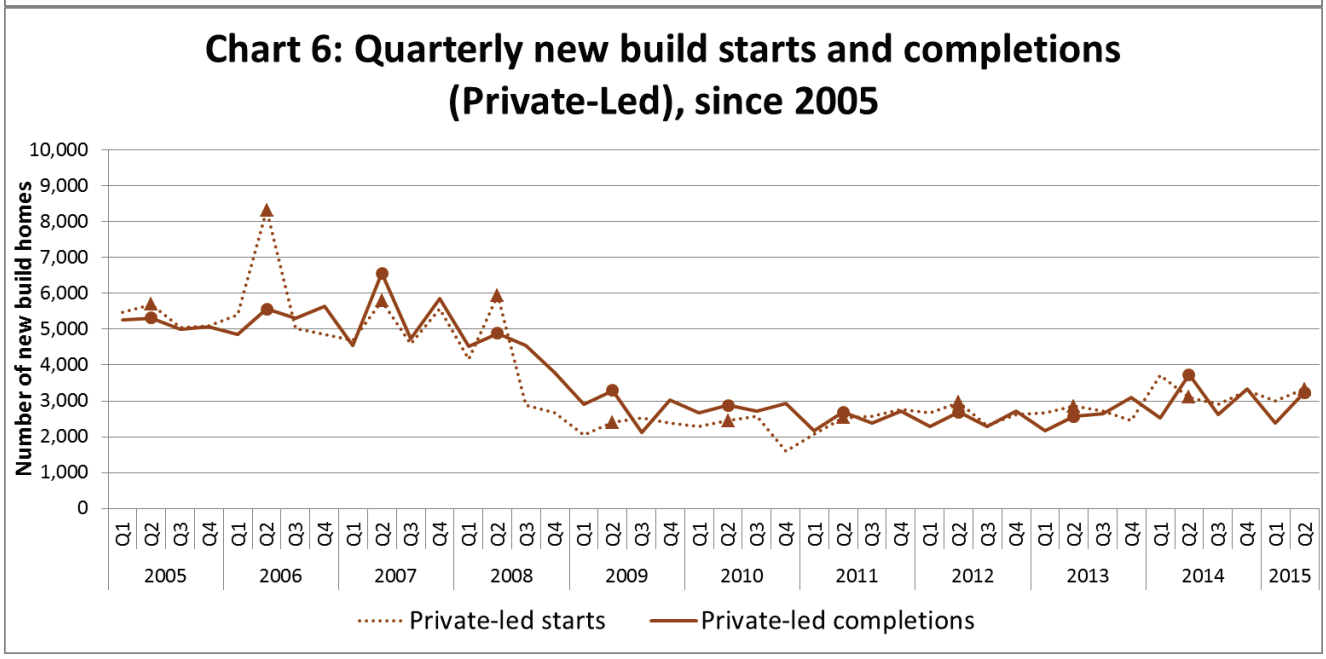
Sources:

The Scottish Government 1st December 2015

New Build Housing – Private-led Housing

The private sector is the biggest contributor to overall house building, accounting for almost three-quarters (76%) of all homes completed in the 12 months to end June 2015.





Trends over the last ten years:

Between 2006 and 2008 (years to end June) the number of homes started and completed both remained fairly steady at around 20,000-24,000 each year. The private sector was hit particularly hard by the recession. The number of homes completed dropped steeply throughout 2009 and 2010 then continued to decrease more gradually to under 10,000 in 2013. There was an increase in 2014, bringing completions through the year to around 12,000 and the 2015 figure is slightly lower at around 11,500.

In September 2013 the Scottish Government introduced the Help to Buy (Scotland) scheme which has aimed to support buyers purchasing a new build home and to stimulate the house building industry. Further information on the scheme, along with monitoring information setting out numbers of sales, is available at http://www.gov.scot/Topics/Built-Environment/Housing/BuyingSelling/help-to-buy/MonthlyStats

Trends to end June 2015:

Between April and June 2015, 3,229 private sector led homes were completed**;** 13% down on the same quarter in 2014 (see Chart 6).

This brings the total for the year to end June 2015 to 11,549 – down by 4% (454 homes) on the 12,003 completions in the previous year.

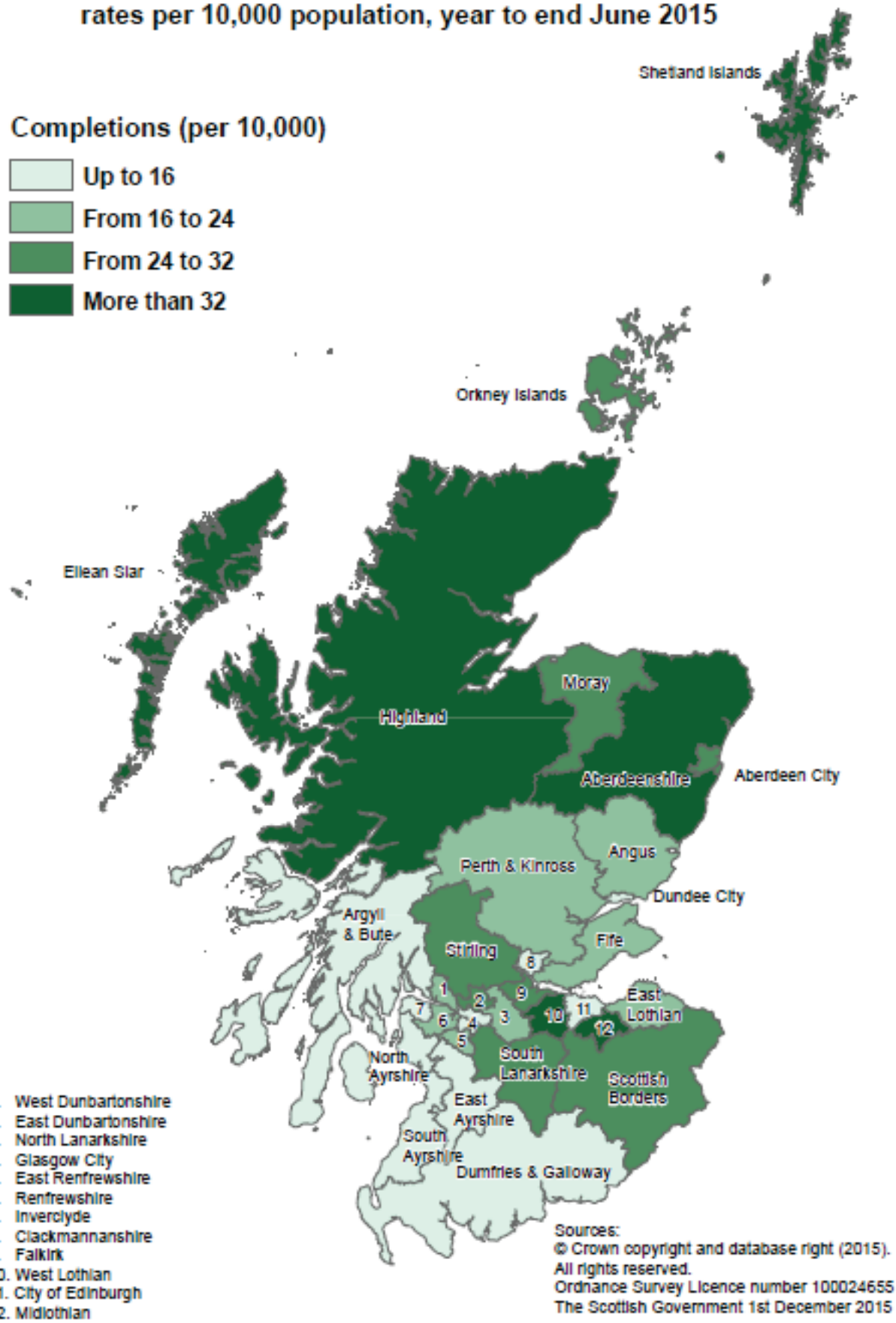
Meanwhile there were 3,326 **private sector led starts** between April and June 2015, 7% up on the same quarter in 2014. This brings the total for the year to end June 2015 to 12,530, 5% (550 homes) higher than the 11,980 starts in the previous year.

Sub-national figures for the year to end June 2015:

Map B shows the rates per 10,000 head of population of private sector led new build completions in each local authority for the year to end June 2014.

The highest completion rates have been in Midlothian, Aberdeenshire and Shetland Islands. The lowest rates meanwhile have been in Dundee City and South Ayrshire.

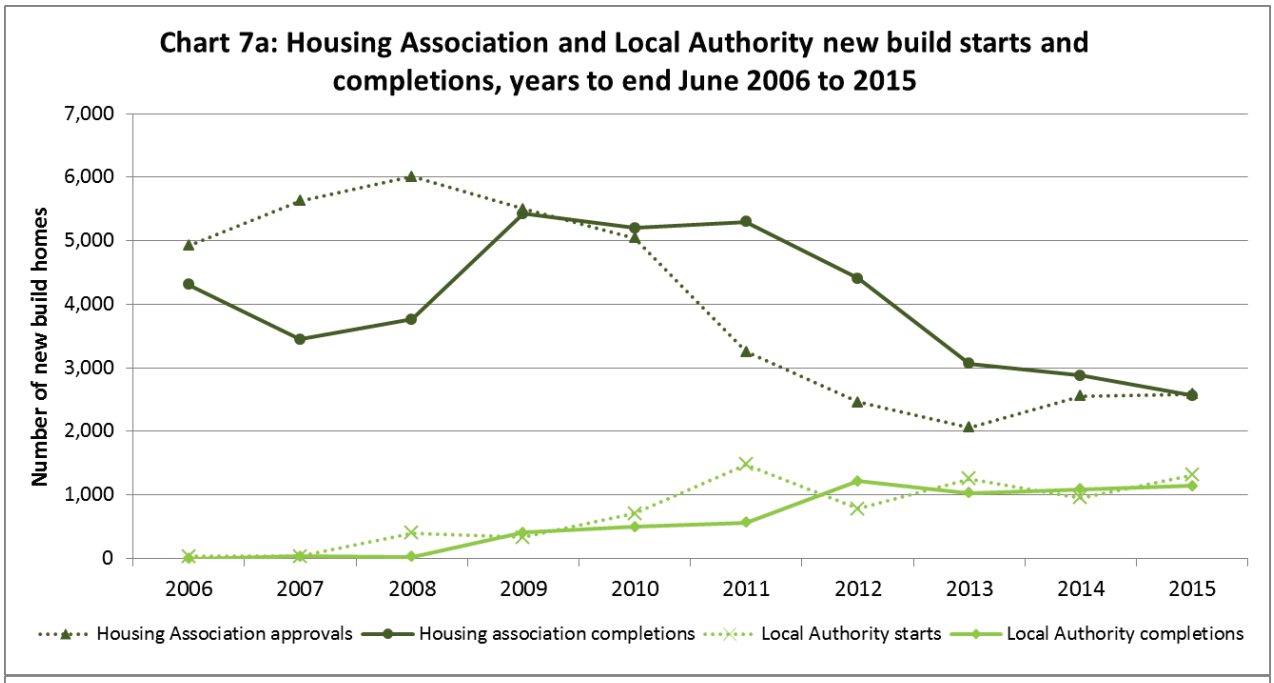
Map B: New build housing - private sector completions: rates per 10,000 population, year to end June 2015

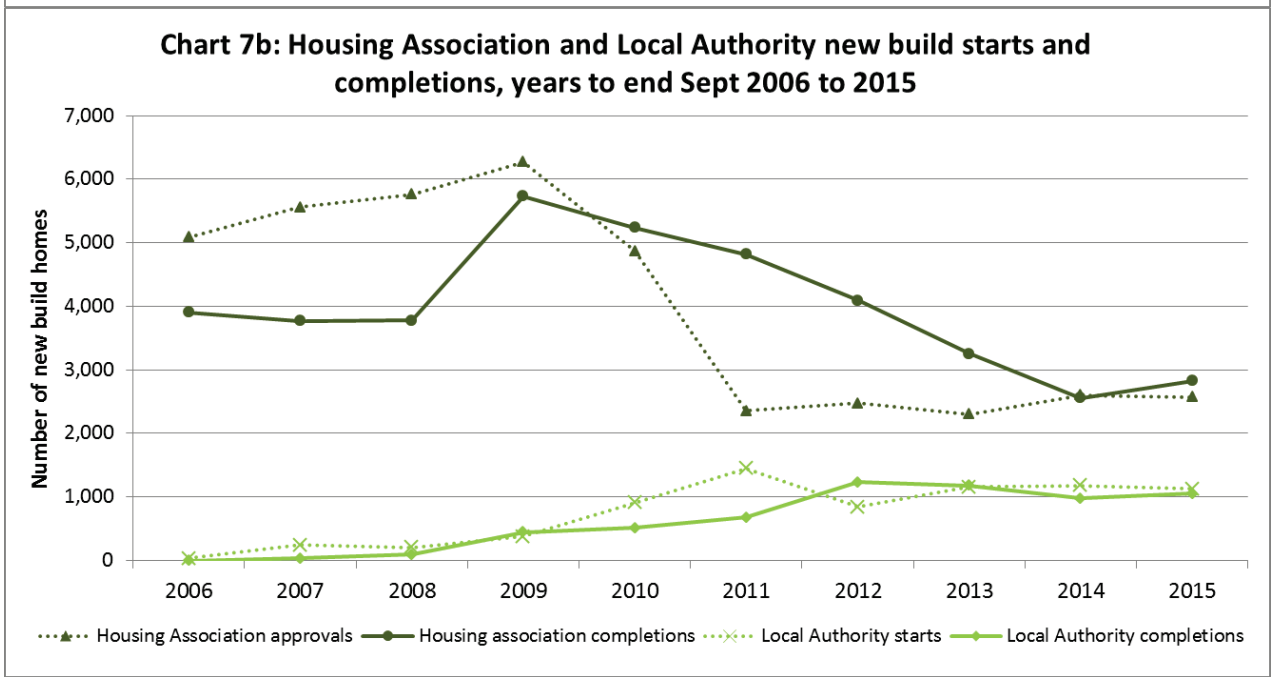


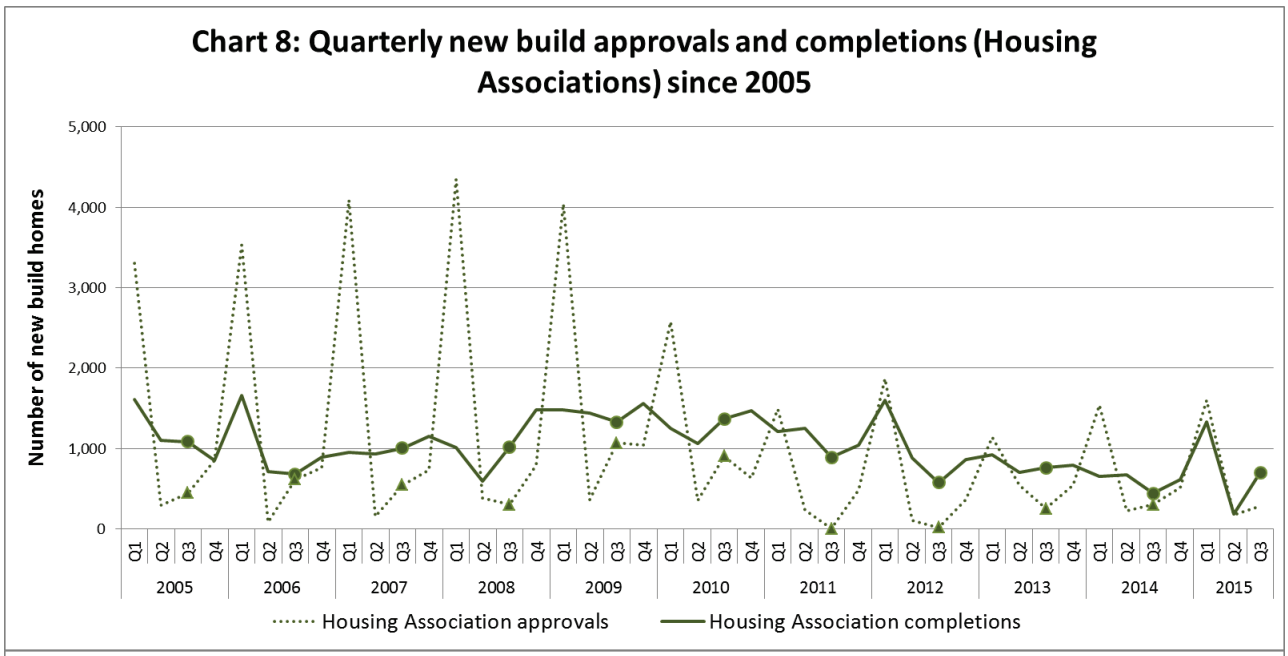
New Build Housing – Social Sector

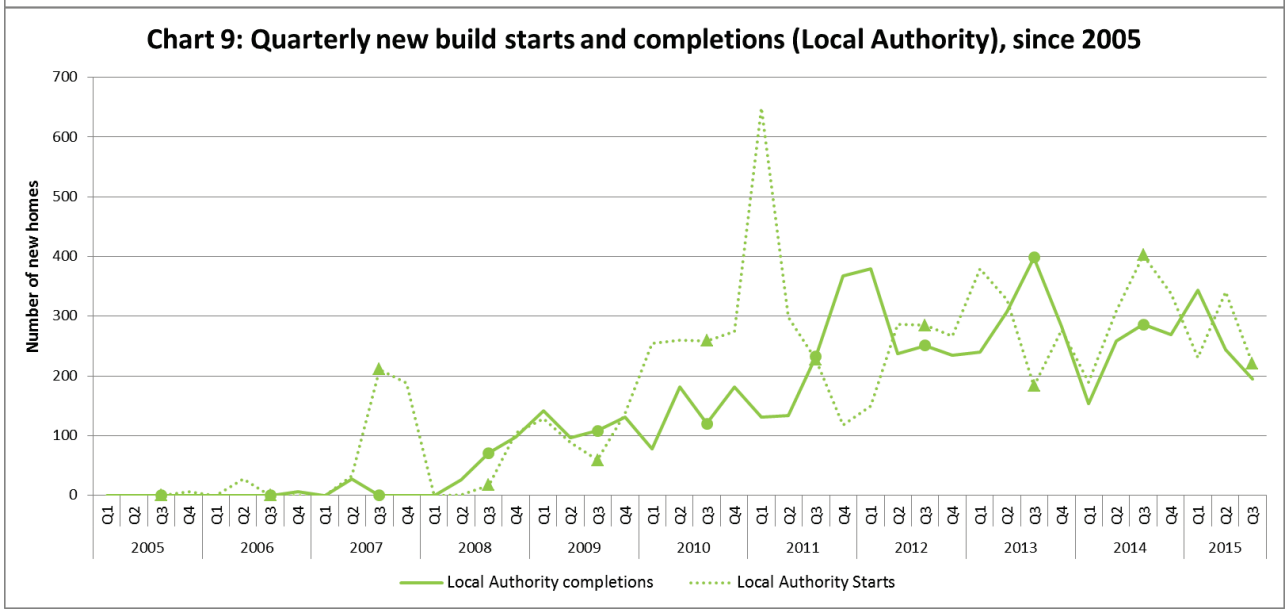
Social sector housing consists of local authority and housing association housing, and has accounted for around a quarter (24%) of all new build homes completed over the 12 months to end June 2015. Social sector figures are collected a quarter ahead of those for the private sector meaning that figures are available up to the end of September 2015. However, to enable easier understanding of how each sector contributes to the all sector totals described previously above, figures are also presented for the same time period to end June (although quarterly charts include the latest quarter's data).

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









Trends over the last ten years:

Chart 7a shows the number of local authority and housing association homes started and completed each year (to end June) since 2005, whilst Chart 7b shows the same information but up to end September (the most recent information available). Charts 8 and 9 show quarterly figures for housing associations and local authorities respectively.

Social sector house building has not followed the same pattern as the private sector over time, as the number of homes being built did not suddenly drop in 2008 following the recession.

Between 2006 and 2008 (years to end June) the number of housing association completions were around 3,500 to 4,500 each year before increasing to over 5,000 in 2009. Completions have since fallen each year since 2011, dropping to around 2,500 in the year to end June 2015.

The number of approvals meanwhile increased from around 5,000 to 6,000 from 2005 to 2008 (years to end June), before falling to around 2,000 in 2013, before rising to around 2,500 in 2015.

Almost no local authority homes were built from 2006 to 2007 (years to end June). From that point on there has been an increase in the number being built, with over 1,000 local authority homes being completed each year from 2012 to 2015. Local Authority housing has accounted for 7% of the total amount of new build homes completed across all sectors in the 12 months to end June 2015.

Trends to end June 2015:

424 social sector homes were completed between April and June 2015 (180 housing association and 244 local authority). This is less than half of the 936 completed in the same period in 2014. This brings the total for the 12 months to end June 2015 to 3,709 which is 7% less than the 3,974 completed in the previous year.

Meanwhile 520 social sector homes were started between April and June 2015 (179 housing association and 341 local authority). This is down by 3% compared to the same quarter in 2014. This brings the total for the 12 months to end June 2015 to 3,897 which is 11% higher than the 3,513 started in the previous year.

Sub-national figures for the year to end June 2015:

Maps C and D show the rates of housing association and local authority new build completions in each local authority for the year to end June 2015. The housing stock of 6 local authorities (Argyll & Bute, Dumfries & Galloway, Eilean Siar, Glasgow City, Inverclyde and Scottish Borders) has been transferred to housing associations and so these areas do not build new local authority houses.

In the year to end June 2015 rates of housing association new build completions were highest in Glasgow City, Shetland Islands and Argyll & Bute whilst no new housing association houses were built in Aberdeenshire, East Ayrshire, East Renfrewshire, Midlothian, Moray, Renfrweshire and South Ayrshire.

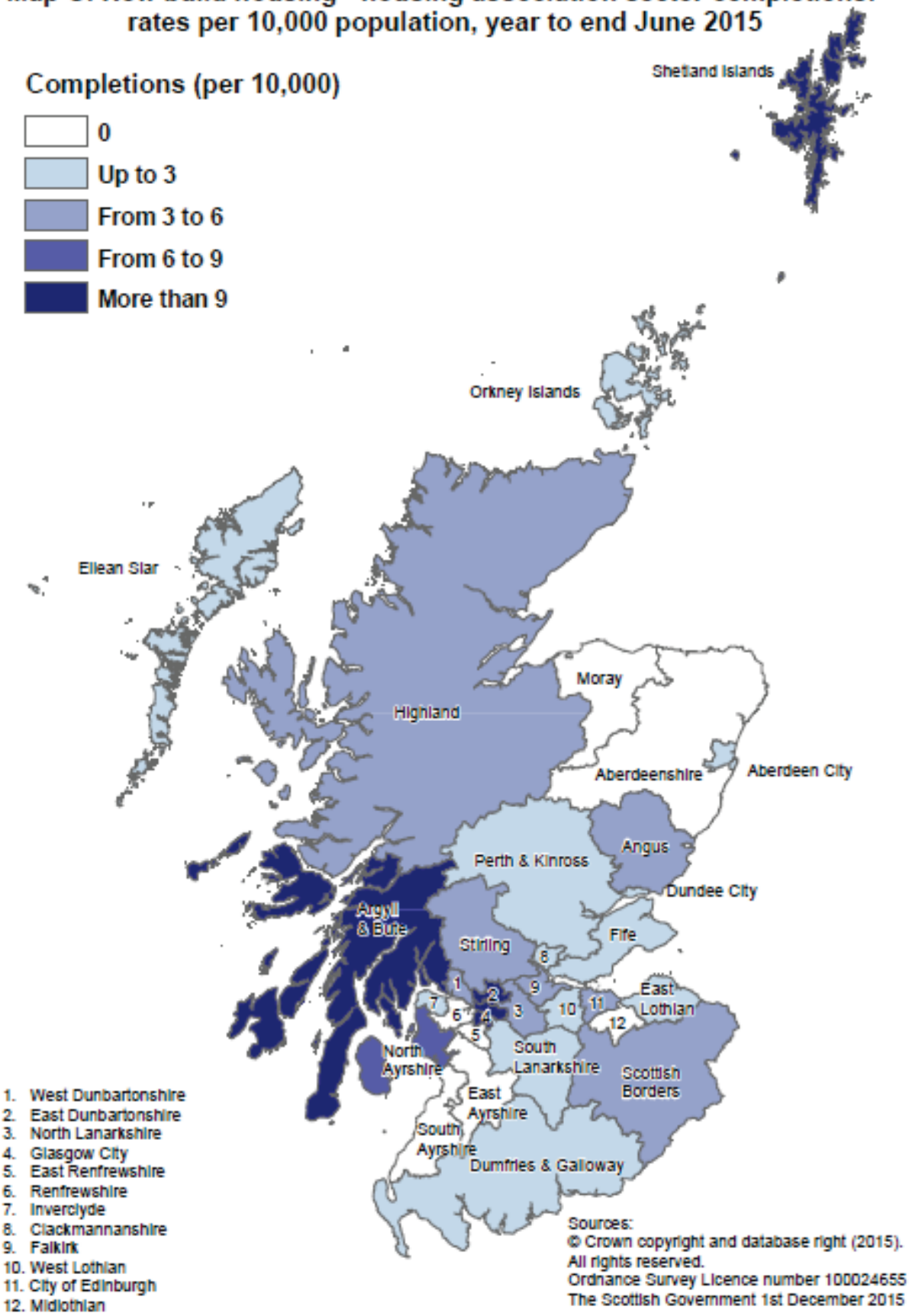
Meanwhile local authority new build rates were highest in the Orkney Islands, Highland, and East Ayrshire. Beside the 6 stock transfer authorities mentioned above Aberdeen City, Aberdeenshire, Dundee City, East Renfrewshire, Renfrewshire and South Lanarkshire built no new houses during the year.

Latest data to end September 2015:

A total of 895 social sector homes were completed between July and September 2015, 23% more than the 725 homes completed in the same period in 2014. This brings the total for the 12 months to end September 2015 to 3,879, which is 10% more than the 3,540 completed in the previous year. The increase in the 12 months to end September 2015 is due to increases in both Housing Association and Local Authority led completions (10% and 7% increases respectively). See charts 8 and 9.

Meanwhile 508 social sector homes were started between July and September 2015. This is down by 27% compared to the same quarter in the previous year. This brings the total for the 12 months to end September 2015 to 3,703 which is a 2% decrease on the 3,779 starts in the previous year. The decrease in the 12 months to end September 2015 is a result of Local Authority starts increasing (49 homes) and Housing Assocation approvals increasing (29 homes). See Charts 8 and 9.

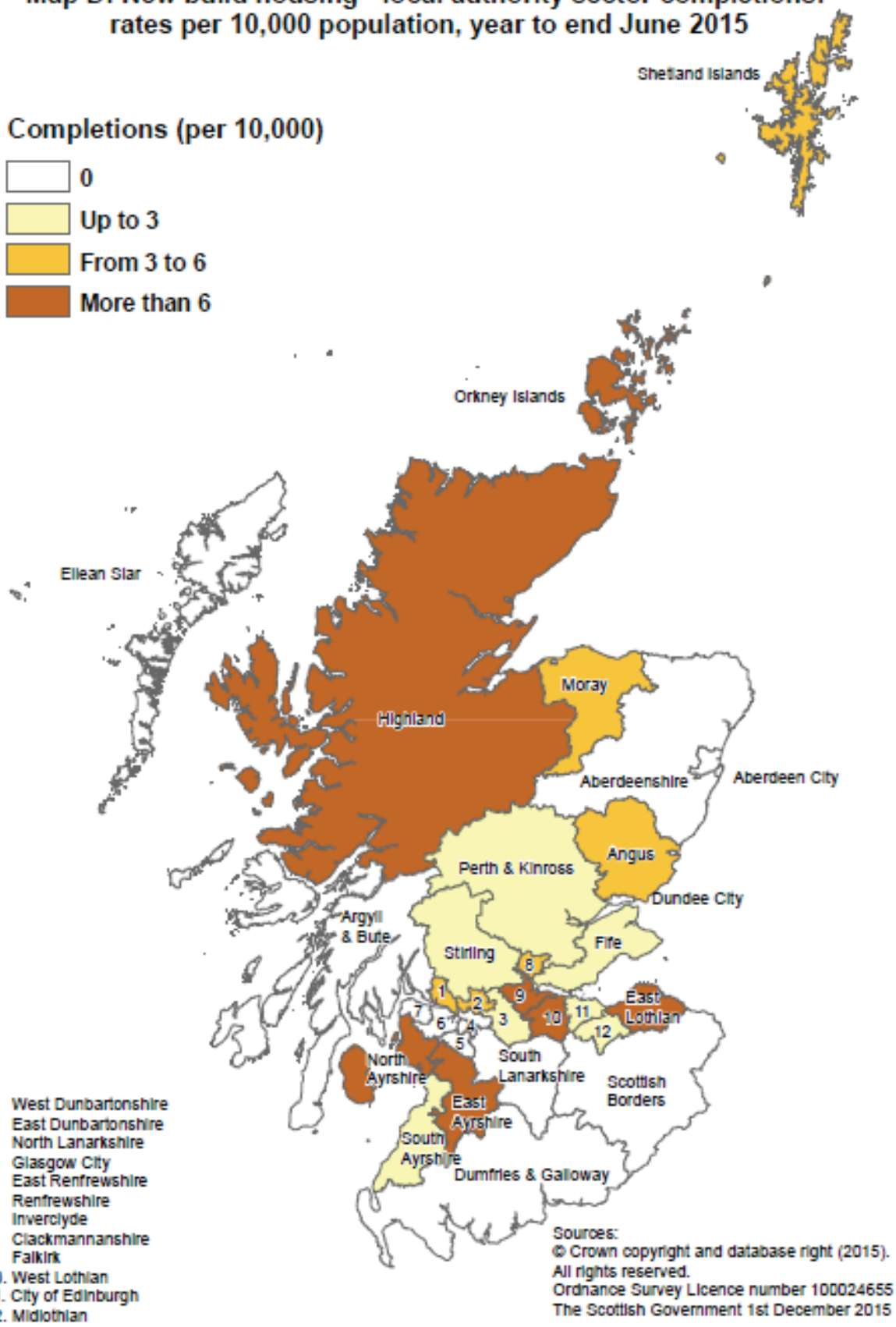
Map C: New build housing - housing association sector completions: rates per 10,000 population, year to end June 2015



Sources:

The Scottish Government 1st December 2015

Map D: New build housing - local authority sector completions: rates per 10,000 population, year to end June 2015

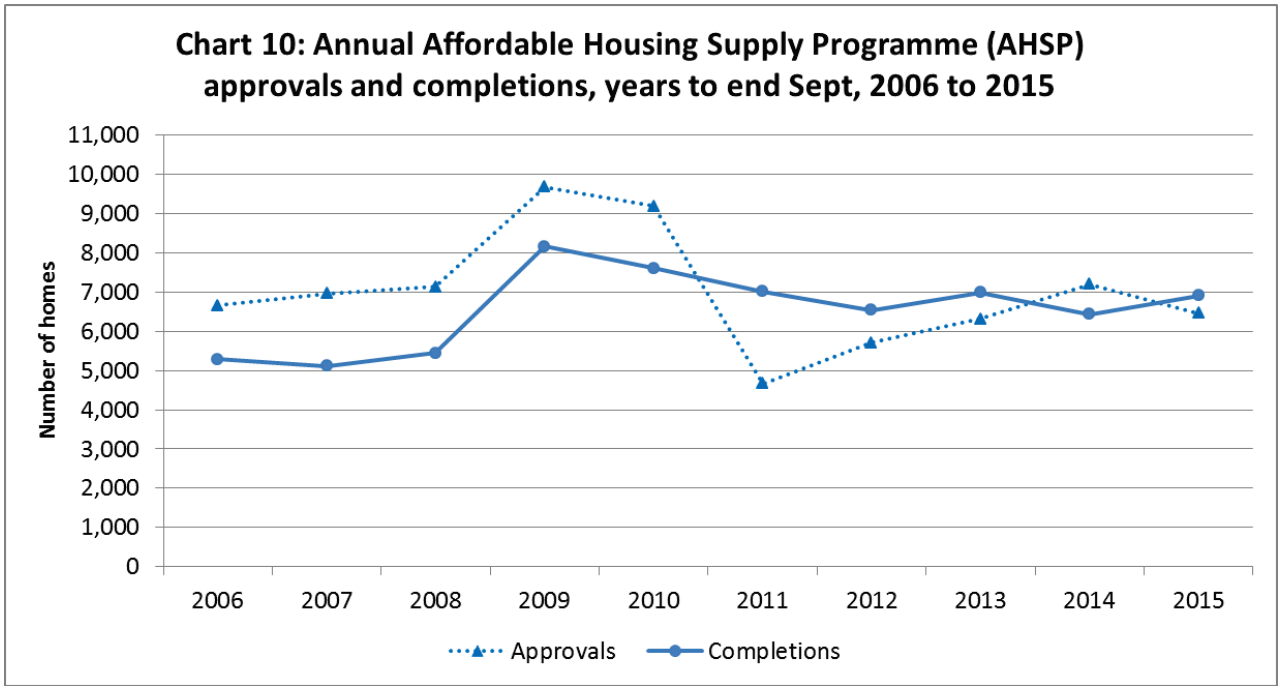


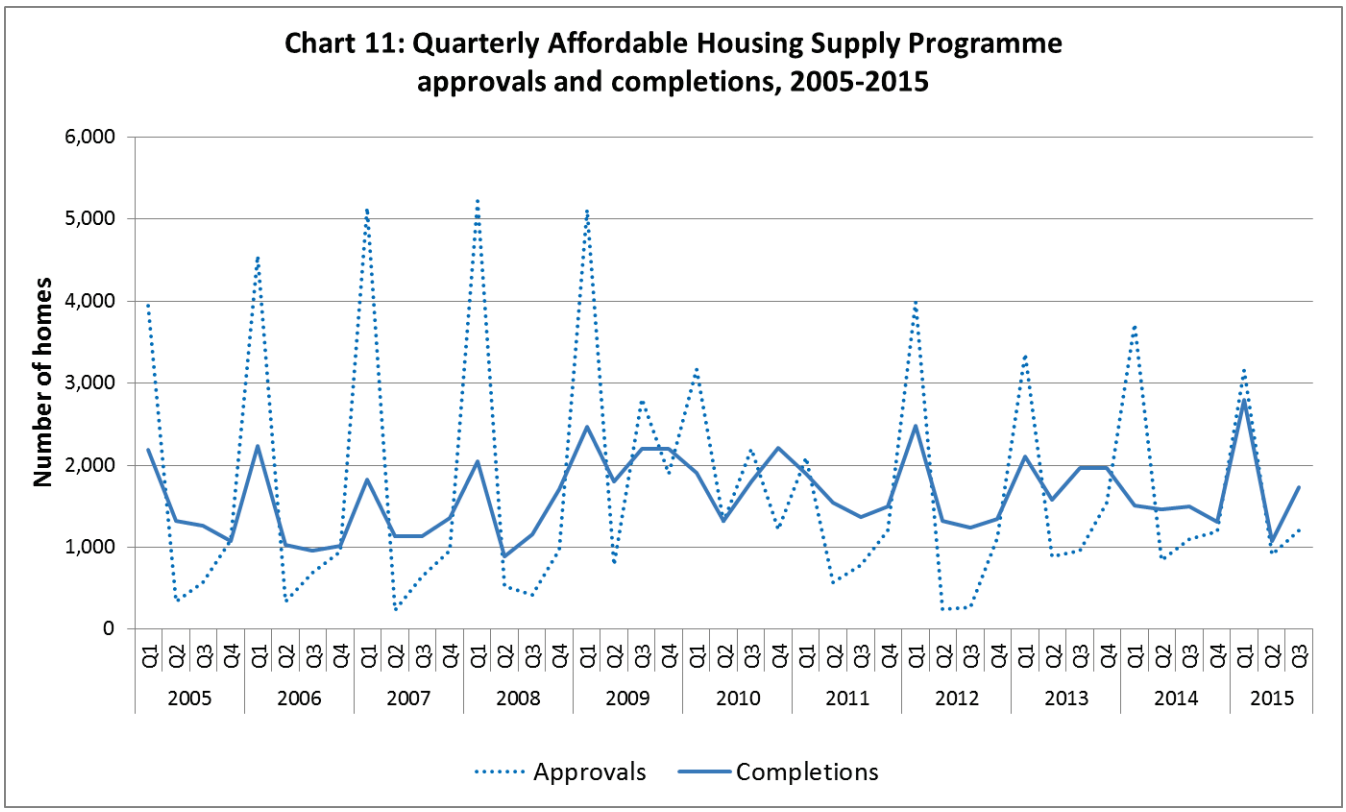
Affordable Housing Supply up to end September 2015

Affordable Housing Supply Programme (AHSP) statistics reflect the broader supply of affordable homes (i.e. for social rent, affordable rent and affordable home ownership) and include off the shelf purchases and rehabilitations as well as new build. The social rent new build element of this covers largely the same houses referred to in the social sector new build section of this report. Statistics for the AHSP are available up to the end of September 2015. As a result they have been presented here for the year to end September. This differs from the figures in much of the remainder of this report which cover years to end June.

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

Approvals, starts and completions are all measured for the AHSP. Approval is the point at which funding is granted and, along with completion, is a significant part of the administration process meaning that the data should be of good quality. Starts meanwhile can be recorded at any point in the development, for example when site clearance begins or any point up to the beginning of ground works for foundations. As a result approvals are generally deemed a better measure than starts for AHSP data.

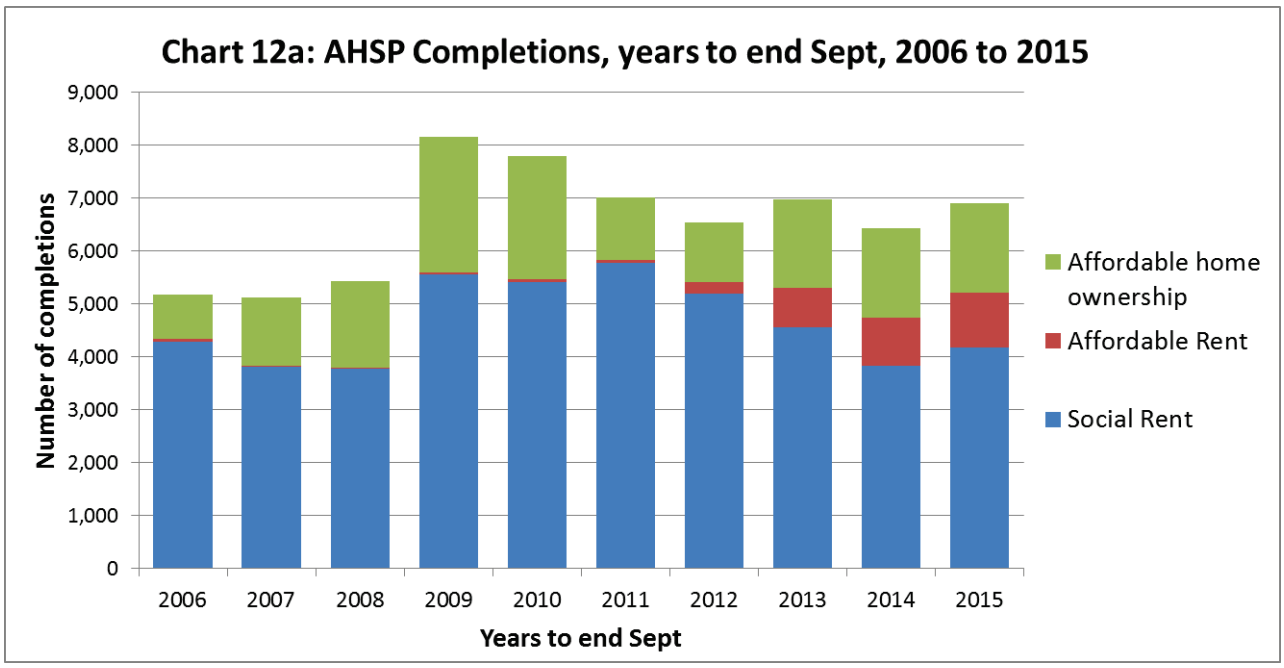


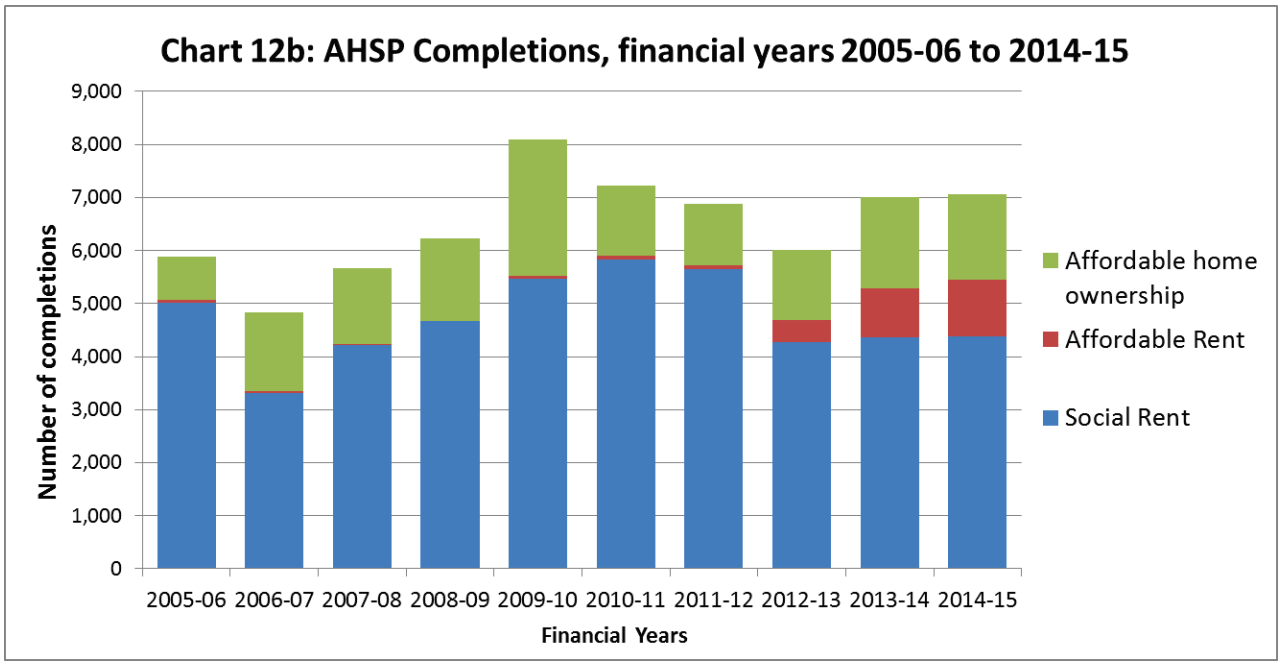


A total of 1,731 affordable homes were completed in the quarter between July and September 2015. This is 234 (16%) higher than in the same quarter in the previous year. It brings the total for the year to end June 2015 to 6,912 completions, up 7% on the previous year.

Between July and September 2015 a total of 1,201 affordable homes were approved. This is 99 (9%) more than in the same quarter in the previous year. It brings the total for the year to end September 2015 to 6,465 approvals, down 11% on the previous year.

Chart 12a below shows that in 2015 (year to end September), the total affordable housing supply programme completions have increased since 2014, and this increase has been driven by an increase in affordable rent and social rent. Social rent completions dropped between 2011 and 2014, but increased by 9% (352 homes) in 2015. Affordable rent completions have shown continuing growth since 2011, and over the past year they have increased by 13% (122 homes). Affordable home ownership completion numbers have shown little change between 2014 and 2015.





Affordable Housing Supply Completions up to end October 2015

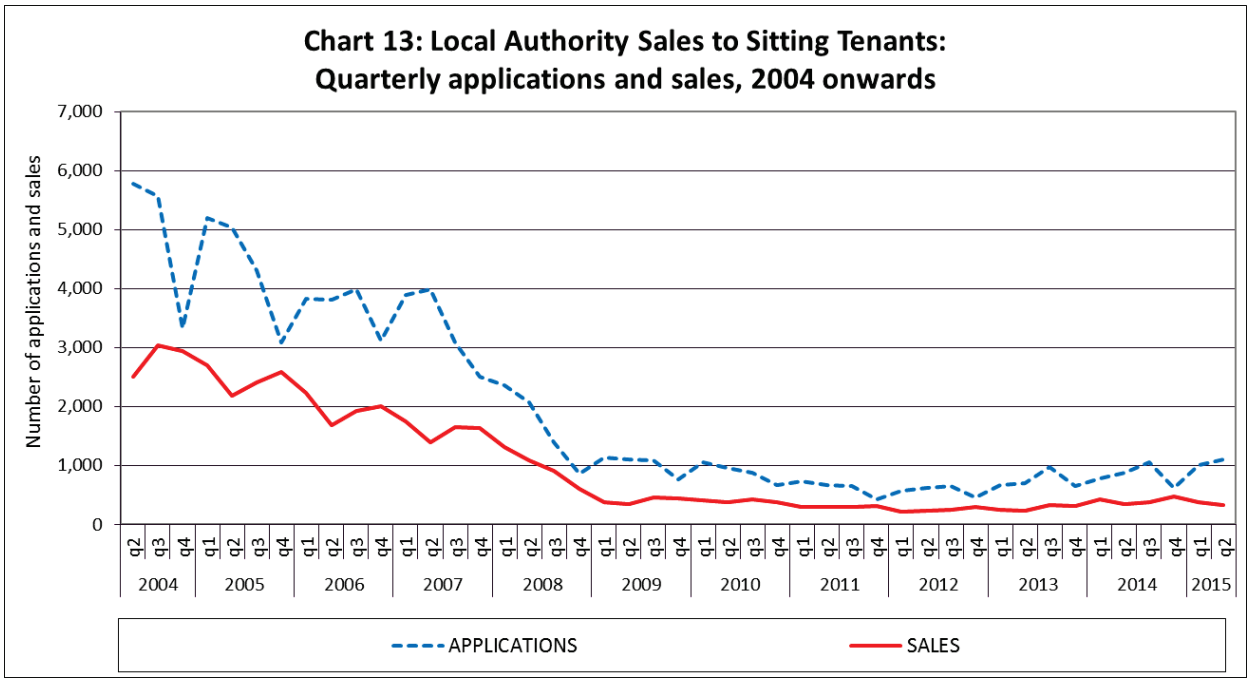
As a one-off to help inform progress in meeting a target in a timely way, this section provides an update on affordable housing supply completions for the month of October in relation to the Scottish Government's target to deliver 30,000 affordable homes, 20,000 social rented homes, and 5,000 council homes between 2011-12 and 2015-16.

Including preliminary figures for the month of October 2015, there were a total of 30,133 affordable housing completions between April 2011 and end-October 2015, a figure which exceeds the target by 133 homes. Social rented completions during this time period totalled 20,400 exceeding the target by 400 homes, and council house completions totalled 5,292 exceeding the target by 292 homes.

The preliminary completions figures for the month of October are based on summary totals extracted from the Scottish Government affordable housing supply database on 11 November. The figures for October 2015 will therefore include all completions logged in the database by this point in time, but may exclude any completions for October 2015 where information is received and logged at a later point in time. The October 2015 figures should therefore be considered to be preliminary estimates and may be revised upwards when we publish the next quarterly update for October to December 2015.

Sales of Local Authority Dwellings to Sitting Tenants (Right to Buy)

Most sales of local authority housing to tenants are sales under Right to Buy although a small number cover other sales such as voluntary sales by local authorities to sitting tenants.



In July 2013 the Scottish Government announced that the Right to Buy was to end for all tenants. Immediately following this announcement the number of applications and the number of sales both increased (by 39% and 44% respectively) compared to the previous quarter.

The most recent figures available are for April to June 2015. During this period there were 1,099 Right to Buy applications (25% higher than in the same quarter the previous year, and 57% higher than in the same quarter in 2013) and 320 sales (5% lower than in the same quarter in the previous year, but 40% higher than in the same quarter in 2013).

Throughout the year to end June 2015 there were 1,537 sales to sitting tenants, 10% more than in the previous year and 3,786 applications which is 16% more than the previous year.

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 statistics. It is collected annually from local authorities and is available for:

- **Unoccupied Exemptions**: generally properties which are empty and unfurnished for less than 6 months and exempt from paying council tax[1]
- **Long Term Empty Properties**: properties which have been empty for more than 6 months and are liable for 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. They are entitled to a council tax discount of between 10% and 50%. At the time when this report was written, all local authorities had opted for a 10% discount on second homes.

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

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 100% on certain properties which have been empty for one year or more. These changes, along with associated improvements in the data held by local authorities, have led to the reclassification of a number of properties between the long term empty and second home categories. Some local authorities have also reported issues with categorising properties on their management information systems which may have impacted on the figures. This should be kept in mind when comparing the numbers in recent years.

The latest figures, for September 2015, show that there were 27,317 second homes, 44,056 unoccupied exemptions which have generally been empty and unfurnished for less than 6 months, and 36,419 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 half (17,163 or 47%) had been empty for over 12 months, and of those 8,442 had a council tax discount below 10% or a council tax increase applied under the new powers described above.

[1] Further details can be found here: http://www.gov.scot/Resource/0042/00423608.pdf

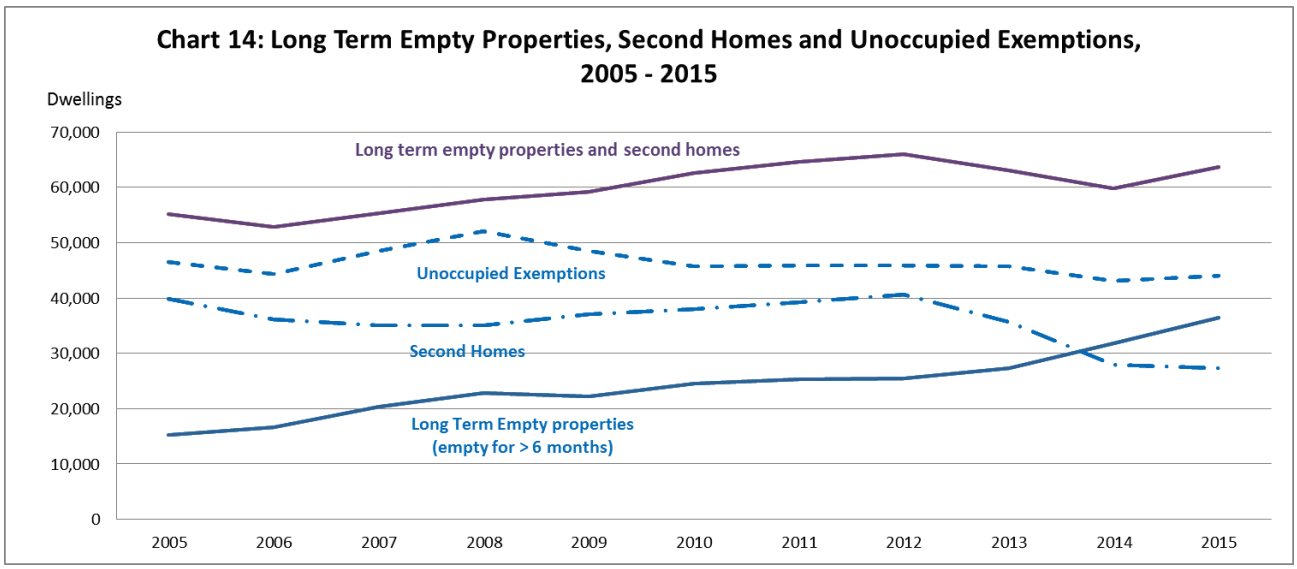


Chart 14 above shows that, since 2005, the number of Long Term Empty properties has generally been on the rise, having more than doubled over this period, however some of the rises in 2013 to 2015 will be due to the reclassification of some properties in the light of the new powers described above. The number of second homes has remained more steady until recently, with the reductions in 2013 to 2015 also likely to be at least partly due to reclassification. The number of unoccupied exemptions has remained relatively steady since 2005, aside from a slight increase in 2008.

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 in the latest year by 3,973 properties (7%) to 63,736. However, this change over time should be interpreted with some caution; 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 real changes in numbers of properties.

Notes

This document should be read along with the explanatory document which provides information on how the statistics are collected and how they should be interpreted are provided below.

Starts and completions

New build information is provided for starts (when the foundations are begun) and completions (when a building inspector deems the property complete). In general, the number of starts will be a strong indicator of the likely trend in completions over the longer term, but there may well be differences over the short and medium term depending on factors such as the housing market, economic climate, access to finance, and speed of construction. A wide range of factors can influence the length of time it takes for a new private dwelling to be constructed, including the type of property (house, flat etc.), and the overall size of the site. Depending on the size of the site, the average time from start to completion of the entire site can range from anywhere between around 1.5 years to 2.75 years. Individual homes, or blocks of homes, might be completed in shorter timescales if parts of the site are completed in advance of the rest.

Comparing over time

New build figures are not seasonally adjusted and so it's not always appropriate to compare the latest quarter's figure with the previous one. In particular Housing Association approvals tend to peak in Quarter 1 of each year due to the way in which funding is allocated to these projects. This document generally compares the latest quarter's figures with those for the equivalent quarter in previous years or it compares the latest 12 month period with the previous one. For series where there is no obvious seasonal pattern it may also compare with the average quarterly figure over a period of time.

A National Statistics publication for Scotland

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Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

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How to access background or source data

The data collected for this statistical bulletin are available via an alternative route:
http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS

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