SCOTLAND'S CONSTRUCTION AND HOUSING INDUSTRY: WORKFORCE, IMPORTS AND HOUSING DEMAND

1. Workforce

Key Points:

- The share of EU workers in the Scottish construction workforce (4.0% in 2017) is somewhat below their share in the overall Scottish workforce (5.7%).
- However, across the UK, the share of EU workers employed in the construction workforce (9.3% in 2017) is higher than their share in the overall UK workforce (7.5%), and there is a particular concentration in London.
- The higher construction pay rates in London than in Scotland could increase if labour shortages emerge after Brexit, leading to the Scottish construction sector losing not only EU workers but also domestic workers who may relocate to London.
- EU8 nationals comprise a greater share of the Scottish construction workforce than EU15 nationals.
- Within the Scottish construction sector, there is a greater share of EU nationals employed in subsectors linked to housebuilding than in the civil engineering subsector.
- While EU nationals are represented across the various construction occupations, they have a somewhat greater share in lower-skilled than higher-skilled roles.
- It is more challenging to estimate the share of EU workers employed in housing support services; our best estimate is that at 4.1% it is somewhat below the share in the total Scottish workforce of 5.7%, but this is in the context of significant recruitment and retention problems.

Note: Throughout this paper, for simplicity the term EU is used to refer to EU countries excluding the UK. It should also be noted that while the preferred definition relating to workforce and households is EU nationality, in some data sources, in particular the 2011 census, nationality is not available, and therefore country of birth is used as a proxy. The Republic of Ireland is included in the EU totals. In the total Scottish workforce, there were 14,000 Irish nationals aged over 16 employed in Scotland in 2017 (or 0.5% of total employment), which equates to 9% of EU nationals employed in Scotland.[1]

1.1 Composition of the Construction Workforce in Scotland

Based on the Annual Population Survey (APS), it is estimated that there were 7,000 EU Nationals working in the construction industry in Scotland in 2017, which represented 4.0% of all workers in the construction industry (see Table 1.1). This is somewhat below the share of EU nationals in the overall Scottish workforce, which was 5.7% in 2017. Across the UK, there were 217,000 EU nationals working in the construction industry in 2017, accounting for 9.3% of the total construction workforce. This is higher than the share of EU nationals in the overall UK workforce, of 7.5% in 2017.

[1] Scottish Government Labour Market Statistics, APS Jan-Dec 2017

Table 1.1 EU nationals in the construction workforce

Country	Number employed in construction	Share of total construction workforce	EU nationals as a share of total working population
Scotland	7,000	4.0%	5.7%
UK	217,000	9.3%	7.5%

Source: Scottish Government analysis of ONS Annual Population Survey (2017)

Table 1.2 uses 2011 census data to illustrate the relative shares of EU workers disaggregated by UK country and by EU country grouping.[2] In 2011, the share of EU workers in the construction workforce was significantly higher in England than in Scotland. It was also somewhat higher in Northern Ireland, but lower in Wales. This data also suggests that in Scotland there was a relatively higher share of EU workers from EU8 countries than EU15 countries.

Table 1.2 Construction Workforce Across the UK, 2011[3]

Thousands

			England (%)	Wales (%)	Scotland (%)	Northern Ireland (%)
All residents			1,873 (100)	108 (100)	195 (100)	63 (100)
	UK-born		1,665 (89)	105 (97)	187 (96)	60 (95)
	Non- UK-born		208 (11)	3 (3)	9 (4)	3 (5)
		EU15-born (excluding UK)	36 (2)	1 (1)	2 (1)	1 (2)
		EU8-born	54 (3)	1 (1)	3 (2)	1 (2)
		EU2-born	19 (1)	a	a	a
		Rest of the world (inc. 'EU-Other')	99 (5)	2 (2)	3 (2)	1 (1)

Source: ONS, NRS and NISRA 2011 Census

More recent (2014-16) APS data indicates that this considerable variation in the share of EU workers employed in construction across the UK continues, with the share of EU workers employed in construction in London four times the UK average during this period.[4] There is also a significant difference in pay in the construction industry across the UK, as shown in Table 1.3 **Error! Reference source not found.**with the median gross annual pay of a construction worker 28% higher in London than in Scotland. While Scotland has a lower share of EU workers employed in construction than the UK, there is a risk that London's exposure to EU nationals employed in the construction industry

[2] Note that 2011 census data uses country of birth rather than nationality. In terms of country groupings: **EU2** = Bulgaria & Romania. **EU8** = Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. **EU15** = Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden. **EU27** = Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

[3] ONS, "Migrant labour force within the UK's construction industry: August 2018", Table 1.

[4] ONS, "Migrant labour force within the construction industry: June 2018", Figure 4.

could have ripple effects on the Scottish construction workforce. If, following Brexit, a significant construction labour shortage arises in the UK, and particularly in London, the greater competition for labour across the UK could result in the pay disparity between Scotland and London increasing. As a result, construction workers currently employed in Scotland may decide to relocate to London, exacerbating the effect in Scotland of losing EU construction workers.

Table 1.3 Median gross annual pay in construction sector

	Scotland	UK		London	
	Value	**Value**	**% above Scotland**	**Value**	**% above Scotland**
Construction	£28,389	£29,435	+4%	£36,322	+28%
Of which:					
Construction of Buildings	£28,984	£31,105	+7%	£41,418	+43%
Civil Engineering	£30,362	£31,868	+5%	£32,738	+8%
Specialised Construction Activities	£26,958	£27,558	+2%	£34,211	+27%
Total Workforce	£23,122	£23,484	+2%	£32,163	+39%

Source: Annual Survey of Hours and Earnings (ASHE), 2017

1.2 Composition of the Construction Workforce by Sub-Sector

The number of EU workers employed in construction can be disaggregated into construction of buildings,[5] civil engineering[6] and specialised construction activities.[7] As the detailed breakdown of specialist construction activities set out in footnote 6 shows, some workers who fall under this sub-sector (such as plumbers and electricians) are likely to be involved in housebuilding as all or part of their jobs. Table 1.4 shows that in Scotland over the period 2015-17 the share of EU nationals in the construction workforce was higher in the construction of buildings (4%) and specialised construction activities (5%) than in civil engineering (3%).

Table 1.4 Scotland's construction workforce by sub-sector and nationality, 2015-2017

	Construction of buildings		Civil engineering		Specialised construction activities	
	000s	**%**	**000s**	**%**	**000s**	**%**
All nationalities	61	*100*	33	*100*	87	*100*
UK	58	*95*	32	*97*	82	*95*
Non-UK	3	*5*	1	*3*	5	*5*
EU	3	*4*	1	*3*	4	*5*

Source: Sottish Government analysis of ONS Annual Population Survey (three-year pooled dataset, 2015 to 2017)

[5] This includes the development of building projects, and construction of residential and non-residential buildings.
[6] This includes construction of roads and railways, utility projects, and other civil engineering projects.
[7] This includes demolition and site preparation, electrical, plumbing and other construction installation activities, building completion and finishing (such as plastering, joinery installation, floor and wall covering, and painting and glazing), and other specialized construction activities (such as roofing and scaffolding).

As shown in Table 1.5,[8] the share of EU nationals in the construction workforce is higher in the UK than in Scotland, in particular in the construction of dwellings subsector, where the share is 10% in the UK as compared to 5% in Scotland. A key contributor to this difference is the construction workforce in London. According to analysis by the ONS[9] (using APS 2014-16 data), 28% of the construction workforce in London were EU nationals, four times the UK average. At the UK level, the combined share of EU8 and EU2 nationals is significantly higher than EU15 nationals in the construction of dwellings and specialised construction activities sub-sectors, while in the civil engineering sector the combined share of EU8 and EU2 nationals is about the same as EU15 nationals.[10]

Table 1.5 Nationality of UK Construction Workforce by Sub-Sector (2014-2016)

Thousands

				Construction of buildings (%)	Civil engineering (%)	Specialized construction activities (%)
All nationalities				832 (100)	339 (100)	1,053 (100)
	UK			724 (87)	313 (93)	973 (92)
	Non-UK			109 (13)	25 (7)	80 (8)
		EU (excluding UK)		84 (10)	18 (6)	62 (6)
			EU15 (excluding UK) and EU Other	14 (2)	9 (3)	14 (1)
			EU8 and EU2	70 (8)	9 (3)	49 (5)
		Non-EU		24 (3)	7 (2)	18 (3)

Source: ONS Annual Population Survey (APS) (three-year pooled dataset, 2014 to 2016)

In the event of reduced labour mobility post-Brexit, apart from the direct impact on Scotland given the share of EU construction workers currently in Scotland, there could also be an indirect impact from the higher share of EU workers in the construction sector in England, if labour supply shortages lead to increased competition for workers across the UK.

1.3 Composition of the Construction Workforce by Occupation

Within the Scottish construction industry, the share of EU nationals can be disaggregated by occupation using 2011 census data, as shown in Table 1.6. This shows that there is representation of EU migrants across the construction occupations, but within this the occupations with the highest share are general labour (4.1%) and finishing trades (4.0%), while the lowest are plumbing (1.4%)

[8] Note that Table 1.5 uses a pooled APS dataset for 2014-16, while Table 1.4 uses a pooled APS dataset for 2015-17.

[9] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/migrantlabourforcewithintheconstructionindustry/2018-06-19

[10] See footnote 2 for a breakdown of EU country groupings.

and electrical (1.5%), suggesting there is a somewhat larger share of EU nationals in lower-skilled occupations than in higher-skilled work.

Table 1.6 EU Workers (By Country of Birth) In Scottish Construction Sub-Occupations (2011 Census)

Sub-Occupation	Number of EU Workers	As share of all workers in occupation	As share of all EU workers in construction
General Labour	1,216	4.1%	21.7%
Finishing trades	748	4.0%	13.3%
Brickwork	194	3.5%	3.5%
Carpentry	945	3.3%	16.9%
Other	966	2.8%	17.2%
Demolition/groundworks/frames	292	2.4%	5.2%
Management and professional	723	2.4%	12.9%
Roofing	76	1.5%	1.4%
Electrical	250	1.5%	4.5%
Plumbing	195	1.4%	3.5%
All Construction	**5,605**	**2.9%**	**100%**

Source: 2011 Census (NRS)

1.4 Housing-Support Services Workforce

It is difficult to accurately estimate the number and share of EU workers in housing-support services. Previous Scottish Government research has focused on the combination of care-at-home and housing-support services; however, disaggregating these two services is challenging as they will often be registered with the Care Inspectorate as combined services, and some care-at-home services will not be classified as housing-support services. There is also reported to be a large amount of variation in the size of the workforce, with a lot of people working part-time. In addition, low-level housing-support services are not required to be registered with the Care Inspectorate.

Subject to these caveats, the Scottish Government research[11] estimates there to be approximately 2,850 EU workers in the combined care-at-home/housing-support workforce, with the share of EU workers in the region of 4.1%. Since care-at-home and housing-support services are broadly similar in their tasks, it is likely that the share of EU workers in these two services is similar. This share is lower than the EU share in the broad adult social care and childcare workforce in Scotland, of which it is estimated that EU nationals form 5.6%, with particularly high shares in the nurse-agency (16.5%) and day-care-of-children (6.8%) sectors,[12] and also lower than the EU share in the overall Scottish workforce (5.7% in 2017).[13]

While the share of EU workers in housing-support services is estimated to be below the Scottish workforce average, this is an industry which is experiencing significant recruitment and retention

[11] https://beta.gov.scot/publications/contribution-non-uk-eu-workers-social-care-workforce-scotland/.Survey conducted over the period from 10 January 2018 to 16 February 2018.
[12] Also taken from the above Scottish Government research.
[13] The share of EU staff across adult social care and childcare is the highest in the North East of Scotland (9.1%) and the East of Scotland (7.8%) but is lower in the Highlands and Islands (3.8%) and the South West (3.5%).

problems, notwithstanding Brexit. According to the Scottish Government research discussed above, over one quarter of managers in the broad social-care workforce reported increased difficulty in retaining care staff or practitioners over the previous 12 months. In addition, research by the Coalition of Care and Support Providers in Scotland[14] found over 90% of voluntary-sector social-care organisations (employing nearly 25,000 people) reported that recruitment of front-line staff groups was very or quite difficult, and a survey of housing-support and care-at-home providers by Scottish Care,[15] a representative body for independent social care services in Scotland, also found that providers were finding it increasingly difficult to recruit staff and that retaining staff was challenging (with around one third of total staff leaving annually).

The Scottish Government research noted that, of the reasons for EU staff leaving the broad social-care services sector, relocation to an EU country was mentioned by 15% of respondents to the survey. Concerns about the impact of the UK leaving the EU was mentioned by 6% of respondents. While these are lower than the most common responses (promotion/moving to a better job (27%) and a career change (24%)), it would suggest that concern over Brexit is already having a non-trivial effect on social-care organisations' ability to retain EU staff.

[14] http://www.ccpscotland.org/wp-content/uploads/2018/05/CCPSExecutive-summary2018.pdf

[15] "Bringing Home Care: A vision for reforming home care in Scotland" (P22/23)

2. Imports of Building Materials

Key Points

- EU imports constitute 60% of all building-material imports to the UK.
- Wood stands out as a house-building material for which EU imports play a critical role, particularly in Scotland where there is a much higher share of timber-frame new build than in the rest of the UK.
- At the UK level, imports of sawnwood from the EU account for around 90% of all sawnwood imports, and around 60% of domestic consumption. Only 6% of domestic wood production is exported, which suggests there is limited scope to divert exports of wood to domestic use.
- Other building materials in which EU imports play a significant role include central heating boilers, structural units (steel) and prefabricated concrete products.

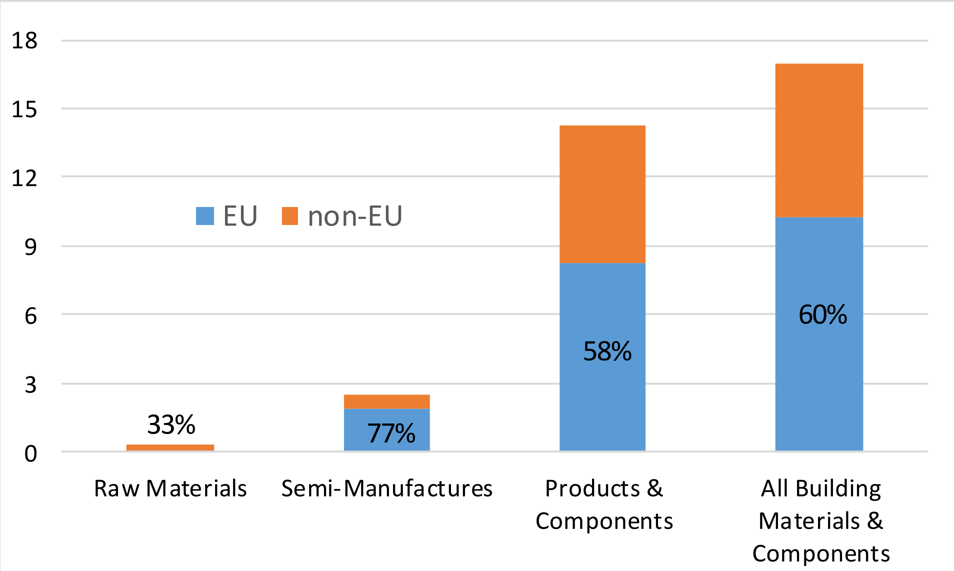
2.1 Overview

The latest BEIS data shows that the UK is a net importer of building materials from the EU: total imports of building materials from the EU were £10.3bn in 2017, with exports from the UK to the EU of £4.4bn, resulting in a trade deficit of just over £5.9bn[16]. The UK is also a net importer of building materials from the rest of the world, with total non-EU imports of building materials amounting to £6.7bn in 2017, while exports to non-EU countries were £2.8bn, resulting in a non-EU trade deficit of £4.0bn.

In terms of the origin of broad categories of imports, Figure 2.1 shows that the UK has a particularly high share of imports of semi-manufactures (77% of these imports are from EU countries) as well as products and components (58%), but relatively less of raw materials (33%), although raw materials constitute only 2% of all building-material imports. Overall, EU imports constitute 60% of all building-material imports.

[16] BEIS Building materials and components statistics for 2017

Figure 2.1 UK imports of building materials by value (£ billions) and by share of EU imports in total imports, 2017



Source: BEIS Building materials and components statistics (2017)

To obtain a rough approximation of the value of imports in the Scottish housebuilding sector, the share of Scottish housebuilding in total UK construction, of around 3%, can be applied to total imports.[17] This yields an estimate that total imports of building materials for use in Scottish housebuilding were in the region of £520m, with £315m from EU countries, although the actual figure could diverge from this depending on the extent to which import intensity for Scottish housebuilding diverges from the import intensity of the UK construction sector as a whole.

2.2 Breakdown by Material Type

Table 2.1 contains the top 20 imported construction materials from the EU to the UK, while Table 2.2 contains the top 20 imported building materials with the greatest share of imports from the EU. The materials which are shaded in blue are those which are in both the top 20 imported building materials from the EU by value and the top 20 imported materials by share of EU imports.

[17] These estimates have been calculated using ONS output in the construction industry data for 2017. The value of Scottish construction output in 2017 was 9% of total UK construction output. Within total Scottish construction, a third of the value of construction attributable is housebuilding, taking into account new build and repairs and maintenance. This figure excludes infrastructure, some of which may be necessitated by new-build developments.

Table 2.1 Top 20 UK building materials by value imported from the EU

Rank	Material	Value of EU Imports (£millions)	Value of Non-EU Imports (£millions)	EU imports as a share of total imports of given material	
				As a %	Rank (Out of 93)
1	Electrical Wires	864	1,062	45%	73
2	Sawn Wood > 6mm thick	809	48	94%	10
3	Central Heating Boilers	584	52	92%	13
4	Paints & Varnishes	498	47	91%	16
5	Aluminium for Fabrication	450	130	78%	39
6	Lamps & Fittings	359	630	36%	80
7	Air Conditioning Equipment	322	333	49%	70
8	Steel for Fabrication	293	85	78%	38
9	Linoleum Floor Coverings	292	182	62%	57
10	Unglazed and Glazed Ceramic Tiles	280	78	78%	37
11	Structural Units (aluminium)	264	44	86%	29
12	Plugs & Sockets	249	337	42%	76
13	Copper Pipes	222	81	73%	44
14	Mastics, Putty	198	25	89%	23
15	Taps & Valves	196	245	45%	74
16	Windows (wood)	190	7	96%	7
17	Builders Ironmongery	177	275	39%	78
18	Structural Units (steel)	163	15	92%	14
19	Lifts & Escalators	159	16	91%	19
20	Other Plastic Building Products	157	119	57%	63

Source: BEIS Building materials and components statistics (2017)

Table 2.2 Top 20 building materials by share of EU imports

Rank	Material	Value of EU Imports (£millions)	Value of Non-EU Imports (£millions)	EU Imports as a Percentage of Total Imports	Rank of EU imports by value (out of 93)
1	Clinker	52	0	100%	53
2	Particle Board	60	1	99%	49
3	Plasterboard	47	1	99%	55
4	Pumps (circulating)	38	1	98%	60
5	Clay Bricks	82	2	97%	35
6	Prefabricated Concrete Products	110	3	97%	25
7	Windows (wood)	190	7	96%	16
8	Mortars	9	0	95%	80
9	Lime	2	0	95%	85
10	Sawn Wood > 6mm thick	809	48	94%	2
11	Profiles of Vinyl Chloride	33	2	94%	63
12	Prefabricated Buildings (wood)	41	3	93%	58
13	Central Heating Boilers	584	52	92%	3
14	Structural Units (steel)	163	15	92%	18
15	Asphalt Products	67	6	92%	44
16	Paints & Varnishes	498	47	91%	4
17	Plasters	22	2	91%	71
18	Ready-Mixed Concrete	0	0	91%	91
19	Lifts & Escalators	159	16	91%	19
20	Wood sleepers (rail & tram)	22	2	90%	72

Source: BEIS Building materials and components statistics (2017)

Wood (including particle board, wood for windows, sawn wood and wood for prefabricated buildings) stands out as a material for which both the total value of EU imports and the share of EU imports in total imports are high. Data from the Forestry Commission from 2017[18] shows that the UK consumed 11,435 thousand m^3 of sawn wood in 2017, 69% of which was imported. Sawn softwood is primarily imported from Sweden (42%) whilst sawn hardwood is primarily imported from Estonia (17%), with the total share of sawnwood imports from the EU totalling around 90%, meaning that around 60% of UK consumption was imported from the EU.[19] Total UK production of sawnwood totalled 3,770 thousand m^3, of which only 218 thousand m^3, or 6%, was exported, suggesting there would be limited scope to swap EU imports for UK exports. There is a similar picture for wood-based panels.

Wood as an external construction material is more commonly found in modern dwellings, suggesting it is increasingly used in Scottish housebuilding. For example, 46% of dwellings built between 1983-2002 have timber as a principal external construction material,[20] and this rises to 67% of dwellings built post-2002.

[18] https://www.forestresearch.gov.uk/tools-and-resources/statistics/forestry-statistics/ Chapter 3 - Trade
[19] Outside of the EU, the largest share of imports of sawn softwood comes from Russia (6%) and for soft hardwood, the USA (14%). Sawn softwood accounts for 93% of total sawnwood consumption in the UK (timber originating from conifers is known as softwood and that from broadleaves is known as hardwood).
[20] This is the material providing the structural support to the dwelling

Table 2.3 Use of Wood in Scottish House Building

Original Dwelling Age	Timber present in main dwelling (as principal external construction material)
1919-1944	1%
1945-1964	2%
1965-1982	11%
1983-2002	46%
Post 2002	67%

Source: Scottish Government analysis of Scottish House Condition Survey, pooled 3-year dataset (2014-16)

Data from the National House Building Council (NHBC), set out in Table 2.4, shows that timber-frame new builds are much more common in Scotland than the rest of the UK. More than four-fifths (82%) of new build dwellings in Scotland registered with the NHBC in 2016 had a timber frame. This compares to just 9% in England, 16% in Northern Ireland and 20% in Wales, and suggests that any supply shock to timber imports from the EU as a result of Brexit could affect Scottish house builders to a greater extent than house builders in other UK countries.

Table 2.4 Proportion of new build dwellings registered with NHBC with a timber frame, selected years[21]

Year	England	Northern Ireland	Scotland	Wales
2008	17%	9%	74%	18%
2012	10%	16%	71%	21%
2016	9%	16%	82%	20%

Source: National House Building Council

Central heating boilers are the third largest building material imported from the EU by value, and 92% of all imports come from the EU. UK exports of central heating boilers to the EU are equivalent to just over a fifth of imports (22%), suggesting that some export capacity to the EU could be diverted to domestic consumption. Nevertheless, the UK relies significantly on the EU for imports of central heating boilers.

Other building materials which are imported primarily from the EU and are of considerable monetary value are **structural units (steel), paints & varnishes and clay bricks.**

The ONS publish data on the export percentage of domestic manufacturing at a broader, industry level than the import/export data on building materials from BEIS. This data, shown in Table 2.5, indicates the extent to which an industry could potentially divert exports of domestically produced materials to use in the UK.[22]

[21] Figures in Table 2.3 and Table 2.4 both show high levels of timber-frame houses in Scotland in dwellings built recently, but the exact proportion in each source can differ because the statistics cover different time periods, not all dwellings will be registered with the NHBC so varying proportions in different segments of the new-build market could affect the overall proportion (the NHBC estimate they cover around 80% of the Scottish new-build market), and estimates from the SHCS, while they will cover all the housing stock, will be subject to sampling error.
[22] Subject to the qualification that products within these broad groupings may not be very close substitutes.

Table 2.5 Share of Domestic UK Production Exported, 2017

Industry	Exports (£millions)	Total Domestic Production (£millions)	Share of Domestic Production Exported
Manufacture of wood and wood products	141	9,054	2%
Manufacture of cement, lime, plaster and articles of concrete	304	£7,803	4%
Manufacture of furniture	719	8,005	9%
Manufacture of fabricated metal products, except machinery and equipment	5,737	27,432	21%
Manufacture of glass, refractory, clay and stone products	1,936	6,100	32%
Manufacture of basic metals	2,752	3,417	81%

Source: ONS Monthly Business Survey (2017)

This data supports the point that there is little scope to divert exports of wood/wood products to domestic use as only 2% of such products produced in the UK are exported. In addition, the share of UK production of cement, lime, plaster and articles of concrete that is exported is very small, which is particularly relevant given that 97% of imports of **prefabricated concrete products** come from the EU (see Table 2.2). Total exports to the EU of prefabricated concrete products represent 4% of EU imports by value, which suggests that there is very limited capacity (at present production rates) to substitute EU imports with UK exports. While prefabricated products are not in the top 20 building materials imported from the EU by value, they are still of significant value, ranked 25th out of 93 building materials.

The Construction Products Association estimates that approximately 20% of all construction products (by value) used in the UK are imported. [23]

[23] Sourced from the Construction Products Association response to the UK Government's Housing White Paper: 'Fixing our Broken Housing Market'. This estimate is based on published official data (ONS & BEIS) and industry judgements.

3. Demand for Housing

Key Points

- In Scotland, compared to UK nationals, EU nationals are
  - Much less likely to own their own homes (33% vs. 71%)
  - Much more likely to rent privately (37% vs. 11%)
  - More likely to rent socially (29% vs. 19%)
- The vast majority of recently arrived EU nationals live in the private rented sector.
- Slightly more than half of all EU nationals in Scotland live in Edinburgh, Glasgow or Aberdeen, compared to a quarter of the total Scottish population (of all nationalities) who live in these three cities.

3.1 Housing Tenure for All EU Nationals (Regardless of Arrival Date in UK)

Table 3.1 outlines the breakdown of housing tenure by nationality for Scotland in 2017. It shows that EU nationals are significantly less likely to be home owners, whether owning outright or owning with a mortgage, than UK nationals. A third of EU nationals are home owners compared with over 70% of UK nationals.

The table also highlights that EU nationals are more likely to live in rented accommodation than UK nationals. Nearly three in ten (29%) EU nationals live in the social rented sector compared to 19% of UK nationals.[24] Within the "other rented sector", which almost entirely comprises private rented accommodation, the difference between the share of EU nationals (37%) and the share of UK nationals (11%) is even larger.

[24] Although EU nationals comprise only 7% of all those (of any nationality) who live in the Scottish social rented sector.

Table 3.1 Population of UK, EU and non-EU nationals by housing tenure in Scotland, 2017

	All[2]	UK nationals	EU nationals	non-EU nationals
Numbers				
Owner occupation, of which:	2,993,000	2,885,000	65,000	43,000
Owned outright	*1,482,000*	*1,448,000*	*20,000*	*14,000*
Mortgaged	*1,511,000*	*1,437,000*	*45,000*	*29,000*
Social rented	840,000	764,000	57,000	20,000
Other rented[3]	575,000	443,000	73,000	59,000
All	**4,408,000**	**4,092,000**	**195,000**	**122,000**
Shares				
Owner occupation, of which:	68%	71%	33%	35%
Owned outright	*34%*	*35%*	*10%*	*11%*
Mortgaged	*34%*	*35%*	*23%*	*24%*
Social rented	19%	19%	29%	16%
Other rented[3]	13%	11%	37%	48%
Total	**100%**	**100%**	**100%**	**100%**
Share of nationality group in population		92.8%	4.4%	2.8%

Source: Scottish Government analysis of ONS Annual Population Survey (Jan-Dec 2017 dataset)

Notes:

1. Aged 16+; all figures rounded to the nearest 1,000; sum of categories may not equal totals as a result.
2. Excludes respondents for whom nationality was not known
3. Those whose tenure is either 'Rent' or 'Rent free' and who do not rent from a local authority or housing association. Excludes non-responses.

3.2 Tenure of EU Nationals Who Moved Within Last 12 Months

Data on EU nationals who moved recently is subject to greater uncertainty due to the small numbers picked up in sample surveys. Subject to this caveat, the data indicates that over the three-year period 2014-2016, average annual inward migration to Scotland by EU citizens was around 14,000, which is around 42% of all in-migration to Scotland.[25] Furthermore, almost all EU nationals in Scotland who have entered the UK within the last 12 months are living in the private rented sector.[26]

3.3 Geographic Location of EU Nationals

According to Scottish Government analysis of the Annual Population Survey, in 2015 just over half (52%) of EU nationals aged over 16 lived in three local authorities: Edinburgh, Glasgow and Aberdeen. This compares to one quarter of the total population in Scotland (of all nationalities) who

[25] ONS "International Passenger Survey 3.14, citizenship by area of destination or origin within the UK".

[26] Scottish Government analysis of the ONS Annual Population Survey. Due to the small numbers of survey respondents who are EU nationals who had entered the UK within 12 months of being surveyed, a 3-year pooled dataset (2015-17) was used.

lived in these three local authorities. This suggests that any changes in housing tenure due to Brexit is likely to be more pronounced in these local authorities than in the rest of Scotland.

Table 3.2: Top 5 local authorities with the highest percentage of EU nationals (aged 16 years and over) by local authority, 2015

	Percentage of population aged 16 years and above by local authority		Proportion of Local Authority population (aged 16 years and above) by Nationality		Employment rate (16-64)			
	EU nationals	All	EU nationals	UK Nationals	All	UK Nationals	EU nationals	Other non-EU nationals
	%	%	%	%	%	%	%	%
Scotland	**100**	**100**	**3.5**	**94.2**	**73.1**	**73.4**	**78.9**	**54.5**
Edinburgh, City of	21.8	9.4	8.0	86.7	72.5	73.7	79.6	45.4
Glasgow City	17.6	11.3	5.4	88.5	66.7	68.0	69.2	50.3
Aberdeen City	12.7	4.4	10.1	85.2	76.6	75.3	87.6	70.9
Dundee City	5.7	2.8	7.1	90.4	63.4	64.5	63.6	*
Perth and Kinross	4.6	2.8	5.7	92.8	78.9	77.9	89.3	*

Source: Annual Population Survey, Jan-Dec 2015, ONS; contained in Scottish Government publication "EU nationals living and working in Scotland".

Scottish Government
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