

7 Housing supply

Introduction

A key task within LHSA is to describe housing supply in a way that allows the identification of any system problems, given the overall housing policy framework. The purpose of this chapter is to explain how to analyse housing supply within a particular area in a way that subsequently allows understanding of its overall adequacy, and identification of key supply problems that need to be addressed.

In this chapter therefore we will establish how to:

- Define, categorise and describe existing supply.
- Use available and new information to measure important aspects of existing supply.
- Assess the ways in which existing stock is being used.
- Measure and understand the impact of new supply.

And how, through completing these tasks, to provide a clear understanding of the structure of the supply side of a local housing system.

Defining housing supply

What do we mean by ‘housing supply’? The answer may seem obvious, and the question hardly worth posing. But housing supply can mean many different things in practice, and it is important to be clear and precise as to which meaning is being employed in any specific context, in order to avoid confusion.

Geography and housing supply

Firstly, discussion of ‘the supply of housing’ has to be related explicitly to a specific area or areas. (Chapter 4 discussed how to identify local housing system areas, and chapters 8, 9 and 10 take this discussion further with respect to specific tenures).

Stocks and flows

At any point in time within any specific area there will be a stock of residential properties. The ‘stock supply’ of housing refers to a snapshot of what is available within an area at a specific date and how it is being used. Over a given period of time, (say a year) this stock will be changing because of a number of different factors:

- Over time, the condition of property will deteriorate through wear and tear, and some will be demolished. If a stock of property when built is expected to last for 50 years without any maintenance or repair, we might consider that 2% of it will be ‘used up’ each year (although individual property repair requirements are likely to have a much more complicated time structure than this implies).
- Some of the deterioration of existing stock will be being addressed through maintenance expenditure – which may be enough to fully offset the effects of wear and tear over the corresponding period.
- Properties will in some instances be being significantly upgraded beyond their original specifications (through the introduction of double glazing, efficient central heating, or property extension, for example).
- Property will be being removed from the stock, either temporarily (to allow major repair and upgrade work to proceed) or permanently (through conversion or demolition).

- Property will be being added to the stock, again either temporarily (through use of holiday accommodation for residential use for parts of a year) or permanently (through subdivision of existing properties, or the addition of new residential units).

At the end of the year, an area may have the same 'stock' in terms of the number of residential properties, but a very different supply, in any one of a number of respects. For example:

- Overall it may be of a better or worse general standard than it was previously, due to investment or wear and tear through use.
- It may have changed in terms of the type of property or typical size of property available, if for example terraced housing is being demolished while flats are being built.
- It may have a different energy efficiency profile due to targeted investment activity.

And so on.

In addition to 'supply' changing because an existing number of residential properties is being used in different ways over time, the overall number of properties may itself have risen or fallen, depending on the balance of demolition, new build and conversion activities, or efforts to bring non-effective stock back into use.

'Flow' supply relates in part to change to the number of residential properties in an area over a period of time, and in part to changes in occupancy of existing stock, over the same period of time. For example, if the stock in an area was 1,000 dwellings as at 01 January 2004 and 100 new units are added between then and 31 December 2004, the 'net new flow supply' for the year would be 100, and the new stock supply at 01 January 2005 would be 1,100. If also in 2004, 70 properties experienced a change of resident (known as turnover); the 'turnover flow supply' from within the existing stock for that year would be 70. 'Total flow supply' for the year would therefore have been 170 dwellings.

Over a period of one year, changes to the profile of an existing stock (and the turnover occurring within it) are likely to be reasonably marginal (although this depends on the area under consideration: Demolition of 100 residential units, or provision of 20 new flats through conversion of an old factory will register as minor change across a local authority that encompasses 60,000 dwellings, but as very significant to a neighbourhood of 500 properties). However, the cumulative impact of change builds up quickly. Over five years, new supply alone could add 5% or more to the stock of housing available in an authority, and investment in the existing stock could fundamentally change its profile in a number of ways, including how quickly parts of it are turning over.

Stock and flow issues should both be addressed but need to be carefully distinguished in LHSA work.

Quality and existing supply

A different dimension of supply arises from the fact that a residential property as such is little more than a structured pile of bricks, mortar, glass, plastic, wood and metal. It only fulfils a purpose if it meets the requirements of those that live in it, or would like to do so. In the first instance, this means that properties must meet minimum quality standards. At present in Scotland, the only statutory standard is the 'Tolerable Standard', and a building considered to be 'Below Tolerable Standard' (BTS) should be made the subject of statutory action by the local authority in the area of which it is located. The Tolerable Standard was first introduced in 1969, and by 2002 the [Scottish House Condition Survey](#)¹ (SHCS) estimated only 20,000 properties in Scotland overall (some 1% of occupied stock) to be BTS. A Housing Improvement Taskforce set up by Ministers in 2001 has now recommended a higher standard be adopted for Tolerability. Table 1 provides details of the existing Tolerable Standard and the HITF proposals for a new Tolerable Standard.

¹ http://www.communitiesscotland.gov.uk/web/FILES/SHCS2002report_revised.pdf

Table 1 The current and proposed Tolerable Standards

A house meets the current Tolerable Standard if it:

- Is structurally stable
- Is substantially free from rising or penetrating damp
- Has satisfactory provision for natural and artificial lighting, for ventilation and for heating
- Has an adequate piped supply of wholesome water available within the house
- Has a sink provided with a satisfactory supply of both hot and cold water within the house
- Has a water closet available for the exclusive use of the occupants of the house and suitably located within the house
- Has a fixed bath or shower and a wash-hand basin, each provided with a satisfactory supply of both hot and cold water suitably located within the house
- Has an effective system for the drainage and disposal of foul and surface water
- Has satisfactory facilities for the cooking of food within the house
- Has satisfactory access to all external doors and outbuildings.

HITF Recommendations on the Tolerable Standard:

The Tolerable Standard should be retained as a condemnatory, pass/fail standard and as a trigger for statutory action.

The Scottish Executive should provide authoritative and detailed guidance on the operation and interpretation of the revised Tolerable Standard.

The existing wording in the Tolerable Standard in respect of rising and penetrating dampness should be retained. However, new guidance should be prepared to the effect that in respect of rising dampness the expectation is that a house should be as nearly free of rising dampness as is reasonably possible. In respect of penetrating dampness, a house should fail the Standard where the occurrence is of such an extent and severity that it would clearly and materially impact on the occupants' health, enjoyment of the house or is likely to result in the deterioration of the fabric of the building.

The Tolerable Standard should be extended to include a qualified statement on thermal insulation to the effect that a house must have basic provision of thermal insulation. The interpretation of this should be addressed in detailed guidance.

The Tolerable Standard should not be extended to include condensation or mould growth but their presence should be dealt with specifically within guidance to the effect that the moderate or severe occurrence of either within the dwelling should normally be regarded as an indicator of failure in respect of thermal insulation, heating or ventilation, as appropriate.

The Tolerable Standard should be extended to the effect that the installations for the supply, distribution and use of electrical power must be adequate and safe in use. The definition of "adequate" and "safe in use" should be dealt with in guidance.

In respect of water quality, guidance should be developed such that the interpretation of "wholesome" should be that the supply complies with the public water supply quality requirements in force. In addition, in respect of lead, any lead in the water supply pipe should be grounds for failure.

Source: Scottish Executive 2003, [Stewardship and Responsibility](#)²: A Policy Framework for Private Housing in Scotland: The Final Report and Recommendations of the Housing Improvement Task Force.

[HITF recommendations](#)³ on the Tolerable Standard recognise that what is acceptable changes through time, and the existing Tolerable Standard is no longer socially acceptable; a house could pass the current Tolerable Standard and still provide appalling conditions for people to live in. The Scottish Executive has also recently announced a higher standard: the [Scottish Housing Quality Standard](#)⁴ (SHQS). Table 2 provides the detailed definition of the SHQS. This includes minimal energy efficiency standards that are intended to contribute to the elimination of fuel poverty. All

² <http://www.scotland.gov.uk/library5/housing/pfph-00.asp>

³ <http://www.scotland.gov.uk/library5/housing/pfph-00.asp>

⁴ <http://www.scotland.gov.uk/consultations/housing/msshletter.pdf>

properties in the social sector are expected to attain or exceed this standard by 2015. Many Councils and Registered Social Landlords are currently considering adopting standards that may in significant respects be higher than the SHQS.

Table 2 The Scottish Housing Quality Standard			
Housing Quality Criteria	Criteria definition	Criteria elements	Failure assessed by:
COMPLIANT WITH THE TOLERABLE STANDARD	The Tolerable Standard	Below Tolerable Standard	Single Primary Failure
FREE FROM SERIOUS DISREPAIR	Primary Building Elements	Wall structures Internal floor structures Foundations Roof structure	Single Primary Element Failure. An element fails where it requires repair or replacement of more than 20%
	Secondary Building Elements	Roof covering Chimney stacks Flashings Rainwater goods External wall finishes Access decks/ balustrades Common access stairs / landings, pathways within the curtilage of the dwelling Individual dwelling balconies / verandas Individual dwelling, attached garages, internal stairs Damp Proof Course Windows/ doors Common windows/ roof lights Underground drainage	Failure by two or more elements An element fails where it requires repair or replacement of more than 20%.
ENERGY EFFICIENT	Effective Insulation	Cavity insulation where technically feasible and appropriate 100mm loft insulation where appropriate Insulation of hot water tanks and pipes (and cold water tanks as an ancillary measure)	Single Element Failure
	Efficient Heating	A full house central heating system that has an acceptable efficiency rating, or similarly efficient heating system that is developed in the future	Single Element Failure
	Additional energy efficiency measures	Additional energy efficiency measures, where technically feasible, necessary to achieving a minimum NHER rating of 5 or SAP rating of 50	Single Element Failure where a necessary, practical measure has not been implemented
MODERN FACILITIES AND SERVICES	Bathroom Condition	Bathroom amenities should include a WC, bath or shower and wash hand basin in good and usable condition	Single Element Failure An element fails where it requires repair or replacement of more than 25%

	Kitchen Facilities	Adequate kitchen storage to current building standards where practical (1m ³ within or adjacent to the kitchen; space for a cooker and related activity space in front of it to allow safe use) Safe kitchen working arrangements, including worktop space on at least one side of, and at least the same width as, the cooker Sufficient power outlets (6 or more sockets)	Single Element Failure
HEALTHY, SAFE AND SECURE	Healthy	Internal pipe work lead free Mechanical ventilation in the kitchen and bathroom where this is required to tackle persistent problems of condensation dampness and mould growth Adequate noise insulation where there are problems with external noise from, e.g. traffic or factories	Single Element Failure Persistent problem categorised by condensation or mould on more than 5% of the wall and ceiling area of bathroom or kitchen
	Safe	A smoke detector present in the home Safe electrical systems Safe gas and oil systems and appliances Common stairwells, lifts, lobbies, courts, laundry and drying areas, refuse chutes and bin stores, where provided, in good and safe order Adequate lighting in common internal and external areas within the curtilage of the house	Single Element Failure
	Secure	Secure front and rear access doors Front door entry systems and secure rear access to enclosed common areas	Single Element Failure

Note: Some criteria have additional explanatory notes, not reproduced here

Source: Scottish Executive 2004

In the private sector, aside from instances where owners may be required to, for example, bring properties up to the Tolerable Standard or rectify serious disrepair that has been subject of a statutory notice, it is ultimately considered a matter for individual owners to decide whether to make improvements if their properties do not meet the SHQS. However, local authorities are expected to take account of the Scottish Housing Quality Standard in monitoring the condition of the private sector housing stock in their areas; to consider what measures might be adopted to encourage

private owners to undertake relevant works, including use of [Improvement and Repair Grants](#)⁵ (funded by the Scottish Executive through Private Sector Housing Grant), and to report on progress in future Local Housing Strategies.

A further residential quality-related legislative responsibility on Councils derives from the 1995 Home Energy Conservation Act (HECA), which was introduced into Scotland in December 1996. HECA designated all Scottish Councils as energy conservation authorities, placing a duty upon them to devise strategies that would result in significant improvements to the energy efficiency of all existing dwellings (social and private) over the ensuing 10 to 15 years. Under the Act Councils were required to produce initial strategies for submission to the Scottish Secretary of State by the end of 1997. Taking into consideration the energy efficiency characteristics of their respective local housing stocks, across all tenures, as of April 1997, authorities were required to consider cost-effective, practical and feasible strategies for achieving a broad target of around 30% improvement in the energy efficiency of that stock. First progress reports, covering the period between April 1997 and the end of March 1999, were submitted to the Scottish Executive for the end of January 2000. Most authorities have subsequently submitted updated progress reports (see, for example, the most recent [Perth and Kinross HECA report](#)⁶).

The Scottish Executive requires these various quality considerations to form part of the core focus of council LHS. They are the foundation of four of the five '[national housing priorities](#)'⁷. They should therefore form part of the explicit description of existing supply contained within LHSA.

Effective and non-effective housing within the existing housing supply

Quality is one consideration in determining whether residential units should be counted as part of the 'effective housing supply' within an area. A house below Tolerable Standard is clearly no house at all for the purpose of providing a satisfactory living environment for people. There are other reasons why properties may physically exist, but not be considered part of overall stock supply.

- Residential properties may be deliberately held vacant in order to allow demolition or rehabilitation to occur.
- Properties may be held vacant because there is no demand for them (or this is believed to be the case).
- Properties may be used, at least for regular and significant periods of the time, as second or holiday homes.

LHSA should include information on the extent of ineffective stock in an area, and the reasons why that stock is considered ineffective, as well as information on how this may be changing.

Stock that is fit for purpose

Properties may be considered to be in the effective supply, and to meet the various quality standards discussed above, yet still not meet some peoples' reasonable requirements. One reason for this is that one or more members of a household have a particular need that a property (literally) cannot accommodate. The idea of 'barrier free' housing has recently come to prominence. Barrier free housing is defined as housing and its environment that is designed to allow for the needs of almost everyone. This includes:

- People with temporary or permanent impaired mobility due to accident, illness or old age and who may use a wheelchair for some of the time.
- People who have difficulty with steps, bending down or reaching or who lack dexterity.
- People with impaired sight or hearing.

⁵ <http://www.scotland.gov.uk/library5/housing/girg-00.asp>

⁶ <http://www.pkc.gov.uk/council/services/hecareport.pdf>

⁷ <http://www.lhs.scot-homes.gov.uk/priorities.htm>

- People with impaired memory, learning or reasoning.
- People pushing and manoeuvring prams.

The key features of barrier free housing allow such people to reach the entrance from a road or parking area and enter a dwelling, move around the dwelling, access essential rooms including the bathroom, and operate all fittings, services and controls. In 1999 Scottish Homes published design guidance on [Housing for Varying Needs](#)⁸ embracing the barrier free concept for new housing, and covering more generally design issues for households that include older people, ambulant and other disabled people, and wheelchair users. New social stock is expected to meet barrier free standards and private developers are strongly encouraged to comply also. As the proportion of the population with need of such housing continues to rise, existing stock that does not meet barrier free standards becomes an increasing potential problem. LHSA should explicitly consider what proportion of stock meets barrier free and varying needs standards. (Specialist housing is considered in detail below).

Another reason for apparently effective housing to be considered not fit for purpose (and in extreme circumstances to be rejected by the majority of, if not all households) is that perfectly serviceable stock in terms of dwelling specific attributes can be situated poorly with respect to job opportunities, and services people need or value, such as shops, health and school services, and leisure facilities. This issue is considered in chapters 8 and 9 where low demand is discussed.

Specialist housing supply

The stock of residential property in an area will fulfil a broad range of roles, catering for both those with 'general' needs and, increasingly, also those with particular needs. The existing supply of housing will also include properties serving specialist roles.

Specialist housing is a general term that is used to describe housing that has one or more of the following features:

- Specialist building type, such as where it has been designed for a wheelchair user.
- Grouped housing occupied by people with care and support needs. This includes sheltered housing.
- Housing where support or care is an integral part of the accommodation (in other words the resident cannot choose whether or not to receive the support). This is often called supported accommodation.

There has been a gradual move away from assuming that people with care and support needs want and should live in 'different' housing and the emphasis is increasingly on using 'ordinary' housing to meet these needs. Specialist housing remains an important and distinctive part of the local stock supply and there are many who argue that it has a long-term role. Table 3 provides official definitions for a range of particular housing types that may be found in particular locations and should be explicitly considered in describing and analysing overall housing supply.

⁸ <http://www.official-documents.co.uk/document/deps/cs/HousingOutput/start.htm>

Table 3 Special Needs Housing definitions

Definitions of each of the types of special needs housing are as follows:

Sheltered Housing

The design is based on the standards for general needs housing with the addition of the following features:
The housing should be provided at ground or first floor level, or in blocks over 2 storeys high served by at least one lift.

Space standards should be the same for one or two person general needs houses.

Handrails should be provided on both sides of all common access stairs and on at least one side of all common access areas and passages.

Bathroom doors should be either sliding or capable of opening outwards, and fitted with locks operable from the outside.

Bathroom floors should have a non-slip finish.

Handrails should be fitted beside the WC and bath/shower.

A space heating system must be provided which is capable of maintaining a temperature of 21-C when the outside temperature is -1-C in the following parts of the house: living area, sleeping area, kitchen, bathroom, and hallway.

Light switches arranged to line horizontally with door handles.

Socket outlets fixed at a height of at least 500mm above the floor.

A warden service should be provided.

An emergency call service should be provided connecting each house to a warden system.

Very sheltered housing

This form of housing (sometimes known as "care" and "extra care" housing) generally has all the features listed for sheltered housing but will usually have special bathroom facilities. In addition, a greater level of care and support is offered through the service of extra wardens, full-time carers or domiciliary assistance and the provision of meals.

Sheltered wheelchair housing

The design is adapted to wheelchair standards but also has the features listed above for sheltered housing and is for elderly people confined to wheelchairs, rather than other such disabled people.

Amenity housing

The design is based on the standards of general needs housing with the addition of those features listed in the first nine points of the sheltered housing definition. A community alarm may or may not be fitted.

Community alarm

A system of alarms in more than one special needs house linked to a central point either manned or temporarily supervised or via telephone link-up, where a response can be guaranteed to a distress call.

Wheelchair housing

This consists of dwellings for people confined to wheelchairs. It is built or adapted to give extra floor area, whole house heating, special bathroom, kitchen and other features.

Ambulant disabled housing

This consists of dwellings for people with disabilities who are not confined to wheelchairs. It is built or adapted to general needs housing standards but has a level or ramped approach, WC and bathroom at entrance level and other special features.

Other specially adapted housing

Dwellings with other adaptations, such as those with renal dialysis equipment, are included here, if information is available.

Exclusions

Wardens' housing and Hostel accommodation are excluded.

Special Needs Housing data are collected by Housing Statistics Branch in the Scottish Executive Development Department via the [S1-B form](#)⁹

⁹ http://www.scotland.gov.uk/about/DD/EAS/00014844/Form_S1B.pdf

Attention should also be given to how it interacts with other accommodation, which is not 'housing'. Specialist housing can be seen as a point on a spectrum of accommodation for people with care and support needs – others may live in care homes or in long stay hospital wards.

Some of the specialist housing will be registered with the Care Commission as a care home, raising definitional and boundary issues about when to count it as part of the housing stock supply and when not to. There is no absolute rule here. There is a role for local interpretation and in any case the context is shifting. However a general rule of thumb is that accommodation is part of the housing system where there is a landlord/tenant relationship in place and where there is no nursing care provided as an integral part of the accommodation.

Of course ultimately it is not important what it is called, so long as overall people have good quality accommodation that meets their needs. Recent changes to make it easier for local authorities (housing and social services) and health to pool budgets and purchase accommodation and services together may in due course remove the need to define this boundary. However while funding streams and procurement processes remain separate, the distinction between housing (funded by the housing sector) and accommodation in community settings (funded by others) is needed.

Table 4 provides a comprehensive list of communal establishments as recognised by the 2001 Census. As noted, these types of supply can all interact both with specialist housing and with more general housing supply to influence the overall operation of the housing system. For example, contraction of hostel accommodation or decisions to reduce the number of care homes for older people can affect pressure on the supply of rented accommodation generally in local areas, as well as for specialist provision.

Table 4 Types of communal establishment recorded under the 2001 Census	
GROS provides a derived variable, CECTMCEWS, which is a combination of Communal Establishment Type and Communal Establishment Management Type information recorded through the 2001 Census. The types derived through Census are as follows:	
Medical and Care Establishments	
NHS	Other Establishments
Psychiatric hospital	Defence establishments (including ships)
Other hospital / home	Prison Service establishments
Local Authority	Probation / Bail hostel (not Scotland)
Children's home	Education establishments (including halls of residence)
Nursing home	Hotel, boarding house, guest house
Residential care home	Hostel (including youth hostels, hostels for the homeless and persons sleeping rough)
Other home	Civilian ship, boat or barge
Housing Association	Other
Home or hostel	Total number of categories: 21
Other	
Nursing home	
Residential care home	
Children's home	
Psychiatric hospital	
Other hospital	
Other medical and care home	
Source: GROS 2003, Scotland's Census 2001 Supporting Information, Version 1 ¹⁰	

¹⁰ [http://www.gros-scotland.gov.uk/grosweb/grosweb.nsf/pages/file5/\\$file/supporting_information.pdf](http://www.gros-scotland.gov.uk/grosweb/grosweb.nsf/pages/file5/$file/supporting_information.pdf)

Temporary accommodation

Temporary accommodation is accommodation that is *not permanent* – i.e. that is not one of the following:

- Owned by the occupier.
- Rented under a Scottish Secure Tenancy.
- Rented under an Assured Tenancy that is not a Short Assured Tenancy.

And is provided by social landlords in order to fulfil the requirements of Scottish Homelessness legislation. In many instances, the accommodation provided as temporary is not in fact distinguishable from any other type of general accommodation; it is only *the terms under which it is being let* that make the accommodation temporary. However, it is nonetheless fulfilling a specialist role, and in these instances, the amount of accommodation performing this role is an important potential indicator of the pressures that exist within a housing system, and as such will be discussed in later chapters.

However some temporary accommodation **is** specialist in nature. In particular hostel accommodation for the homeless falls into this category. There are also a number of non-permanent dwelling structures such as caravans and houseboats. These should be allowed for in profiling supply where possible. In most local contexts they will form a very small part of overall provision in both absolute and relative terms. In Scotland, it is mainly City of Glasgow Council that uses hostels as temporary accommodation under the Homeless Persons legislation. "In fact, almost all households in hostels in Glasgow have been placed there by the authority under the Homeless Persons legislation. In other authorities, particularly in the cities, there are many households in hostels that have not been placed there by the local authority under the Homeless Persons legislation." [Statistical Bulletin HSG/2003/5](#)¹¹.

Profiling supply from existing housing

In order to develop robust understanding of a local housing system, it is necessary first to be able to provide a meaningful picture of the existing housing supply. The preceding discussion leads to the following points to note:

- When profiling supply, it is important to link it clearly to the geography of the local housing system.
- In portraying 'supply' within a local housing system, it is essential to be clear about what is being included, and to clearly differentiate elements of 'stock' and 'flow' supply.
- Analysis of housing supply should include an explicit consideration of the quality of existing supply, and the existence, extent, and distribution of different types of non-effective stock. It should also include explicitly residential property that is performing specialist roles within the geographic area being considered.

Done well, profiling existing supply will generate answers to a number of fundamental questions:

- How much effective housing is there within specific areas of interest? How much ineffective housing is there, and what is its nature (holiday home; derelict property)?
- What is the profile of housing in terms of size, tenure and type characteristics? Are these profiles distinctive in any way (such as high proportions of flatted accommodation, or stock of a particular size)?

¹¹ <http://www.scotland.gov.uk/stats/bulletins/00271-28.asp>

- What is the quality profile of the stock? What is the extent of disrepair? Are specific types of quality problem apparent? Are they physically concentrated or dispersed? Do they affect particular tenures? Do they affect particular parts of the stock (such as the lower end of the market)?
- What adaptations for people with particular needs exist within the stock? Are they well matched to the requirements of people living within it?

There is an art to this, and developing the art takes practice. Table 5 and Annex 8 provide examples of intelligently presented summary information on type, tenure, and condition data relating to existing supply.

Table 5 Summary information on existing supply characteristics									
Edinburgh's housing stock									
The most obvious feature of Edinburgh's housing stock, in comparison with Scotland as a whole, is the dominance of flats. These account for 62% of all residential properties. This is, of course, uneven across the City as the following table shows:									
	Rural West	North West	S West	S East	North East	Central	Outer Central	Water front	Total
Detached house	21	24	13	9	7	1	10	7	10
Semi-detached	28	19	17	26	11	1	9	5	12
Terraced	30	26	16	24	21	6	17	8	16
Flat/maisonette	21	31	54	38	61	92	65	80	62
Other	1	-	-	4	1	-	-	-	1
Total	100	100	100	100	100	100	100	100	100
To some extent the property types both reflect and influence the tenure pattern of the City. In particular, the distribution of the houses and different types of flats helps to determine who lives in the areas. The use made of properties also reflects the character of the areas. This is seen especially in the importance of the private-rented sector in some areas and property types.									
The tenure pattern of Edinburgh is striking in two respects: the proportion of households renting from the Council is substantially lower in Edinburgh compared with Scotland while the private rented sector accounts for almost as much renting within Edinburgh as does the Council. There is substantial variation in the distribution of the tenures between the eight sub-areas within which the study was conducted.									
	Rural West	North West	SW	SE	NE	Central	Outer Central	Water front	Total
Owner-occupied	78	79	65	50	70	61	69	58	66
Owned outright	27	38	28	16	25	20	29	19	25
Buying with m'tgage/loan	51	42	37	34	45	41	40	39	41
Rented	21	17	32	48	29	37	29	42	33
Local authority	17	11	27	41	19	2	5	25	17
Housing Association / Co-op	2	4	2	5	4	7	3	4	4
Private rented	3	3	4	2	6	28	21	13	12
Other	1	2	3	2	1	2	2	1	2
Tenure change in Edinburgh									
Over a ten-year period (1990-2000) there has been very little movement between tenures through households moving house. Among owner-occupiers who had moved only 5% had previously been in social renting.									

(However, through Right to Buy, movement from social renting to owner-occupation is significant. The sale of Council houses has created 22,000 owner-occupiers since 1980, an average annual rate of about 1,100 per year). Moves from owner-occupation to social renting and from private renting to social renting are more common, with each accounting for 15% of social renters who had moved in the ten years prior to the survey. The transitional nature of the private rented sector is also clear, with 26% of owner-occupiers and 15% of social rented tenants previously in private renting.

Another way of looking at this, rather than looking at the proportion of people in each tenure who previously had a different tenure, is to consider what proportion of people previously in each tenure are now in each tenure. Of the people whose most recent move was out of a social rented property, 80% moved to another social rented property while 11% moved into owner-occupation. Similarly, most owner-occupiers who moved stayed within the owner-occupied sector, with only 7% moving from owner-occupation to social renting. The most recent move of people who had been in the private rented sector-led to another private let or owner-occupation. Emerging households – those who had been living with their parents – tend to separate between the sectors broadly in proportion to the overall size of each sector, although the private rented sector again appears to act as an intermediary stage between living with parents and eventual owner-occupation. The main conclusion from this is that it is reasonable to look at the owner-occupied housing market and the social rented system as functionally separate sectors, with very little interaction between the two. (Emphasis added)

The condition of Edinburgh's stock

Edinburgh, along with seven other Scottish local authorities, decided to commission a local boost to the 1996 Scottish House Condition Survey (SHCS). The report of the Edinburgh boost, published by Scottish Homes in 1998, represents the most up to date cross-tenure information on the physical condition of housing in Edinburgh although it is unable to take into account repair or improvement work carried out in any sector since 1996. The Local Report presented findings at a city-wide level so it is not possible to disaggregate the data for analysis of the eight housing market sub-areas. The SHCS Local Report found the majority of the housing stock to be in reasonable repair. However, around one in five homes were assessed as being in poor repair and one in two has at least one outstanding repair. As might be expected, the likelihood of disrepair rises with the age of the property. It is also higher in council housing than owner occupied housing. The energy efficiency of the Edinburgh housing stock was rated at 4.2 out of 10, considerably lower than is considered desirable. Dampness and/or condensation are present in one fifth of homes, with older, flatted and local authority homes most affected. The SHCS Local Report estimates that around 0.4% (or around 780) of occupied dwellings were BTS in 1996. Edinburgh Council has chosen not use the Local Report's estimate, but has instead continued to compile its own estimate. The Council estimated there to be just under 7300 BTS properties in the City in 1996.

Source: DTZ Peda 2000 [Edinburgh Housing Needs and Market Analysis](#)¹²

¹² <http://download.edinburgh.gov.uk/housingdev/>

Sourcing information

Producing a reliable, consistent and up-to-date description of the housing stock in a local housing system is a complex exercise. A range of data sources will inevitably have to be used, and will invariably cover different time periods, different geographical levels, and involve definitions that vary. It is important when using data from a range of sources at a number of different geographical levels to bear in mind data limitations, and not to use it in inappropriate ways. Table 6 provides a summary of the most important potential data sources. Below (and in more detail in a number of Annexes) we consider the most important of these data sources.

Table 6 Existing supply data requirements and sources	
Information Needed	Possible Sources
Effective Supply	Council tax registers 2001 Census Local authority housing plans Community Care and Supporting People Plans Scottish Office statistical bulletins Structure/local plan teams
Ineffective Supply: Long Term Empty Properties Second and Holiday Homes BTS Housing	Council tax registers 2001 Census House condition surveys (SHCS and LHCS) Council Environmental Health records RSL management systems
House size, type and tenure Information	Council tax registers 2001 Census House condition surveys (SHCS and LHCS) Local authority housing plans Structure/local plan teams Council/RSL management systems
House condition Information	House condition surveys (SHCS and LHCS) 2001 Census (presence of amenities) Council Environmental Health records/HMO Register RSL management systems and stock condition surveys
Vacancy and Turnover Information	Council tax registers 2001 Census Council/RSL management systems House condition surveys (SHCS and LHCS) Estate Agents and Solicitors Land Register/Sasines data
Price and Rent Information	Registers of Scotland Council/RSL management systems Rent Officers Citizens Advice Bureaux Local Press Community Care and Supporting People Plans Estate Agents, surveyors and Solicitors

2001 Census¹³

Census data provides an important source of information on the existing housing stock in an area at the point in time at which the Census was conducted. It provides information on property type, tenure, size, occupancy, amenities, property sharing, and information on communal properties. The value of this information reduces as we move away from the date at which the Census was undertaken, but for many specific issues it can provide a useful starting point. Of particular value is the fact that the Census provides data at very small area levels, and many different area levels, which means that data can in most instances be aggregated up to geographies of particular

¹³ <http://www.gro-scotland.gov.uk/grosweb/grosweb.nsf/pages/censushm>

interest. Moreover small areas may experience less overall change than bigger ones, meaning the stock data contained within the Census can remain relevant for much longer periods. For example, a Council area may witness 500 new dwellings being built between 2001 and 2006, and 200 demolitions. But if these all occur on the West side of the Council, areas on the East side will have experienced no net change to the existing stock, and therefore stock estimates for these areas based on the Census will remain valid.

Census data is available [on-line](#)¹⁴ for users to investigate specific issues. Tables 7 and 8 provide examples of using Census 2001 online to investigate different supply issues in specific local contexts. More advice on handling Census data is provided in Annexes 3 and 5.

Table 7 Example of Census 2001 SCROL Analyser Output	
UV 70 Communal Establishments: Geographical Level: Settlement Area: Stornoway	
Medical and Care Establishments:	
NHS:	
<i>Psychiatric Hospital/Home</i>	
<i>Other</i>	2
Local Authority	
<i>Children's Home</i>	
<i>Nursing Home</i>	
<i>Residential Care Home</i>	3
<i>Other Home</i>	
Housing Association	
Home or Hostel	
Other	
<i>Nursing Home</i>	2
<i>Residential Care Home</i>	
<i>Children's Home</i>	1
<i>Psychiatric Hospital/Home</i>	
<i>Other Hospital</i>	
<i>Other Medical and Care Home</i>	
Other Establishments	
<i>Defence Establishments (including ships)</i>	
<i>Prison Service Establishments</i>	
<i>Educational Establishment (including halls of residence)</i>	
<i>Hotel, Boarding Homes and Guest Houses</i>	8
<i>Hostel (including youth hostels and hostels for the homeless)</i>	2
<i>Civilian Ship, Boat and Barge</i>	
<i>Other</i>	2
ALL COMMUNAL ESTABLISHMENTS	20
Source: GROS SCROL Analyser ¹⁵	

¹⁴ <http://www.scrol.gov.uk/scrol/analyser/analyser?actionName=choose-topic-and-table>

¹⁵ *ibid*

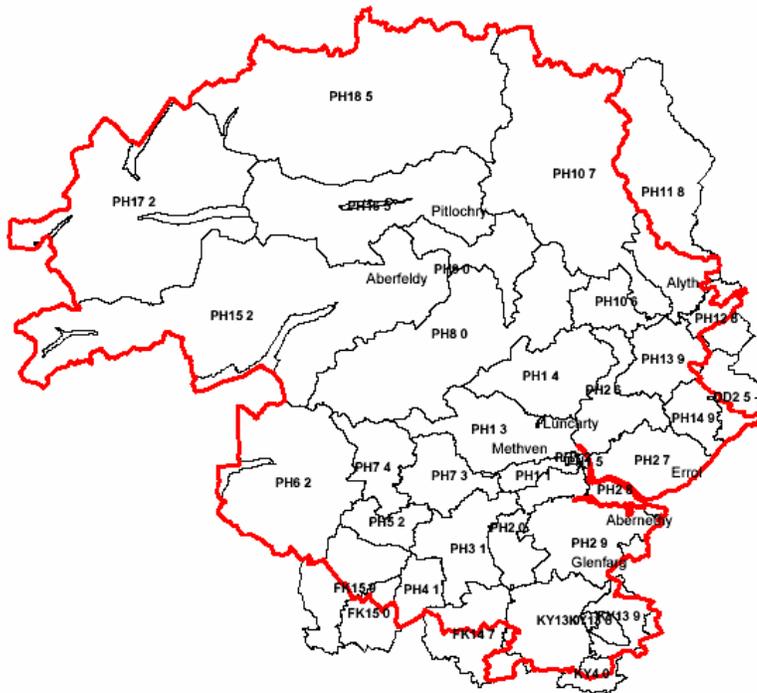
Table 8 Investigating vacant and second homes in Perth and Kinross using Census 2001

Non-effective stock is more prevalent in P&K than in Scotland generally. 10 of the 38 postcode sectors that fall in whole or in part within P&K have more than 5% of the available housing stock in second or holiday home ownership. Within this, 3 postcode sectors (PH10 7, PH15 2 and PH16 5) – all contiguous, and based on the Spittal of Glenshee, Aberfeldy and Pitlochry respectively – contain almost half the second and holiday housing in P&K. PH15 2 on its own contains a quarter of the P&K total. Census results indicate very few second/holiday homes in Kinross.

There are differing opinions about the impact of second and holiday homes. Some suggest that “second and holiday homes and retired household growth...are reducing levels of affordability and available supply for local populations” (HMCS 2000, paragraph 6.26) in Highland Perthshire. Others point out that many of these properties are not suitable for permanent occupancy; that the second and holiday home market contributes to the local economy; and that many existing residents rely on low paid and seasonal employment and are unlikely to have the financial means to purchase regardless of local house prices.

A total of six out of 38 postcodes sectors have more than 5% vacant stock. In contrast to second and holiday homes, most empty property is situated in urban areas. In particular, three postcode sectors (PH1 2, PH1 5 and PH2 8, which cover Hillyland/Letham, Town Centre/Muirton, Bridge of Earn – again all contiguous) contain 30% of all vacant stock in P&K. PH1 5 on its own contains almost a fifth of the P&K total, and within this the clear majority of this stock is either flats, tenemental or maisonette type housing and in the social renting sector. The only other postcode sector with over 5% vacant stock is PH10 6, which is located on Blairgowrie and contains the council estate of Rattray where low demand problems are beginning to emerge. Issues of low demand in these areas are discussed in the Sustaining Communities issues paper.

The Council commissioned a survey of vacant properties in the private sector within Perth Town in 1999: “the results of the survey suggest that vacant domestic property is not generally a major problem within Perth City”.



Sources: Newhaven Research 2003, Perth and Kinross Future Housing Demand, Supply and Needs Issues Paper; Communities Scotland Business Intelligence Unit; [GROS SCROL Analyser](http://www.scrol.gov.uk/scrol/analyser/analyser?actionName=choose-topic-and-table)¹⁶

¹⁶ <http://www.scrol.gov.uk/scrol/analyser/analyser?actionName=choose-topic-and-table>

Council tax registers

Scottish Councils are required by law to maintain a Council Tax Valuation (CTV) list, which is a public document. CTV lists are maintained and updated regularly by appointed Assessors and each list contains the addresses and Council Tax bands of all domestic properties in an Assessor's area. It also shows certain properties that are exempt. Some councils update the [CTV list](#)¹⁷ on a daily basis.

Some care is needed in interpreting the 'dwelling' information on CTV lists. In general terms any kind of house or flat will count as a dwelling, including second homes that are not let out commercially. Caravans count as dwellings if they are someone's main home. Certain properties in multiple occupation where facilities are shared may count as dwellings as might parts, such as staff accommodation, of hotels etc. Domestic lock-ups are also defined as "dwellings" but these are exempt from Council Tax charges.

In principle, CTV lists offer a way to calculate total dwellings in particular areas, and to identify some non-effective stock (via exemptions). The Scottish Executive, under its [Neighbourhood Statistics Initiative](#)¹⁸, is currently evaluating the use of CTV lists for providing Ward level total dwelling counts, benchmarking results against Census counts. The CTV list also provides a potential sampling frame for stock condition survey work (see below).

Some Councils use Council Tax systems to record other data, for example tenure, however this is neither universal, or where undertaken, consistent across authorities. Recent DTLR guidance (DTLR 2000) for England strongly supports the development of Council Tax systems as an important data source for LHS type work:

*"It is strongly **recommended** that Council Tax **systems are modified or enhanced** so that analysis can be performed, at regular intervals, showing the tenure breakdown of the stock, the current void rate, the duration of voids, and turnover of occupiers by tenure and sub-area. This would be a major contributor to the capability of authorities to monitor developments in their local housing markets, including not just void properties, but patterns of movement, turnover, popularity and tenure change"* (DTLR 2000, p90) (emphasis as in original).

We can only concur wholeheartedly with these sentiments. Unless and until such time as this happens, the role that Council Tax sources can play in analysing housing supply will necessarily remain more limited, but still a potentially important one.

Stock condition surveys

Local House Condition Surveys are a major potential source of information on existing housing supply. They can be configured to specific areas of interest, and focussed on particular issues of local concern. While extremely flexible, this advantage of survey work comes (literally) at a cost. It is a comparatively expensive way of generating information, especially where information is sought for comparatively small geographic areas, and this must be weighed carefully against the potential advantages of undertaking survey work in specific local contexts.

In Scotland essentially two broad types of condition survey are undertaken. The first involves detailed survey work on social rented properties for social landlords, primarily for the purposes of stock valuation and the design of detailed maintenance and improvement investment programmes. The second approach involves more 'strategic' level survey work, undertaken to provide a broad overview of housing in specific (usually Council) areas.

In the latter regard, Communities Scotland has recently produced both the [2002 Scottish House Condition Survey \(SHCS 2002\) main report](#)¹⁹, and a [local authority report](#)²⁰, which together provide an important source of benchmarked information on existing supply (at time of survey) at national and Council levels. The local authority report provides overall distributions for stock age, type, size,

¹⁷ <http://www.lothian-vjb.gov.uk/lvjb/LVJBWEB.html>

¹⁸ <http://www.sns.gov.uk/default.asp>

¹⁹ <http://www.shcs.gov.uk/>

²⁰ *ibid*

tenure, disrepair, dwellings with adaptations, and energy efficiency, as well as information on recent work undertaken on the existing stock by inhabitants, and a range of broader socio-economic information.

Council funded and commissioned 'strategic' local house condition survey work is, in some instances, restricted to private sector housing, while in others survey work covers all tenures. A further major variation where Councils have adopted this approach is that some surveys match condition survey work with socio-economic surveys of the people living in the properties sampled, and others omit this step. Finally, some of the surveys that have been undertaken by Councils closely follow guidance produced by Communities Scotland, (and are consistent with the results recently produced through SHCS 2002) while others do not (and are not).

The result is that it is not possible to say in any definitive way what is, can or should be collected and used through a stock condition survey in any particular instance, or indeed if one is needed at all. However in general terms, 'strategic' level stock survey results no more than five years old, that cover all tenures and include socioeconomic information, provide the most straightforward information source to use in profiling key aspects of housing supply, including size, type, condition, stock adaptations, and energy efficiency aspects of existing supply.

Communities Scotland recently [funded training](#)²¹ in conducting a Local House Condition Survey (LHCS) in 2002, which covered identification of information needs, planning a LHCS, selecting a sample, surveyor briefing, data outputs, analysis, and uses. More generally, Communities Scotland staff provide support and guidance on the [conduct of LHCS](#)²², particularly in the areas of project planning and surveyor briefing but also on sampling and weighting issues, and using LHCS and related software.

Where it forms a significant proportion of the existing stock, it may be possible to include special needs housing within general condition survey work and to generate statistically reliable results, but often this will not be possible, in which case separate survey work on these properties will be required, if felt necessary. More generally, gathering data on small elements of the existing supply base (such as (in some areas) the private rental sector, or sub elements thereof; very sheltered accommodation etc) will require the identification of an appropriate sampling frame. In most instances this involves taking specialist advice, although Communities Scotland house condition survey staff remain the best first port of call.

Existing plans

An important source of information on existing supply may well be existing plans including structure plans, social landlord business plans, previous local authority housing plans, and for particular needs housing, Community Care, Homelessness, and Supporting People plans. Table 9 provides an example of particular needs housing provision information sourced from a Community Care Accommodation Strategy.

Table 9 Supply information within the Glasgow 2002 Community Care Accommodation Strategy

The role of the draft Community Care Accommodation Strategy is specifically to identify the housing requirements for community care. It sits within the context provided by the Glasgow City Joint Community Care Plan 2001-2004 (July 2002) and Glasgow's draft Strategic Plan for Supporting People (15 November 2002).

Common Requirements

Large size: People with live-in support arrangements require additional bedrooms. Bathrooms and toilets for people with a physical disability need to be larger than normal size. This means that small dwellings are often unsuitable for community care use.

Unfortunately the great majority of pre-1964 dwellings in the social rented sector in Glasgow, and a substantial proportion of private dwellings of all ages, do not offer these two features, thus limiting their usefulness. In order to facilitate good levels of provision in the future, it is important to ensure that a high proportion of new dwellings, across all tenures, are built for varying needs or are barrier-free and have good space standards.

²¹ http://www.lhs.scot-homes.gov.uk/links/link2/lhna_analysis.htm

²² <http://www.shcs.gov.uk/>

Potential Role of Multi-Storey Flats and Single Persons' Flats

Given the unsuitability of much of the tenemental stock, it is important to explore fully the potential of multi-storey flats (MSFs) and of the blocks of single persons flats (SPFs) built in substantial numbers by Glasgow Corporation in the 1950s and 1960s.

MSFs tend to have relatively large flat sizes and lift access to all floors. Most also have a Concierge service. These features make them potentially valuable. However, there is relatively little experience in Glasgow in the use of MSFs for community care needs. It is understood that the Firemaster has objections to the use of flats above turntable ladder height for people with limited mobility, who could not use the stairs in the event of fire making the lifts unusable. However, this leaves at least six potentially usable floors. Potential use of MSFs requires further investigation.

SPFs have very small flat sizes. However their arrangement is suited to a group home. Conversion of a complex at Braidfauld for the Richmond Fellowship was funded under the Empty Homes Initiative in 1998/99. This experience showed that successful conversion poses tricky design problems and does not necessarily cost less than new build.

Learning Disability: Summary of current provision

At present there are 229 registered supported accommodation places and 953 unregistered places where housing support is provided (total 1182 places; approximate figures). 59% of the registered establishments have seven or more places, while 80% of unregistered houses have four places or fewer. The properties constructed under the Home Link programme were built with future flexibility in mind and are easily convertible to mainstream accommodation. 49% of places combining accommodation with support are Housing Association-owned and 19% are Council-owned.

Drugs and Addictions: Summary of current provision

Specialist residential care services encompass 139 places in seven locations. Due to the turnover rate, these places could accommodate a total of 671 people in 1999/2000.

There is a registered bed capacity of 108 with budget provision for 350 admissions per year, using around 80% of capacity.

Vulnerable Young People: Summary of Current Provision

In total, there are 24 specific services providing 445 places, of which: 38 are short term, 311 medium to long term, 22 supported tenancies, 74 places specific to care leavers. 60 supported tenancy places are planned and in development on a locality basis. This is broken down as follows:

Short term or emergency services: 38 bed spaces within three units, one provided by GCC Housing Services.

Medium to long-term services: 311 bed spaces within 17 voluntary sector units. Of these, 71 places in 5 projects are currently registered and funded by Social Work Supplementation. The remaining 240 bed spaces are unregistered services in 12 projects funded mainly through THB.

Supported tenancies: one established service for BME young people providing 22 places. 2 new locality services are in the process of being established with each providing 30 places when fully operational by 2004. In addition, GCC Housing services currently provide 117 furnished scatter flats, which are largely unsupported.

Services for Care Leavers: 2 voluntary sector registered units providing 18 bed spaces, funded through Social Work Supplementation; 14 places within supported tenancies provided by Social Work Leaving Care Services; 42 supported carer placements provided by Social Work Leaving Care Services.

Source: Glasgow City Council 2002, 'Glasgow's Community Care Accommodation Strategy'²³

²³ http://www.local.housingstrategy.glasgow.gov.uk/docs/volume2_research/03_community_care.pdf

RSLs

RSL management information systems and specifically commissioned studies (such as house condition surveys) provide an important potential source of information on many aspects of existing housing supply in the social rented sector. Much of this information in summary form, including data on which RSLs are operating where, the quantity and nature of the stock managed, letting, voids and rent data is published by [Communities Scotland](#)²⁴.

Council property information systems

Again, Council property and management information systems provide a potentially important source of information on stock number, size, type and location.

Central Government published statistics

The Scottish Executive collects and publishes a range of [relevant data](#)²⁵ with respect to existing supply, including stock by tenure at the local authority level, local authority lettings and vacancies, sales of public sector dwellings, improvement and repair grant provision, and Rent Officer Statistics.

It also provides information on [special needs housing](#)²⁶ at the local authority level, which is updated annually.

'Softer' data sources

Where quantitative information is not available (or even where it is, but interpretation is not straightforward), important insights into the nature of existing supply can be derived from the views, perceptions and opinions of organisations operating in specific areas. For example, local surveyor firms, private landlords and Citizens Advice Bureaux may all have intelligence on quality issues, or how adequate existing supply is in a number of respects. Annex 8 provides an extended example of how this type of information can be combined with more quantitative evidence to get a rounded view on the quality profile of existing supply.

Analysing use patterns within the existing housing stock

Describing the various dimensions of the existing stock as discussed above is one thing, but on its own this will provide an incomplete picture. The rest of the picture involves how intensively the existing stock is actually being used (in the present context in particular, turnover of ownership/tenancy of the stock over time and vacancy rates). Associated with turnover, (both caused by it, and in turn affecting it), will be changes to the cost of housing in terms of prices and rents.

For the most part, these considerations will be the focus of chapters 8, 9 and 10. However it is important to be clear at this point that without analysis of the use of existing stock to complement it, broad description of that stock tells us comparatively little. At the same time, if we do not have a clear picture of existing supply, information on usage is hard to interpret. Description of existing stock profiles and usage patterns are like a lock and its key: both are needed to fulfil the intended function.

Important issues that can be addressed through usage information are:

- Establishing if there is there anything distinctive about the use of the existing stock; for example parts of the stock subject to particularly high or low turnover, or significant recent change in turnover or vacancy rates (Table 10).
- Whether there are distinctive price patterns (in terms of levels or rates of change) associated with existing housing.

²⁴ <http://www.communitiesscotland.gov.uk/>

²⁵ <http://www.scotland.gov.uk/about/DD/EAS/00014844/home.aspx>

²⁶ <http://www.scotland.gov.uk/about/HD/ASD/00017672/page1104471485.aspx>

- Whether the existing supply is strongly segmented (for example in tenure terms) or strongly interconnected.

Table 10 Vacancy analysis of existing supply East Midlands 1995-2001

“The table below shows vacancy rates in the private sector. There is no evidence as to what constitutes a reasonable vacancy rate in the private sector to allow for mobility within the stock, although 4% is commonly cited. In addition this data is derived from HIP returns and its consistency across the region is open to question. A high overall vacancy rate for private sector housing may be indicative of market weakness in the private sector, but might also reflect a concentration of second or holiday homes. In 30 out of 39 districts for which data is available, private sector vacancy rates have fallen since 1996, as would be expected given the active housing market during the latter part of the period. This does not suggest that low demand and high void rates in the private sector are widespread across the region, as they are in parts of the North West and the North East”.

	% stock vacant		Percentage point change 1996-2001	%change in vacant dwellings 1996-2001
	1996	2001		
Amber Valley	5.1	4.9	-0.2	1.0
Ashfield	4.5	4.3	-0.2	3.0
Bassetlaw	5.3	3.4	-1.9	-31.2
Blaby	3.3	na	na	na
Bolsover	5.8	5.6	-0.2	7.2
Boston	3.4	8.9	5.4	185.4
Broxtowe	2.8	2.6	-0.2	-5.1
Charnwood	1.6	1.5	-0.1	0.0
Chesterfield	4.5	4.4	-0.1	2.1
Corby	3.8	2.9	-0.9	-15.0
Daventry	1.9	3.1	1.3	88.6
Derby	3.1	4.9	1.8	62.8
Derbyshire Dales	3.3	6.0	2.7	95.0
East Lindsey	4.6	3.3	-1.3	-24.6
East Northamptonshire	5.7	2.0	-3.7	-60.5
Erewash	3.9	1.7	-2.1	-52.9
Gedling	2.6	2.9	0.3	16.3
Harborough	4.5	4.1	-0.4	-3.0
High Peak	5.8	1.4	-4.4	-75.2
Hinckley and Bosworth	2.6	1.3	-1.3	-45.4
Kettering	3.1	4.6	1.5	59.5
Leicester	9.3	6.4	-2.9	-27.0
Lincoln	6.2	5.8	-0.4	-1.9
Mansfield	6.5	5.2	-1.3	-20.7
Melton	4.1	3.6	-0.5	-5.2
Newark and Sherwood	4.3	2.2	-2.1	-46.0
North East Derbyshire	4.2	3.7	-0.6	-10.3
North Kesteven	6.1	3.8	-2.3	-28.7
North West Leicestershire	4.3	4.3	0.0	10.3
Northampton	3.8	3.2	-0.6	-9.7
Nottingham City	3.5	3.2	-0.3	-6.1
Oadby and Wigston	3.2	2.6	-0.6	-16.2
Rushcliffe	0.9	2.4	1.5	185.1
Rutland	2.2	4.0	1.8	93.3
South Derbyshire	5.2	2.3	-2.9	-49.9
South Holland	5.3	3.7	-1.7	-23.9
South Kesteven	3.6	1.2	-2.4	-63.8
South Northamptonshire	5.2	1.6	-3.6	-64.8
Wellingborough	5.3	4.6	-0.7	-7.6
West Lindsey	6.5	6.2	-0.3	3.3
East Midlands	4.3	3.6	-0.7	-10.1

"The following table shows vacancy rates in the **local authority and housing association stock** between 1996 and 2001. In 22 out of 36 authorities with stock in 2001, vacancy rates had increased. At regional level the local authority void rate increased from 1.9% in 1996 to 2.4% in 2001, a rise of just over 25%, but low compared to the northern regions. In the RSL sector, the void rate was higher in 1996, but rose only slightly, so that in 2001 void rates in both parts of the social rented sector were virtually the same".

	Local Authority		Percentage point change 1996-2001	RSL		Percentage point change 1996-2001
	1996	2001		1996	2001	
Amber Valley	1.7	0.7	-1.1	2.0	1.6	-0.4
Ashfield	1.9	3.2	1.3	4.1	1.3	-2.7
Bassetlaw	3.5	4.4	0.9	2.2	2.3	0.1
Blaby	1.0	0.9	-0.1			
Bolsover	0.9	2.0	1.0		7.7	
Boston	2.0			1.7	2.2	0.5
Broxtowe	0.4	1.2	0.8	1.1	2.0	0.9
Charnwood	2.1	1.7	-0.4	2.1	1.6	-0.5
Chesterfield	1.6	2.7	1.1	7.8	2.4	-5.3
Corby	1.5	3.8	2.4	2.7	4.2	1.5
Daventry	3.1	1.4	-1.7		0.5	0.5
Derby	2.3	2.3	0.0	5.1	4.0	-1.1
Derbyshire Dales	0.4	0.5	0.1		1.6	
East Lindsey	1.2			0.1	2.5	2.4
E Northamptonshire	1.6				2.0	
Erewash	1.0	4.0	3.0	2.1	1.4	-0.7
Gedling	1.2	1.8	0.7	1.4	1.4	0.0
Harborough	3.1	3.4	0.3	0.5	1.0	0.5
High Peak	1.5	1.4	-0.1	1.0	1.4	0.4
Hinckley/Bosworth	1.5	0.2	-1.3		0.6	0.6
Kettering	1.4	1.2	-0.2	0.3		-0.3
Leicester	2.3	3.2	0.9	2.7	2.9	0.2
Lincoln	1.8	2.9	1.1	0.6	1.8	1.2
Mansfield	6.7	7.5	0.8	1.5	7.3	5.8
Melton	1.1	1.2	0.1		2.1	
Newark/Sherwood	1.2	0.5	-0.7	5.6	3.1	-2.5
North East Derbyshire	1.1	2.5	1.4	2.4	3.8	1.4
North Kesteven	1.5	2.2	0.7	1.1	4.5	3.4
N W Leicestershire	1.2	1.9	0.7	1.2	2.3	1.1
Northampton	3.0	3.7	0.7	3.4	2.8	-0.6
Nottingham City	1.8	1.6	-0.2	2.1	3.5	1.4
Oadby and Wigston	0.2	0.1	-0.1	7.9	0.6	-7.3
Rushcliffe	0.6	0.8	0.2	0.6	3.5	2.9
Rutland	0.7	0.8	0.2			
South Derbyshire	0.4	0.3	-0.1		0.7	
South Holland	1.0	0.9	-0.1	1.6	0.2	-1.4
South Kesteven	1.8	2.1	0.3	2.5	0.1	-2.4
S Northamptonshire	0.7	1.0	0.3	1.1	1.6	0.5
Wellingborough	1.2	0.9	-0.3	2.9	1.7	-1.2
West Lindsey	5.1			5.2	4.7	-0.5
East Midlands	1.9	2.4	0.4	2.7	2.8	0.2

Source: CURS 2003, Background Information on the housing market in the East Midlands

Conclusions on measuring existing supply

Understanding and measuring the nature of existing supply poses a number of challenges, not least to do it in a way which is comprehensive yet comprehensible. Measurement will almost certainly involve resorting to several different sources of information, and combining these in various ways. In doing so the strengths and weaknesses of the different data used must be considered, and care taken with different definitions used as a basis for data collection.

Changes to the supply of residential property

As already noted, over time a given stock of properties can be increased or reduced in a number of ways, including conversion, demolition and new build. LHSAs must recognise these drivers of change and account for them in a way that provides a clear understanding of how the housing stock in an area is evolving over time. New Build is, in numerical terms, likely to be the most significant, but the other types of activity can be extremely important at very local scales, or in addressing particularly poor quality or ineffective stock. Table 11 provides an example of how these influences can affect supply over time at the local authority level. Table 12 provides a good example of stock supply projection undertaken as part of the work of developing a structure plan.

Table 11 The impact of new build, demolitions and RTB on housing supply and tenure profile 1990-2001, Stirling

Based on the Council's official statistical (NB2) returns to the Executive, a total of 4462 new build housing completions took place between 1989/90 and 2000/01 representing an annual average increase to the supply from new building of 372 p.a. over the period. The year on year completion figures are provided below by tenure, which is split between Private and Housing Association.

House Completions (NB2) 1990/91 - 2000/01

Year	Private	HA	TOTAL
1989/90	141	39	180
1990/91	215	68	283
1991/92	320	33	353
1992/93	281	34	315
1993/94	267	0	267
1994/95	355	82	437
1995/96	499	28	527
1996/97	453	56	509
1997/98	313	0	313
1998/99	352	78	430
1999/00	366	83	449
2000/01	337	62	399
TOTAL	3899	563	4462

The Council's Planning service does not find the NB2 estimates that useful, as they can be quite out of synch with activity on the ground, lagging well behind. As a result of this the Council also keeps its own alternative records of completions based on developer and site surveys; this is linked to the annual review of housing land supply.

Over this period 563 are recorded as being completed by Housing Associations – an average of 47 p.a. It is not clear whether the figures reported for housing associations include both shared ownership and rented housing or whether shared ownership is included under 'private' completions. Private sector completions have averaged 323 p.a. and slightly higher in more recent years, although the Planning service's own estimates in the last few years suggest that activity levels have been much higher than this. These figures compare with an annual average of 270 analysable new build sales identified through the Sasines Register although it is known that this is not all new build sales due to difficulties recording plots and sales to companies etc. It is not known whether the Council's private sector completions include recent new build activity in the private rented sector including university accommodation.

The Council has recorded details of demolitions from 1995 onwards and these have numbered 372 (355 of these in Raploch) although it is known that there were demolitions prior to that date in a number of locations due to structural problems, fire damage etc. It is likely that around 400 properties have been demolished since 1980, which is around 3% of the stock.

By the end of October 2002, there had been an estimated 5809 cumulative sales of Council houses in the Stirling Council area. This included 122 recorded sales pre 1980, which preceded the introduction of the statutory Right to Buy. It also excludes RTB sales by RSLs of which Paragon HA (the former Scottish Homes) is likely to have been the biggest contributor; in total these sales are likely to have numbered at least an additional 300 or more. Excluding pre 1980 sales, around 42% of the 1980 Stirling Council housing supply (after allowing for demolitions) has been sold over the last 22 years. Nationally the level of RTB sales by the end of March 2002 represented 39% of the original 1980 supply in Scotland (although this does not specifically allow for demolitions). It is therefore likely that the level of RTB sales in the Council area as a whole is similar to the national average.

Between 1995/96 and 2000/01 the annual average was around 210 p.a. However sales levels increased slightly in 2002/03 and the anticipated outturn for the end of the financial year is c 360 sales - the highest level since 1992/93. Evidence from the Council's house sales service suggests that this is in part a reaction to concerns over the implementation of the new modernised Right to Buy - notwithstanding the fact that existing tenants' rights are protected. There has also been some impact as a result of a local financial advice campaign targeting the Eastern Villages. Such campaigns elsewhere have been known to have a temporary impact on increasing sales levels. Early indications for the year 2003/04 are that sales levels could again exceed 300 as a large number of sales are due to settle in April 2003. In the longer term the implementation of the new RTB should lead to a reduction in sales levels as new tenants (from 30th September 2002 onwards) will not be able to buy on such advantageous terms as those who were Council tenants prior to that date although the impact of this will take some time to come through. It would be reasonable to assume that future annual sales levels will return to c 200 -220 from 2004/05 onwards (representing an annual reduction of c 2.9% in the existing supply) and may slowly reduce thereafter. The number and impact of RTB sales varies across the Council's 4 Management Areas as shown in the table below.

Council House Sales by Management Area, as at October 2002

Management Area	Sales	% Sold
Highland	1029	51%
Wallace	1293	34%
St Ninians	1694	49%
Bannockburn & Eastern Villages	1772	44%
STIRLING COUNCIL AREA	5809*	44%

* Total includes pre 1980 sales and 21 sales where no allocation area was recorded

In volume terms, the St Ninians and Bannockburn/ Eastern Villages account for c 60% of all sales to date, but it is in Highland (Rural Stirling) where the impact has been greatest with over half the original supply sold (51% sales) - although St Ninians is not far behind at 49% sales. Wallace has the lowest level of sales with only just over a third of the supply sold (34%). Urban Stirling as a whole has a sales level of 42% compared to Rural Stirling's 51%.

At allocation area level there are more extreme variations ranging from less than 5% sales in Glendevon and Ferguson areas of Raploch through to 72% in Newhouse, St Ninians and 79% in the case of Riverside, Stirling. The pattern by allocation area for Urban Stirling is shown below.

% Council Houses Sold by Allocation Area, Urban Stirling

Under 25%	25-44%	45-59%	60+%
Cornton 24%	Cowie 40%	Broomridge 58%	Riverside 79%
Raploch Scott 24%	Fallin 39%	Polmaise 58%	Newhouse 72%
Cultenhove 21%	Stirling Town Centre 37%	Lower St Ninians 57%	Kinbuck 65%
Raploch Craighall 14%	Plean 35%	C'wayhead/Logie 54%	Bridge of Allan 60%
Raploch Ferguson 2%	Mayfield 34%	Rylands/Whitecross 54%	Cambusbarron 60%
Raploch Glendevon 0%	Newpark 28%	Bannockburn 53%	Braehead 60%
		Dunblane Town 51%	
		Hillpark/Firs 50%	
		Whins of Milton 49%	
		Throsk 49%	

In Rural Stirling sales levels are generally higher and there are not such extreme variations. Overall the impact of sales has been greatest in the South West (57% of all houses sold) and least in the North (43% sold); in the Central rural area almost a half (48%) of all houses have been sold. Sales levels for each of the rural allocation areas are shown below.

% Council Houses Sold by Allocation Area, Rural Stirling

25-44%	45-59%	60+%
Killin/Ardeonaig 43%	Fintry 55%	Strathblane 63%
Callander 41%	Thornhill/Blaird'mond 55%	Killearn 62%
Port of Menteith 38%	Balfron 52%	Drymen 62%
Crianlarich/Tyndrum 36%	Kippen/Arnprior 49%	Croftamie 60%
	Milton of Buchanan 49%	Doune 60%
	Gargunnoch 48%	
	Balqudder/Loch'head/Strathyre 48%	
	Buchlyvie 48%	
	Aberfoyle/Gartmore 48%	
	Deanston 45%	

In nine of the above rural allocation areas the original Council supply exceeded 100 houses. By 2002, only Callander (181) and Balfron (145) still have stocks of that size.

It is likely that over 80% of all Council properties sold have been houses rather than flats. Complete data is not available, as full details of property type have only been recorded from 1991/92 onwards. The data that is available shown below would suggest that sales of flats account for a significantly higher proportion of sales in Wallace than in other management areas although as identified above the overall level of sales is significantly lower. The high level of flatted sales in Wallace is likely to have particular implications for Council common repair, maintenance and improvement programmes with a greater need to negotiate with owners regarding their responsibilities and contributions.

Council House Sales by Property Type as at October 2002

Management Area	House	Flat	Unrecorded
Highland	47%	9%	44%
Wallace	28%	25%	47%
St Ninians	32%	11%	56%
Bannockburn & Eastern Villages	51%	4%	45%
STIRLING COUNCIL AREA	40%	11%	49%

Data on the size of property sold is much more comprehensive with less than 1% of sales having no size recorded. 4 in 5 sales (81%) have been 3 or 4 apt in size; 2 apts account for a particularly low proportion of sales (7%) and most of these will be flats. Variations in size profile between management areas are not that significant although large family sized houses of 4 and 5 apts have accounted for a substantially higher proportion of sales in Bannockburn and Eastern Villages (64% of the total) than in other areas, although this is consistent with differences in the area's property type profile. Details are shown in the table below.

Council House Sales by Property Size as at October 2002

Area Team	1/2 apt	3 apt	4 apt	5+apt	Unrecorded
Highland	6%	38%	43%	12%	1%
Wallace	10%	40%	38%	11%	1%
St Ninians	8%	44%	42%	6%	0%
Bannockburn & Eastern Villages	5%	31%	47%	16%	1%
STIRLING COUNCIL AREA	7%	38%	43%	11%	1%

Source: Craigforth, 2003, Stirling Housing Needs and Market Study

Table 12 Stock supply projections 1996 – 2006, GCVSP

	East Dunbartonshire	East Renfrewshire	Glasgow City	Inverclyde	North Lanarkshire	Renfrewshire	South Lanarkshire	West Dunbartonshire	GCVSPA
Owner Occupied Housing Stock Projection for Local Authorities 1996 to 2006									
June 1996 Stock (=)	33,427	27,925	118,195	19,830	64,709	45,462	75,254	19,886	404,688
Actual Completions 1996/99 (+)	744	1,024	5,717	620	4,843	2,229	2,830	722	18,729
Programmed Completions 1999/2006 (+)	574	1,606	13,814	1,527	7,829	2,792	7,720	1,897	37,759
Additions from RTB sales 1996/2006 (+)	1,139	779	12,851	2,405	11,230	4,754	7,833	2,111	43,102
Stock at June 2006 (=)	35,884	31,334	150,577	24,382	88,611	55,237	93,637	24,616	504,278
1996 vacancies	593	493	3,252	679	1,149	1,136	1,239	351	8,892
1996-2006 increase in vacancies	24	33	319	45	235	96	182	46	980
2006 vacancies (-)	617	526	3,571	724	1,384	1,232	1,421	397	9,872
Other non-effective stock (-)	60	53	488	63	82	67	220	59	1,092
Effective stock at June 2006 (=)	35,207	30,755	146,518	23,595	87,145	53,938	91,996	24,160	493,314
Rented Housing Stock Projection for Local Authorities 1996 to 2006									
June 1996 Stock (=)	8,346	6,305	166,242	18,733	64,780	32,119	48,057	22,139	366,721
Actual Completions 1996/99 (+)	59	194	2,479	327	649	418	271	210	4,607
Programmed Completions 1999/2006 (+)	43	69	4,982	164	967	686	518	675	8,104
Losses from RTB sales 1996/2006(-)	1,139	779	12,851	2,405	11,230	4,754	7,833	2,111	43,102
Demolitions 1996/2006 (-)	283	108	20,476	600	1,976	524	461	770	25,198
Stock at June 2006 (=)	7,026	5,681	140,376	16,219	53,190	27,945	40,552	20,143	311,132
2006 vacancies (-)	146	181	7,514	676	1,413	1,017	801	700	12,448
Other non-effective stock (-)	47	42	345	77	107	94	129	38	879
Effective stock at June 2006 (+)	6,833	5,458	132,517	15,466	51,670	26,834	39,622	19,405	297,805

Source: Glasgow and Clyde Valley Structure Plan

New build and land supply

New housing supply is strongly influenced by, (and can only really be understood in terms of) land use regulation - that is the planning system. The nature of the planning system, its role in housing provision and its significance for LHSA has already been discussed in chapter 2.

New housing supply will in part be determined by the price such housing can command in the market, and this is normally measured in terms of 'supply elasticity' (defined as the percentage increase in new supply generated in a given period by a 1% increase in new house prices – Table 13 provides an example of house price elasticity calculation). Bramley (2003) provides a detailed discussion of both house price elasticity (how the quantity of new houses provided reacts to house

price change) and land price elasticity (how the quantity of land for residential development reacts to land price change), showing that for both the evidence in the UK is that they are quite unresponsive.

Table 13 Estimating supply elasticities in West Lothian, 2003

The responsiveness of the supply of housing to changes in housing prices, known as the price elasticity of supply of housing, is a critical long term influence on the affordability of market housing within an area. If the supply response is sluggish rather than flexible then any given percentage increase in demand for housing will be reflected in faster rather than slower price increases. Supply elasticity depends on the behaviour of the construction sector, the availability of construction labour and, of course the price and availability of development land, which is influenced by local planning decisions.

There are technical complexities in measuring the elasticity of supply of housing. And there are limits to the localisation of the concept. That is, whilst it may make sense to relate price changes and new supply at the level of a housing market area or travel to work area, for more local areas the supply response may reflect region wide rather than simply neighbourhood demand and price effects. Previous national level estimates suggest that the elasticity of supply of housing in the UK is relatively low.

For this analysis a simple measure of the elasticity of supply for the period 1991 to 2000 was estimated for West Lothian as a whole and then for each of the main postcode districts. The evidence is that postcode districts represent a reasonable disaggregation of the local system. For the area as a whole, the overall increase in new units provided was some 5,210 market homes (new supply recorded in the Register of Sasines) and this represented a 20 percent increase over the number of owner occupied units in the area in 1991. Clearly if the size and amenity of homes has been increasing over time then this volume statistic, unadjusted for changes in housing quality, will understate the true increase in the supply of housing (which is a combination of both increase in units and increases in quality per unit – this is discussed further below).

There were only two postcode districts, EH54 and EH52, which had a percentage increase above the West Lothian average (Table 1). In and around Livingston, supply increased by more than 40 percent and this increase provided more than half the new homes within West Lothian. Supply increase was notably lower in EH53.

Table 1 Price change, New supply and Supply 'Elasticity', 1991 to 2000

Postcode district	New supply as per cent 1991 owner-occupied stock	Per cent real price increase 1991-2000	Elasticity
EH47	15.4	5.56	2.77
EH48	14.7	-5.01	-
EH49	9.40	9.22	1.02
EH52	18.00	11.93	1.51
EH53	2.8	11.50	0.24
EH54	40.16	13.67	2.94
EH55	7.50	1.51	4.97

As previously noted, in an ideal exercise house price increases should also be related to changes in quality (house price rises reflecting only increases in quality do not indicate house price gains or inflation). As quality standardisation is not feasible with Sasines data then, as it is likely that housing quality increases over time, house price rises will overstate true inflation rates. In order to reduce this effect price changes are estimated for the existing or second-hand stock only, sold in the 1991-2000 period.

House prices also increase because of general price and wage inflation and not just sector specific housing shortages. To estimate sector responsiveness over time it is important, therefore to deflate prices to a common base. In this exercise prices are deflated to 1991 general price levels using the Retail Price Index (which rose by almost 30 percent over the period 1991 to 2000).

There is a perception that house prices in the East of Scotland have been on a steep and protracted upward trajectory for a considerable period of time. However this proposition did not hold for all districts or every year over the study period in relation to non-deflated prices. When overall RPI effects are netted out real second hand house prices in West Lothian actually increased by some 7.1 percent over the decade, and in fact had fallen in real terms (but not nominal terms) over the first half of the 1990's. It is worth noting that real house price increases for Scotland and the east of Scotland as recorded by published building society/CML indices

indicate a substantially higher rate of price appreciation between 2000 and 2003. Sasines data for that period was not available to us, but more contemporary analysis of price changes should be undertaken when it is. Within West Lothian, EH54 had the highest real price increase, at double the area average, despite having the most marked increase in supply. EH52, EH53 and EH49 also had significantly higher house price increase than the other areas, Table 1.

Taking price and quantity change together the overall elasticity estimate was 2.80. This is typical of the value that emerges from national estimates, though there are few available estimates of elasticity for specific HMAs. The estimate does not cause concern that West Lothian has sluggish supply responses relative to Scotland as a whole.

The response coefficients differ in value across the postcode districts, from as high as 5 in EH55 to even a negative value for EH48. However, with locally mobile demands is not clear that these localised estimates have real economic meaning.

Source: Glasgow University 2003, West Lothian Housing Market: Choices, Changes and Affordability: Report to West Lothian Council

Information on land supply in Scotland is most readily accessed through annual Housing Land Audits, which Councils are required to undertake by the Scottish Executive (Table 14). Examples of recent Housing Land Audits are provided by [Dundee](#)²⁷ and [Fife](#)²⁸.

Table 14 Housing land audits

The housing land audit involves the identification and monitoring of established and effective land supply. The starting point will be the identification of:

All land with planning permission for residential development, including the remaining capacity of sites under construction.

Land allocated for residential development (including the residential component of any mixed-use development) in adopted local plans.

Other land with agreed residential potential, such as land identified in draft local plans or an urban capacity study.

To assess a site or a portion of a site as being effective, it must be demonstrated that within the period under consideration, the site will be available for the construction of housing, being free of each of the following types of constraint:

Ownership: the site is in the ownership or control of a party that can be expected to develop it or to release it for development. Where a site is in the ownership of a local authority or other public body, it should be included only where it is part of a programme of land sales.

Physical: the site, or relevant part of it, is free from constraints related to slope, aspect, flood risk, ground stability or vehicular access that would preclude its development. Where there is a commitment to removing the constraints in time to allow development in the period under consideration, or the market is strong enough to fund the remedial work required, the site should be included in the effective land supply.

Contamination: previous use has not resulted in contamination of the site or, if it has, commitments have been made which would allow it to be developed to provide marketable housing.

Deficit funding: any public funding required to make residential development economically viable is committed by the public bodies concerned.

Marketability: the site, or a relevant part of it, can be developed to provide marketable housing.

Infrastructure: the site is either free of infrastructure constraints or any required infrastructure can realistically be provided by the developer or another party to allow development.

Land use: housing is the sole preferred use of the land in planning terms or if housing is one of a range of possible uses other factors such as ownership and marketability point to housing becoming a realistic option.

²⁷ http://www.dundee.gov.uk/housinglandaudit/HLA2003_POTENTIALOUTPUT.pdf

²⁸ [http://www.fifedirect.org.uk/uploadfiles/Publications/c64_HousingReviewJuly2003\(Public\).PDF](http://www.fifedirect.org.uk/uploadfiles/Publications/c64_HousingReviewJuly2003(Public).PDF)

Through the audit process, planning authorities should ensure that at all times sufficient effective land is available to meet the housing land requirement for at least the following 5 years. The housing land audit should specify the sites (or proportion of sites) that can be programmed over a period of 5 years. It should also include the programming of sites expected to be developed shortly after the 5 year horizon, including at least years 6 and 7. This will help to monitor whether sites are available to continue to meet the housing land requirement.

If the audit is to provide an accurate picture of housing land supply, it will be necessary to ensure that house completions are accurately recorded and incorporated as part of the audit, taking full account of the residential component of mixed-use developments and the unplanned contribution to the housing supply made by windfall sites and conversions.

Planning authorities may use an urban capacity study to assess the opportunities for further housing development within settlement boundaries, particularly on previously developed land and through conversions of existing buildings. This will inform the preparation of a sustainable settlement strategy and assumptions about the expected output from windfall sites, and will assist in measuring the extent to which any brownfield targets are being met. An urban capacity study is most likely to be needed where a planning authority is pursuing a strategy of directing new housing to brownfield land. It is less likely to be practical for smaller settlements in rural areas.

Source [PAN 38](#)²⁹ Housing Land

Where one has been undertaken, a Housing Capacity Study will inform a Housing Land Audit, and is an important potential information source for LHSA. A Housing Capacity Study is an assessment of the potential for further housing development within settlement boundaries, particularly on previously developed land and through conversions of existing buildings. Predominantly relevant for urban areas (and referred to as [Urban Capacity Studies](#)³⁰ in the rest of the UK), few have been undertaken in Scotland to date, but they may become more common over time.

Data on recent new build supply is available from Council Planning records, Scottish Executive Statistical Bulletins, and can also be derived from sales data recorded by the Registers of Scotland.

Demolitions and conversions

Data on demolition and conversion activity should be available through Council Planning and Environmental Health Departments, Housing Land Audits, and (where they have been undertaken) Housing Capacity Studies.

²⁹ <http://www.scotland.gov.uk/library5/planning/pan38-00.asp>

³⁰ http://www.odpm.gov.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_606416-01.hcsp

Supply and rural areas

Housing supply is likely to be distinctive in rural locations for a number of reasons including:

- Typically lower rates of turnover from existing stock, particularly in the social sector.
- Often high rates of Right to Buy relative to urban areas.
- Specific problems securing new supply relating to unit cost, land availability and infrastructure capacity constraints (see Table 15).

Table 15 Hindrances to development of rural sites
<p>Some key aspects of this are:</p> <ul style="list-style-type: none"> • Access to land. • Costs and difficulties in site assembly, site servicing, transport of labour and materials and • Landowners' fears that development may reduce the attractiveness of adjoining sites for more lucrative development <p>Site servicing in remote areas is problematic. In new housing development, the provision of adequate access roads is the responsibility of the housing developer. This can mean a very significant cost increase for small schemes...Additional development costs are imposed by difficult physical conditions, but also by the rural location itself. For example, compared to urban sites, there are likely to be extra transport costs (especially to islands), a shorter building season, fewer local building contractors and a more limited supply of building labour. While local demand and planning policy may favour small amounts of affordable housing provision around a number of different locations, such provision carries diseconomies of small-scale development.</p> <p>The attitudes of landowners are seen by some as influencing the supply of land for affordable housing. The most recent research by Satsangi et al (2000) shows that landowner interest in developing land for affordable housing exists across the country, though not in a uniform way. Looking at the constraints that owners face in developing surplus land, 41 per cent indicated planning restraint, 25 per cent the lack of financial viability and 18 per cent service provision...In part, these data inform the Scottish Landowners' Federation's perspective on land supply for affordable rural housing. It argues that there are only limited instances in which land can be considered in short supply on the basis of a landowner's unwillingness to make land available.</p> <p>Source: Satsangi, M., Higgins, M, Pawson, H, Rosenburg, L, Hague, C, Bramley, G and Storey, C, 2001 Factors Affecting Land Supply for Affordable Housing in Rural Areas, Scottish Executive Central Research Unit³¹, Edinburgh</p>

These distinctive dimensions should be recognised and where appropriate included in LHSA work. Satsangi et al (2001) provide a number of good [case studies](#)³² analysing supply issues facing specific rural areas of Scotland.

Improving understanding over time

It is likely that constructing a complete picture of the structure and operation of the supply side of a local housing system will take more than one attempt. As with other aspects of LHSA it is essential to recognise the importance of updating information on a continuous basis, and develop a forward plan of attack.

Summary of outputs

Housing supply – how it is configured and how it is changing, forms a foundation for understanding trends in a local housing system, and the problems that require to be addressed. Without this information, full understanding of how the different tenures and sectors of the market operate and interact will not be possible.

³¹ <http://www.scotland.gov.uk/cru/kd01/blue/fals-00.asp>

³² <http://www.scotland.gov.uk/cru/kd01/blue/fals-00.asp>

The main output from this stage of LHSA will be a summary of available information on the supply of housing that covers:

- Total supply in a local housing system.
- Trends in stock supply and flow supply over time.
- The proportion of existing stock that is BTS or fails to meet the SHQS.
- The amount of non effective stock, and reasons for it being non effective.
- The proportion of the stock that meets barrier free and varying needs standards or is otherwise adapted.
- The quantity and type of available specialist housing.
- The amount and nature of temporary accommodation.
- How the stock has been changing over time, and how it might be expected to further change over the next 5-10 years, in terms of additions to the stock, demolitions and conversions, and changes in the underlying available land supply.
- Whether there are any specific problems facing rural areas.
- A good understanding of the available data sources on supply for the local housing system and their strengths and weaknesses; of gaps in available information, and a forward plan for improving specific areas of knowledge with respect to housing supply.

Chapter 13 discusses the use of information on economic trends, demographic trends and housing supply (chapters 5, 6 and 7 respectively) when analysing the overall dynamics of a local housing system, paying particular attention to trends within each tenure and the interaction between them. The next three chapters provide guidance on gaining a better understanding of the underlying structure of individual tenures.