



Government
Statistical Service

Affordable Housing Statistics in the UK: Definitions, Terminology and Feasibility of Harmonisation

GSS Harmonisation Team

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About the GSS Harmonisation Team



Harmonisation is about making statistics more comparable, consistent and coherent. It improves efficiency and enables users to draw more value from statistics.

The GSS Harmonisation Team aims to ensure commonality in the use of definitions, survey questions, administrative data and in the presentation of outputs across the Government Statistical Service (GSS). Ensuring comparability across the GSS is important as it maximises the power of data and analyses without compromising quality.

We work closely with the Good Practice Team, Quality Centre and Methodology Advisory Service, as part of the GSS Best Practice and Impact Division.

Acknowledgements

We would like to acknowledge the input from all users and producers of affordable housing statistics and collectors of affordable housing data who contributed to this report. This report also benefitted from consultations with members of the third sector, industry bodies and academia. Organisations involved are listed in the appendix.

Contact

To contact the GSS Harmonisation Team please email harmonisation@statistics.gov.uk

Or visit: <https://gss.civilservice.gov.uk/guidances/harmonisation/>

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Executive Summary

The 2017 systemic review of statistics on housing and planning in the UK by the Office for Statistics Regulation (OSR) identified concerns around a lack of clarity on affordable housing statistics in the UK, and the extent to which they are comparable¹. To help understand and improve affordable housing statistics, and build a clearer picture of affordable housing in the UK, the Government Statistical Service (GSS) published two reports in November 2019.

Read this harmonisation report if you want to understand:

- definitions of affordable housing across the UK
- key types of affordable housing products across the UK
- what affordable housing statistics are available in the UK
- the next steps we will take to improve the clarity of affordable housing statistics

Read the statistical article 'Affordable Housing in the UK'² if you want to understand:

- the size, supply, sales and characteristics of affordable housing in the UK
- similarities and differences in affordable housing across the UK
- data limitations

Affordable housing harmonisation

Housing policy is devolved across the UK, and different approaches have been taken by each country to try and meet the housing needs of their population. Each country has developed a range of housing products aimed at households whose needs are not met by the market, some of which are known under the banner of 'affordable housing'. This includes both rental and ownership schemes.

Affordable housing definitions and terminology used in government statistics are complicated and varied, leading to confusion among data users. Definitions and terminology used in affordable housing statistics come mainly from planning policy and affordable housing funding programmes, and the affordable housing products on offer through these change and increase in number over time. However, the range of terminology itself is relatively limited, meaning that the same terms have differing meanings both between and within countries, which can cause confusion. This includes both broad terms like 'affordable', 'intermediate' and 'social', as well as more specific ones such as 'starts' and 'completions'. In England, there is substantial crossover between 'affordable housing' and the statutory definition of 'social housing'. These terms are currently used interchangeably in a variety of similar contexts, with implications for the clarity of the statistics.

This report by the Government Statistical Service (GSS) Harmonisation Team explores the different definitions of affordable housing and associated terminology used in the UK. It outlines the different tenures and products that can be classified as affordable housing and identifies the

¹ Office for Statistical Regulation (OSR) [Systemic Review of Public Value: Statistics on Housing and Planning in the UK](#), November 2017

² Office for National Statistics, [Affordable Housing in the UK](#), November 2019

key distinguishing factors. The range of statistics produced on affordable housing supply, stock and demand are outlined, and consideration is given to the feasibility and desirability of harmonising statistical definitions of affordable housing. Based on discussions with stakeholders, the need for cross-UK statistics is also discussed along with a number of data gaps identified by stakeholders.

Based on this research, the report concludes that it does not currently appear feasible to develop consistent affordable housing definitions across UK official statistics, and that there is not a strong user need for this. However, increasing the clarity of information provided with official statistics, particularly around the key distinguishing features of affordable housing definitions, products and statistics may help data users understand how and where it is and is not reasonable to compare data.

To act on these findings, the GSS Harmonisation Team's next steps will be around improving the clarity of the information provided to data users. We will work with data users, producers and the cross-government housing statistics group to identify a proportionate way to provide users with a clearer understanding of the differences between affordable housing statistics and where comparisons are and aren't possible.

The GSS Strategy Delivery Team and the cross-government housing statistics group will consider how to prioritise and address the other gaps identified by stakeholders. This may include improving signposting to existing data sources that meet the needs identified by stakeholders. Additionally, consideration will be given to investigating the feasibility of producing more data on the related concept of housing affordability, potentially including the development of a harmonised statistical measure of affordability.

1. Introduction

The 2017 systemic review of statistics on housing and planning in the UK by the Office for Statistics Regulation (OSR) identified concerns around a lack of clarity on affordable housing statistics in the UK, and the extent to which they are comparable. Housing policy is devolved, and the definitions of affordable housing and associated terminology differ between the four countries of the UK³. The OSR review found that ‘there is user appetite within countries to see an overall, thematic picture of “affordable housing”, particularly in England, along with ‘some user appetite to access a coherent picture of affordable housing across the UK that takes into account the different definitions of “affordable housing”, including trends over time’.

OSR also identified user confusion around the consistency of specific terminology used in affordable housing statistics, such as ‘delivered’, ‘starts’ and ‘completions’, as well as regarding comparability between the range of statistics about England released by the Department for Communities and Local Government (DCLG, now the Ministry of Housing, Communities and Local Government – MHCLG).

In response to the OSR review, the Government Statistical Service (GSS) Harmonisation Team has been working as part of the cross-government group on housing and planning statistics to investigate the terminology and definitions used in affordable housing statistics across the UK, and the feasibility and desirability of harmonising these. In this context, harmonisation is about increasing the consistency of definitions and classifications used in data collection, to improve the comparability of official statistics. Where direct comparability is not feasible, the GSS Harmonisation Team works to improve communication of information on coherence in statistical publications, to maximise value to data users. The aim of this report is to discuss the findings of this review and the next steps that will be taken.

Produced in conjunction with the harmonisation review, the GSS Strategy Delivery Team has developed an article bringing together existing data on affordable housing across the UK⁴. This presents analysis of the stock, supply, sales and characteristics of affordable housing across the UK, in cases where comparable data does exist, and presents further information on comparability, coherence and data limitations.

We would like to thank the wide range of stakeholders who met with us and provided information to support the development of these two reports (see the appendix for details).

1.1 Structure of this report

Following a brief discussion of the affordable housing context in the UK, this report is separated into three main sections: firstly, definitions of affordable housing; secondly, affordable housing tenures and products; and thirdly, affordable housing statistics. Each section includes information on the terminology and definitions used in each UK country, and discussion of the key differences between these and their implications in terms of statistics. The issue of cross-UK statistics is also

³ Office for Statistical Regulation (OSR) [Systemic Review of Public Value: Statistics on Housing and Planning in the UK](#), November 2017

⁴ Office for National Statistics, [Affordable Housing in the UK](#), November 2019

briefly discussed, along with data gaps identified by stakeholders. Finally, the report presents next steps that will be taken to improve the clarity of affordable housing statistics and better meet user need.

1.2 Note on affordability

In addition to affordable housing, the OSR systemic review⁵ identified 'affordability of housing' as a concept with varying definitions across the UK on which users felt there was a lack of clarity. This report focuses on definitions of 'affordable housing' (i.e. certain categories of housing classified as such by public bodies in the UK, usually those deemed to cost less than market rents or house prices), rather than definitions of housing affordability (i.e. how affordable housing costs are in relation to the incomes or resources of households). However, the issue of affordability in general is addressed in this report in terms of its relationship to affordable housing definitions and statistics.

⁵ Office for Statistical Regulation (OSR) [Systemic Review of Public Value: Statistics on Housing and Planning in the UK](#), November 2017

2. Affordable housing context

Housing policy is devolved across the UK, and different approaches have been taken by each country to try and meet the housing needs of their population. Each country has developed a range of housing products aimed at households who cannot access or afford market housing⁶, some of which are known under the banner of 'affordable housing', although this term itself does not have a consistent definition. This includes both rental and ownership schemes.

England currently has the widest variety of affordable housing products available, but the other countries are expanding or considering expanding their offerings, and stakeholders expect this diversification to continue.

Historically, the building of most affordable housing was subsidised through public grant funding, generally through central government funding programmes. In recent decades, however, a large proportion has been delivered without subsidy, or with a combination of developer contributions and subsidy, through the use of planning policy obliging developers to provide affordable housing within any market housing developments. In England and Wales these are known as Section 106 agreements, and in Scotland, Section 75. Northern Ireland does not currently have an equivalent mechanism.

⁶ The term 'market housing' is used here to refer to housing that is available to own or rent privately, through the open market.

3. Affordable housing definitions

Affordable housing does not have a statutory definition and is instead defined primarily through policy and practice in the four countries. Planning policy is the main source of definitions for official statistics, while definitions from official targets and funding programmes also impact on the data included in statistical releases.

There is substantial crossover between ‘affordable housing’ and the statutory definition of ‘social housing’ applicable to England. These terms are currently used interchangeably in a variety of similar contexts, with implications for the clarity of statistics.

3.1 England

The affordable housing definition used in official statistics produced by MHCLG in England comes from the National Planning Policy Framework⁷ (NPPF). This includes ‘housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of [the four defined affordable housing categories]’. The categories are:

- **Affordable housing for rent**, which is at least 20% below local market rents⁸ (including any service charges), managed by a registered provider (unless through a build to rent scheme), and requires affordability retention or subsidy recycling. Social Rent, Affordable Rent and Affordable Private Rent are all subsets of this category.
- **Starter homes**, which are defined primarily through the Housing and Planning Act 2016 as available at a minimum 20% discount on market value to first time buyers under the age of 40.⁹
- **Discounted market sales housing**, which is ‘sold at a discount of at least 20% below local market value’ and remains discounted for future eligible households.¹⁰
- **Other affordable routes to home ownership**, which is ‘housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market’, and includes ‘shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy. Where public funding is provided, it requires affordability retention or subsidy recycling/refund.¹¹

The definitions of the affordable housing categories set out in the NPPF are relatively broad, and there are a large number of products which fit into each category. Many products classed as

⁷ Ministry of Housing, Communities and Local Government (MHCLG) [National Planning Policy Framework](#), February 2019, page 64

⁸ It is not specified in the NPPF nor the statistical documentation that uses these categories how ‘local market rents’ are calculated. For affordable rent homes funded through Homes England’s affordable homes programmes, the [Capital Funding Guide](#) specifies that the market rate is determined by a Royal Institute of Chartered Surveyors (RICS) compliant valuation of what the specific property would achieve in the private rental market. It is possible that the same method is used in other situations, but further investigation would be required to determine whether this is the case.

⁹ [Housing and Planning Act 2016](#), section 2

¹⁰ MHCLG, [National Planning Policy Framework](#), February 2019, page 64

¹¹ MHCLG, [National Planning Policy Framework](#), February 2019, page 64

affordable housing for rent will have rents set much lower than the 20% discount threshold. For example, London Affordable Rent is set at similar levels to social rent¹², while London Living Rent is approximately two-thirds of market rent.¹³

The definition from the NPPF is taken verbatim into MHCLG's statistical release on affordable housing supply¹⁴. Definitions are also provided for a range of related terms, including:

- Affordable rented housing (now termed 'affordable rent' in the updated online glossary) – 'a form of social housing' where homes are rented by Local Authorities or Private Registered Providers to households eligible for social housing, with rent levels up to 80 percent of market rates.
- Intermediate affordable housing – 'housing at prices and rents above those of social rent but below market price or rents, and which meet the criteria as set out in the definition for affordable housing. These can include equity loan products, shared ownership, rent to buy and intermediate rent.'
- Intermediate rent – rent set at 80% of market rates or lower.
- Social rented housing (now termed 'social rent' in the updated online glossary) – rents set in line with the national rent regime.

The full definitions can be found in MHCLG's online housing statistics glossary.¹⁵

Social Housing in England

While there is no statutory definition of 'affordable housing', it is important to note that 'social housing' is defined in England through the Housing and Regeneration Act 2008 as including:

- low cost rental accommodation (below market rate), and,
- low cost home ownership accommodation (including shared ownership and equity percentage arrangements)¹⁶.

This means that there is substantial crossover between 'social housing' and 'affordable housing' and the terms are currently used interchangeably in a variety of contexts.

The Regulator for Social Housing does not use the term 'affordable housing' as a categorisation in their official statistics. They use 'social housing' as this is defined in law and determines what falls within their regulatory domain. As noted above, this definition of 'social housing' is broadly interchangeable with affordable housing, although there may be some housing that fits into one category but not the other.

The crossover between these definitions can lead to confusion, as 'social housing' is sometimes assumed to imply only social rent.

¹² On London, [What are London 'affordable' homes and who can afford them?](#), 17 December 2018

¹³ Greater London Authority, [London Living Rent](#), accessed 31 May 2019

¹⁴ MHCLG, [Affordable housing supply in England: 2017 to 2018](#), 22 November 2018

¹⁵ MHCLG, [Housing statistics and English Housing Survey glossary](#)

¹⁶ [Housing and Regeneration Act 2008](#), sections 68-71

3.2 Northern Ireland

The definition of affordable housing used by official statistics producers in Northern Ireland comes from the 2015 Strategic Planning Policy Statement for Northern Ireland (SPPS)¹⁷. This definition includes two categories: social rented housing and intermediate housing. Intermediate housing in Northern Ireland consists almost entirely of the shared ownership scheme known as Co-Ownership. A rent to buy scheme has recently been introduced, but take-up of this is very limited so far. All affordable housing in Northern Ireland is managed either by a housing association, or by the public housing authority – the Northern Ireland Housing Executive (older social housing only).

Although the official definition of affordable housing in Northern Ireland includes both social and intermediate housing, the term's popular understanding includes only Co-Ownership. In line with this, there are no statistics published under the label 'Affordable Housing' in Northern Ireland. However, data on social housing and Co-Ownership schemes are included in Northern Ireland's general housing statistical outputs.

The definition of affordable housing in Northern Ireland may be widened in the future to include a broader range of products. The Department for Communities has proposed the following updated definition for affordable housing, on which they have recently run a consultation¹⁸:

'Affordable housing is housing provided for sale or rent outside of the general market, for those whose needs are not met by the market. Affordable housing which is funded by Government must remain affordable or, alternatively, there must be provision for the public subsidy to be repaid or recycled in the provision of new affordable housing.'

The consultation document offers the following examples of recognised affordable housing products:

- Social rented housing
- Shared ownership
- Rent to Buy or Rent to Own
- Shared Equity
- Discounted market sales housing
- Affordable rent products e.g. mid-market rent

If approved, this change would bring the definition of affordable housing in Northern Ireland, and the possible products on offer under this, closer to those used in the other countries of the UK.

3.3 Scotland

The definition of affordable housing used in official statistics produced in Scotland is based on the products that are provided through their Affordable Housing Supply Programme (AHSP). This is different to the other countries, where a broader planning definition is used for statistical purposes.

¹⁷ Department of the Environment, [Strategic Planning Policy Statement for Northern Ireland \(pdf\)](#), September 2015, page 114 (note: this policy is now owned by the Department for Infrastructure)

¹⁸ Northern Ireland Department for Communities, [Definition of Affordable Housing Consultation Paper](#), June 2019

A broader planning definition of affordable housing does exist in Scotland, however any units delivered without subsidy in Scotland are not included in official statistics.

In the context of the AHSP, affordable housing is defined as including ‘both social and mid-market rented homes, and also low cost home ownership properties’.¹⁹ A subset of affordable housing, ‘social housing is rented housing provided by councils and registered social landlords, normally on a Scottish Secure Tenancy’. Mid-market rent is a term used in Scotland for affordable housing with rent levels set higher than social rent but lower than local market rents.

The broad categories used in reporting are:

- Social Rent – this includes registered social landlord rent and council house rent.
- Affordable – which includes nine different products, the biggest of which are mid-market rent and open market shared equity.

In practice, stakeholders in Scotland referred to three broad categories: social rent, mid-market rent, and low cost home ownership.

Although not referenced in the statistical outputs, Scotland does have a range of tenure types considered affordable housing for planning purposes. These are specified in the Planning Advice Note 2/2010: Affordable Housing and Housing Land Audits²⁰. These include:

- Social rented – ‘housing provided at an affordable rent and usually managed by a RSL [registered social landlord]’.
- Subsidised low cost housing for sale – including subsidised low cost sale, shared ownership and shared equity.
- Unsubsidised low cost housing for sale – including entry level housing for sale and shared equity.
- Mid-market or intermediate rented – private rented accommodation with rents below local market rates.

Some of the above include a requirement to maintain affordability for future owners/renters, while most require that the price or rent should be informed by what is affordable locally, as set out in the Local Housing Strategy, supported by a Housing Need and Demand Assessment and agreed by the local authority, or be in line with Scottish Government requirements.

3.4 Wales

The main definition of affordable housing used in Wales is from the planning system and is known as TAN2 (coming from the Technical Advice Note 2). This defines affordable housing as: ‘housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers, [... or where there are] secure arrangements in place to ensure the recycling of capital receipts to provide

¹⁹ Scottish Government, [Affordable Housing Supply Programme Out-turn Report 2017-18 \(pdf\)](#), December 2018, page 5

²⁰ Scottish Government, [Planning Advice Note 2/2010 - Affordable Housing and Housing Land Audits](#), August 2010, pages 2-3

replacement affordable housing'²¹. The definition goes on to specify affordable housing as including:

- Social rented housing, defined in the TAN2 glossary as 'provided by local authorities and registered social landlords where rent levels have regard to [Welsh Government's Policy for Social Housing Rents]'²², or
- Intermediate housing, defined in the TAN2 glossary as 'where prices or rents are above those of social rent but below market housing prices or rents. This can include equity sharing schemes (for example Homebuy). Intermediate housing differs from low cost market housing, which the [Welsh Government] does not consider to be affordable housing for the purpose of the land use planning system.'²³

The Affordable Housing Provision in Wales statistical release includes all affordable housing conforming to the TAN2 definition, along with a small number of 'housing units leased to provide accommodation for homeless families where the lease is for more than a year'.²⁴

Headline figures within the release do not include the 'rent to own' scheme as affordable housing, as this does not fully conform to the TAN2 definition, although a separate table of data on this scheme is provided in the same release.

A broader definition is used in the Welsh Government's affordable housing supply *target* (which commits to delivering an extra 20,000 'affordable homes' during 2016-2021²⁵). This definition of affordable housing includes all housing covered by the TAN2 definition but also other publicly supported housing, such as supply delivered under the Help to Buy programme, which does not comply with TAN2 and is not included in affordable housing statistics.

²¹ Welsh Government, [Technical Advice Note 2: Planning and Affordable Housing \(pdf\)](#), June 2006, page 4

²² The TAN2 glossary refers here to 'guideline rents and benchmark rents' but these have been superseded by Welsh Government's [Policy for Social Housing Rents](#) (2015)

²³ Welsh Government, [Technical Advice Note 2: Planning and Affordable Housing \(pdf\)](#), June 2006, page 19

²⁴ Welsh Government, [Affordable Housing Provision in Wales, 2017-18 \(pdf\)](#), October 2018, page 2

²⁵ Welsh Government, [Taking Wales Forward](#), September 2016

3.5 Affordable housing definitions: key issues

The overall picture of affordable housing across the four countries of the UK is complicated, including a large number of products and varying terminology. Key issues affecting understanding of affordable housing definitions across the UK are discussed below.

- **Basic terminology** – the basic terminology of affordable, social and intermediate varies both within and between countries. The situation is particularly complex in England due to the range of bodies involved and the variety of legislation and policies providing definitions. For example:
 - Definitions of ‘affordable housing’ and ‘social housing’ overlap substantially in England and can be used interchangeably in some cases. However, ‘affordable rent’ and ‘social rent’ are distinct (with the former usually more expensive). This can lead to confusion for data users about what will be included in affordable housing and social housing statistics.
 - Also in England, ‘intermediate’ and ‘affordable’ are used in a range of very similar terms with different meanings. For example, ‘affordable rent housing’ is a subset of ‘affordable housing for rent’ – the two terms are not synonymous.²⁶
- **Affordability** – while the purpose of this report is not to examine housing affordability in detail, several stakeholders identified a need for a harmonised definition of housing affordability in general. Some countries do already have official or unofficial affordability definitions, and housing need assessment models require affordability assumptions to be factored in, in order to divide housing need between tenures.
- **Market rents/prices** – many affordable housing products define themselves in relation to local market rents or prices. For instance, some are specified as at least 20% below market rents/prices while others are simply defined as ‘below market housing prices or rents’. However, there is no information provided alongside these definitions as to how the market figures should be calculated, making it more difficult to understand the products or assess comparability between countries.
- **Housing Association / Registered Housing Association / Private Registered Provider / Registered Social Landlord** – these terms are used across UK official statistics and are broadly interchangeable²⁷. In their main affordable housing statistical releases, England primarily uses ‘private registered provider’ while Scotland and Wales use ‘registered social landlord’, although all sometimes use other terms. Northern Ireland’s compendium of housing statistics uses only ‘housing association’. ‘Housing association’ will be used throughout this report where multiple countries are being discussed.

²⁶ MHCLG, [Housing statistics and English Housing Survey glossary](#), accessed 31 May 2019

4. Affordable housing tenures and products

This section outlines the key types of affordable housing products on offer across the UK. These fall on a spectrum of tenure from fully renting, through partial ownership to full ownership. As discussed in the previous chapter, due to the different definitions of affordable housing used in the four countries, the products discussed in this section are not all considered 'affordable housing' by all countries.

4.1 Social rent

All four countries run social rent schemes, commonly known as council housing or social housing. Rents are set in accordance with official criteria that vary between countries²⁸, but overall in each country social rents are the cheapest of all affordable housing products.

Social rented housing is allocated based on need, although the mechanisms and prioritisation criteria for this differ between countries and local authorities. In most cases, social rented properties are managed by social landlords (usually either local authorities or housing associations²⁹).

Rents differ between areas and in some cases also between type of landlord. In Northern Ireland for instance, the Northern Ireland Housing Executive properties have lower rents on average than housing associations.

'London Affordable Rent' has very similar rent levels to social rent, however it is technically an affordable rent product³⁰. London Affordable Rent appears separately from both social and affordable rent in the statistics produced by MHCLG.

4.2 Other sub-market rent

Distinct from social rent, England, Scotland and Wales all have a range of rental products which are set below market rent and are often considered affordable housing products. A range of terminology is used to describe such schemes, including affordable, mid-market, national housing trust, intermediate and living rent.

In England, 'affordable rented housing' is an affordable housing category defined in planning policy where rents are capped at 80% of local market rates. However, in practice some affordable

²⁷ - In England, private registered providers (PRPs) are clearly defined as private social housing landlords that are registered with the Regulator for Social Housing. Most PRPs are not-for-profit, but some are for-profit. Housing associations (HAs) are less strictly defined but are generally considered not-for-profit. Most but not all HAs are PRPs, and most but not all PRPs are HAs. In the context of official statistics, PRP is the more accurate term.

- In Scotland and Wales, registered social landlord is the equivalent of PRP, referring to organisations registered with the Scottish Housing Regulator or Welsh Government.

- In Northern Ireland, (Registered) housing associations are registered with the Northern Ireland Housing Executive

²⁸ Further investigation would be required to fully understand the comparability of social rent policies between the countries of the UK.

²⁹ As discussed in the definitions section of this report, a variety of terms are used in the UK to refer to social landlords that are not local authorities. For simplicity, 'housing association' will be used throughout this report.

³⁰ Greater London Authority, [Affordable Homes Programme 2016-21 Funding Guidance](#), November 2016, page 8

rent products involve rents set well below this maximum. For example, London Affordable Rent has rents set very close to social rent.³¹ Rents will also vary based on provider and assessment of local housing need.

In Scotland, the initial rent level for mid-market rent properties is usually expected to be 'no more than the relevant Local Housing Allowance rate for the property size in question'.³²

As sub-market rents are often set relative to local housing market rates³³, in some cheaper parts of the UK they are very similar to social rent levels, while in more expensive areas they can differ by thousands of pounds a year³⁴. The affordability of such sub-market rent products therefore varies across the country.

The eligibility criteria and target audiences vary between sub-market schemes and providers. For example, London Living Rent is aimed at middle-income households hoping to save money for a deposit on a house, while Scottish Mid-Market Rent is aimed at low to middle income households who are not eligible for social rent but cannot afford market rents.

4.3 Rent to own

Rent to own schemes are known by a variety of names, including rent to buy, rent to save and intermediate rent.

In England, the main scheme, Rent to Buy involves renting at a rate of 80% of market rates for a fixed period (often five years). The expectation is that the reduced rent will enable tenants to save for a deposit. Either during or at the end of the fixed rental period tenants are given the option to purchase the property (either outright or through a shared ownership scheme).

A similar scheme is run in Northern Ireland, but tenants pay 100% of the rent and receive a refund of 20% of that rent at the end of the tenancy, which they can use towards a deposit. Properties under this scheme are selected by the tenant but must be new builds.

In the Rent to Own Wales scheme, tenants pay full rent but receive back 25% of the rent paid and 50% of any increase in property value to use as a deposit. The scheme lasts five years and tenants can apply to buy their home from the end of the second year onwards.

Scotland does not have a national rent to own scheme, although some small schemes appear to have been funded via their Innovative Financing Fund.³⁵

Key differences between rent to own schemes include: whether the property is re-valued before sale or sold for the (likely cheaper) original price, whether the tenant gets a discounted rent throughout or a rent refund at the end, and whether any refund is predicated on the tenant agreeing to purchase the house.

³¹ On London, [What are London 'affordable' homes and who can afford them?](#), 17 December 2018

³² Scottish Government, [Affordable Housing Supply Programme: Process and procedures](#), April 2019, Page 14

³³ See footnote 8 for further information on the definitions of 'market' rates.

³⁴ Joseph Rowntree Foundation, [Affordable rents compared to traditional social rents](#), 13 Jul 2018

³⁵ <https://www.hscht.co.uk/rent-to-buy.html>

As rent to own schemes are designed with the expectation that the tenant will become the owner, some schemes allow tenants more control over the property than would usually be the case for renters. For example, where possible, Northern Ireland's rent to own scheme allows tenants to choose the decor of the new build house they will be renting under the scheme.

Rent to Own Wales does not meet the Welsh TAN2 definition of affordable housing, so is not included in their total additional affordable housing statistics. However, these do contribute to their wider 20,000 affordable homes target.

4.4 Shared ownership & shared equity

There are a number of shared ownership/equity schemes on offer in the different countries of the UK.

- In **shared ownership** schemes, households buy a share of a home (usually around 25%-75%) with an organisation (usually a housing association) owning the remaining share.
- In **shared equity** schemes, households take out a loan from the government to use as part of their mortgage deposit. The householder owns all of the property but has to repay the equity loan to the government when the property is sold, if not earlier. The amount they repay is calculated as a proportion of the value of the property when repayments are made, so will usually differ from the initial amount borrowed.

In most shared ownership schemes, the household pays rent to the housing association on the remaining share (e.g. 2.5% for Northern Ireland's Co-Ownership scheme, up to 3% for England's main Help to Buy scheme). However, in the case of shared equity, no rent is usually payable, and this is also sometimes the case for shared ownership (such as England's Older Persons Shared Ownership scheme, where no rent is due on the final 25% share which the housing association retains). Shared equity schemes vary as to whether and when interest is due on the equity loan.

In most shared ownership/equity schemes households are able to purchase additional shares of the property, which is known as staircasing. Schemes differ as to whether homeowners are allowed to staircase up to 100% ownership.

Northern Ireland's main 'Co-Ownership' scheme allows applicants to identify a property of their choice from the open market. In contrast, the major related shared ownership schemes in England, Scotland and Wales all focus on predetermined new build properties, although smaller schemes allowing purchase of existing homes do exist in these countries.

Most shared ownership schemes are targeted primarily at first time buyers and other priority groups such as older people, social renters and disabled people. Exact eligibility varies between schemes.

Other distinguishing factors include whether the property is leasehold or freehold, what the maximum purchase price is, and whether there is a mechanism in place to recoup and recycle public funding (to retain the affordable housing funding).

Terminology varies between countries and schemes. In particular, it should be noted that in England separate 'Help to Buy' shared ownership³⁶ and equity loan³⁷ schemes exist, while Help to Buy in Scotland and Wales is only shared equity. In most cases, Help to Buy programmes are not considered affordable housing products.

It should also be noted that not all shared ownership schemes are arranged through public sector programmes – in some cases private developers run their own schemes, although these do not count towards affordable housing statistics.

Countries and stakeholders vary as to whether they consider shared ownership/equity schemes affordable housing products. Generally, shared ownership is classed as affordable housing more often than shared equity. For example, Wales' Help to Buy shared equity scheme is not classed as affordable housing under the TAN2 definition in Wales, and so is not included in their affordable housing statistics, although it is included in their wider 20,000 affordable homes target. Scottish Government do not consider their Help to Buy shared equity scheme to be affordable housing in terms of their target, although stakeholders note that the programme is becoming more focused on helping those on low incomes. England do not include Help to Buy shared equity in their affordable housing statistics, but do include various shared ownership products. Northern Ireland's Co-Ownership scheme is a key part of their affordable housing provision.

4.5 Discounted home ownership schemes

There are a number of different schemes in operation across the UK which provide eligible buyers with discounted housing.

For example, in Scotland the 'Golden Share' scheme operating in Edinburgh³⁸ enables eligible households to purchase a property at 80% of market value, up to a current cap of £214,796. Similarly, in England the 'Starter Homes' programme intends to provide eligible first time buyers with new-build homes at a 20% discount, with a maximum house value of £250,000, or £450,000 in London, however no homes have yet been completed under this scheme³⁹.

In the wider sphere of discounted market housing, England and Northern Ireland both run Right to Buy (or Right to Acquire schemes). Sales under right to buy/acquire schemes are not included in affordable housing statistics, but data on these schemes are published separately. In England, the Right to Buy scheme allows eligible council tenants and some housing association tenants to buy their house at a discount of between 35% and 70% of the market value. Many other housing association tenants in England are eligible for the Right to Acquire scheme, which offers discounts of between £9,000 and £16,000. In Northern Ireland, the Right to Buy scheme allows eligible tenants to buy at a discount of up to 60% or £24,000, whichever is lower. The Right to Buy scheme has ended in Scotland and Wales.

³⁶ HM Government, [Help to Buy: Shared Ownership](#), accessed 26/07/2019

³⁷ HM Government, [Help to Buy: Equity Loan](#), accessed 26/07/2019

³⁸ Edinburgh City Council, [A buyer's guide to Golden Share](#), March 2018

Note that 'Golden Share' has another meaning in Scotland's shared equity schemes, where in certain circumstances the government retains a 20% 'golden' share of the home in perpetuity, to ensure the property remains affordable.

³⁹ National Audit Office, [Investigation into Starter Homes](#), November 2019

In addition to eligibility criteria and scale of discount, a key distinguishing factor between discounted home ownership schemes is whether the subsidy is kept by the purchaser or retained in the affordable housing system – either through requiring that the house remains discounted in future purchases, or through the subsidy being returned to the programme to finance a different purchase.

4.6 Affordable housing tenures and products: key differences

Across the spectrum of tenures from fully renting to fully owning, there are large number of affordable housing products in operation across the UK. In some cases these have similar names but different characteristics (such as the various 'Help to Buy' products). As discussed in the definitions section of this report, not all countries count all these products as 'affordable housing', with some definitions being narrower than others. This means that not all these products will be captured in official statistics on affordable housing.

In understanding the situation and assessing comparability of schemes, key distinguishing factors include:

- **Cost** – the cost of affordable housing products to the household varies between schemes. Approaches to determining/capping costs include linking these to local market rents/prices or to median local incomes.
- **Eligibility** - all affordable housing products have eligibility restrictions, although the group being targeted differs between schemes (e.g. low-income households, first time buyers, older people). Common restrictions include maximum household income and maximum property price, although actual values vary.
- **Support** – some affordable housing products are targeted at people with particular needs, such as those who require adapted or sheltered/supported housing.
- **Source of funding** – much affordable housing is subsidised through public sector grant funding, but a large proportion is also funded solely by developers, without grant, through agreements they have made with local authorities to secure planning permission⁴⁰. Some housing associations cross-subsidise affordable housing with revenues from market housing they own.
- **Scale of funding** – in cases where public grant funding is provided, the amount varies between schemes and countries. For example, the Scottish Government provides around £70,000 towards each social housing unit, compared to around £40,000 in England.
- **Affordability retention/recycling** – some affordable housing schemes require the property to remain discounted for future occupiers or for the subsidy to be refunded if the property is sold.
- **Staircasing** – in the case of shared ownership/equity products, some allow occupants to 'staircase' to full ownership by buying up to 100% of the property or repaying the equity loan in full, while others require the (government/housing association) funder to retain a certain share, which they will receive payment for when the property is sold.
- **Time** – the range of affordable housing on offer changes over time, with new products being introduced, funding schemes starting and finishing, and changes being made within particular schemes. This means that some affordable housing products are legacy products only (not acquiring new properties/accepting new members).

⁴⁰ In England and Wales these are known as Section 106 agreements. In Scotland, Section 75.

5. Affordable housing statistics

This section discusses the key official statistics on affordable housing produced in the UK, which vary in line with the differences in definitions and products that were discussed in the previous chapters of this report. The bulk of these statistics relate to each country's supply (i.e. building and other acquisition), but some statistics are also produced on stock and demand. Based on discussions with stakeholders, the issue of cross-UK statistics is also discussed, along with a number of data gaps identified by stakeholders.

5.1 Supply data

All four countries publish some official statistics on affordable housing supply, and this is the aspect of affordable housing most thoroughly covered by statistics. In all countries, affordable housing supply statistics do not factor in losses (such as demolitions and sales), so represent gross rather than net supply.

5.1.1 England

In England, MHCLG's Affordable Housing Supply release⁴¹ presents data on affordable housing supply, whether this is new build or acquisitions. A range of analysis is provided showing changes in housing completions over time, split by tenure (primarily social rent, intermediate affordable housing, affordable rent), type of scheme and provider, and acquisitions compared to new builds. Comparisons are made across time of affordable housing completions per 10,000 population and compared to total housing additions. Data is also provided showing trends in starts on site of affordable housing. The release is accompanied by a range of 'live tables' containing the data referenced in the release as well as data on supply for each local authority⁴².

This publication brings together data from a number of sources, all of which are also the subject of individual statistical releases. The largest of these, accounting for roughly two-thirds of delivery between them, are Homes England and the Greater London Authority. They collect data through their operational systems as part of their role delivering the affordable homes programme. As this data is related to funding, it is expected to be reasonably high quality, although changes are made for operational reasons (for instance if delivery dates are changed) which are then reflected in MHCLG's scheduled revisions.

The bulk of the remaining data comes from the voluntary Local Authority Housing Statistics (LAHS) data collection. This covers affordable housing that is funded by the local authority or provided by developers to meet Section 106 planning obligations. LAHS has a high completion rate: in 2017-18 it was completed by all but one local authority, although not all complete every field. For the purpose of counting completions and starts-on-site, local authorities are asked to exclude properties funded by the GLA or Homes England. These organisations provide a list of properties to be excluded to local authorities to ensure the correct units are counted. MHCLG runs quality checks on this data, in particular for local authorities with a large number of completions and starts-on-site. As completions are used to calculate New Homes Bonus payments, they must

⁴¹ MHCLG, [Affordable housing supply in England: 2017 to 2018](#), 22 November 2018

⁴² MHCLG, [Live tables on affordable housing supply](#), accessed 31 May 2019

be signed off by local authorities as correct. The New Homes Bonus payments will be subject to audit by the local authorities when signing-off their finances. Any revisions arising are included in MHCLG statistical tables in the June following their original publication.

The final data sources feeding into MHCLG's affordable housing supply release are a bi-annual Traveller Caravans Count (included in the July data release only) and data from the Private Funding Initiative and Affordable Homes Guarantee schemes. These account for only a small proportion of supply.

5.1.2 Northern Ireland

Northern Ireland do not produce a specific statistics publication regarding affordable housing but include data on their social housing and Co-Ownership schemes in their general housing outputs.

In terms of supply data, the Northern Ireland Department for Communities' annual compendium of housing statistics⁴³ includes information on starts and completions of social housing over time. Two sets of figures are provided for starts and completions which differ from one another due to time of recording (with the same properties therefore sometimes recorded in different years). One set come from the Northern Ireland Housing Executive's Social Housing Development Programme database and are based on returns from housing associations which are checked and verified, mainly during the final quarter of the year. The other figures relate to the dates of first and last building control inspections.

In terms of Northern Ireland's other main affordable housing product, Co-Ownership, data is published on the number of applications completed (equating to firm offers or contracts signed).

5.1.3 Scotland

In Scotland, the most detailed publication is the Affordable Housing Supply Programme (AHSP) out-turn report⁴⁴, while summarised data are included as part of their annual housing statistics key trends report, and quarterly updates⁴⁵. These statistics cover only housing provided through the AHSP. They include expenditure, approvals, starts and completions by local authority area and programme, and a range of other data including provision of housing for people with particular needs (such as disabled people). Out-turn report data is published at local authority level.

The data behind this reporting comes from Scottish Government's Housing and Regeneration Programme (HARP) administrative system. Data is submitted by grant applicants throughout the process of applying for AHSP funding and completing development. Some data is also brought in to the analysis from legacy systems, as HARP is relatively new.

Non-AHSP funded affordable supply in Scotland is not fully captured in official statistics. Scottish Government receives new build data from local authorities which includes a private/social split, but it is not clear where mid-market properties would sit in this data, and local authorities are not

⁴³ Department for Communities, [Northern Ireland Housing Statistics 2017-18 pdf](#), revised Feb 2019

⁴⁴ Scottish Government, [Affordable Housing Supply Programme Out-turn Report 2017-18 \(pdf\)](#), December 2018

⁴⁵ Scottish Government, [Housing and Regeneration statistics](#), accessed 31/05/2019

always aware which of the housing being built is affordable. The statistics would also not capture any housing delivered by local authorities or registered social landlords without AHSP funding.

Non-AHSP funded affordable housing owned by local authorities or registered social landlords will ultimately be reflected in Scottish Government official statistics on social rented housing *stock*, as these counts are derived from administrative data from all social landlords (both local authorities and registered social landlords).

5.1.4 Wales

In Wales, the main statistics publication on affordable housing supply is their Affordable Housing Provision in Wales annual release⁴⁶. This reports on additional affordable housing units 'delivered', which relates to homes ready for occupation, provided 'through new build, purchase, acquisition, leasing or conversion of existing dwellings'. The statistics cover affordable housing supply delivered both with and without Welsh Government grant funding.

Various breakdowns of affordable housing delivery are provided in the report by year, location and type of land, funding, registered social landlord delivery, tenure and delivery through section 106 planning obligations.

Affordable housing provision data is collected from local authorities, registered social landlords, and national parks and checked and aggregated by Welsh Government. This also includes data on Rent to Own, which is reported separately within the annual release.

⁴⁶ Welsh Government, [Affordable Housing Provision in Wales, 2017-18 \(pdf\)](#), October 2018

5.2 Affordable housing supply statistics: key differences

Key distinguishing factors between affordable housing supply statistics between and within the countries of the UK:

- **Non-government funded affordable housing** – a key distinguishing factor between affordable housing official statistics is to what extent these cover affordable housing which is not centrally subsidised. There are a variety of ways housing supply is generated without central government funding, including that funded directly by local authorities, as well as that provided by developers to meet planning obligations (in England and Wales this is through ‘Section 106’ agreements, while in Scotland it is ‘Section 75’ – although some housing built under these agreements will also receive government funding). Such developer contributions are becoming an increasingly prominent funding stream for affordable housing.

Scotland’s affordable housing supply statistics only include units funded through the AHSP programme, which will include Section 75 units receiving some form of government funding but will exclude any non-government funded supply. Wales and England both include S106 supply, although for England it is thought that some will be missed as local authorities are not aware of it all. Northern Ireland does not currently have an equivalent mechanism.

- **Approvals, starts and completions** – affordable housing supply is variously recorded when development of the property is approved, started or completed/delivered, and definitions of these terms differ between the UK countries. While most projects that are approved for funding will eventually be completed, the timescale between approval and completion can span multiple years so the measure chosen for reporting has an impact on annual figures⁴⁷.

Tenure can sometimes also change during the course of housing development, usually due to a reassessment of local need. For example, what was originally proposed as affordable home ownership housing might instead become social rent housing. This can lead to apparent inconsistencies between data sources.

In some cases, multiple versions of the same measure are also recorded – for instance building control starts and completions can differ from that recorded by funding programmes, often meaning properties are reported in a different year depending on which measure is used. This means that apparently inconsistent measures of annual supply are reported within some countries, as the same properties are recorded in different years. These issues also need to be considered when attempting to compare supply data between countries.

- **Acquisitions** – aside from new build housing commissioned from developers, there are a range of ways additional affordable housing is produced. This includes buying existing market stock, buying ‘off the shelf’ new-build housing that was originally expected to be market housing, dividing existing affordable properties into multiple dwellings, converting existing affordable properties into larger ones, converting other public sector properties into affordable housing, and renovating uninhabitable stock.

Affordable housing supply statistics vary as to which of these methods they include, and whether they separate these out from new-builds in the data. For example, properties built

privately by developers but sold new to housing associations are counted as acquisitions rather than new build in both England and Wales' supply figures.

- **New build statistics** – in addition to the specific affordable housing publications discussed above, all countries publish new build statistics which include related data on properties built by the private and social (local authority/housing association) sectors, but these do not tally with the related figures in the affordable housing publications. For example, England and Wales feature breakdowns identifying local authority and housing association new-builds, however, both countries advise users to treat this data with caution. This is because the data collection relies on reports by building control officers/inspectors, who will not necessarily be aware of the correct final tenure of a property, and both local authorities and housing associations can also be developers of market housing which is not classified as affordable housing.⁴⁸

In England, the difference between the two sets of figures was identified as a problem by some stakeholders, who noted that the new build figures are released first and therefore have more impact, but are less robust than the affordable housing release figures.

5.3 Stock data

There is very little data published that explicitly addresses affordable housing stock, particularly split out by tenure. All countries do however publish relevant data which covers a large proportion of that stock which could be categorised as affordable housing, although this is not comprehensive. In most cases this is described as 'social housing' rather than 'affordable housing' data. For example, the English Housing Survey provides a large amount of information on social housing stock, although the results do not separate out affordable rent from social rent⁴⁹. As noted in the definitions section of this report, data users are not always aware of the overlap between these terms, meaning that the affordable housing coverage of these releases may not be apparent to all users.

The most detailed of these data sources is the Statistical Data Return published by the English Regulator for Social Housing⁵⁰. This provides information on 'social housing' stock that is held by private registered providers (PRPs) in England. The release includes and identifies affordable rent and low cost home ownership stock, as well as social rent stock and non-social stock held by PRPs. Information about total stock is provided as well as characteristics of the different tenures, such as the split between general needs or supported housing, the number of bedrooms and

⁴⁷ For example, in Scotland, it is estimated to take between one and two years on average between approval and completion for a new build affordable housing site.

Scottish Government, [Housing Statistics for Scotland 2016: Key Trends Summary](#), page 13

⁴⁸ Welsh Government, [New house building: October to December 2018](#), March 2019

MHCLG, [House building; new build dwellings, England: September Quarter 2018 \(pdf\)](#), January 2019, page 16

⁴⁹ MHCLG, [English Housing Survey](#), most recent publication July 2017-18

⁵⁰ Regulator for Social Housing, [Statistical Data Return 2017 to 2018: private registered provider social housing stock in England](#), December 2018

average rents. Information is also provided on losses of social housing stock through sales and demolitions.

For local authority stock in England, MHCLG publishes a Local Authority Housing Statistics release⁵¹, as well as a range of live tables⁵². Much of this data focuses on social rent, as this comprises the majority of local authority stock, although some also includes affordable rent properties. Less detailed data is collected for local authorities as compared to PRPs, meaning that equivalent data is not available for many of the detailed breakdowns produced by the Regulator for Social Housing. Some data tables are published by MHCLG which combine information from a range of sources to give a high-level picture on social housing in England as a whole. However, some stakeholders commented that the picture for England as a whole is confusing due to the range of different data sources. Some of these issues might be addressed in future with the collection of additional data on local authority stock and rents by the Regulator of Social Housing, as part of their new role in regulating local authority rents which comes into effect in April 2020. A pilot Local Authority Data Return (LADR) was conducted in 2019⁵³.

Some official statistics on social housing stock are published by the other countries of the UK. For example, Welsh Government publishes social housing stock and rents data, including some tables which include most housing that could be considered affordable (social rents, intermediate rents and other intermediate tenures such as shared ownership properties)⁵⁴. More detailed statistics focusing on social rent are published by all countries.

In some cases, additional monitoring information (rather than official statistics) is published relating to specific affordable housing programmes or products. For example, the Scottish Government publishes monitoring information on its shared equity schemes which includes information on the characteristics of both dwellings and households using the scheme⁵⁵. Stakeholders have suggested that more monitoring data on affordable housing stock may be available, including from regulators, but further work would be required to establish the extent of this and its usability for statistical purposes.

All four countries publish tables on dwelling stock by tenure which identify stock owned by housing associations and local authorities⁵⁶. However, these cannot be used to identify total affordable housing stock as shared ownership/equity properties are classified in this data as owner occupied/owned with a mortgage. The information provided in the dwelling stock tables does not clarify where any market housing owned by housing associations would appear. MHCLG also publishes a table on dwelling stock by tenure for Great Britain⁵⁷.

⁵¹ MHCLG, [Local Authority Housing Statistics: year ending March 2018, England](#), January 2019

⁵² MHCLG, [Local Authority Housing Data – Live Tables](#), accessed 02/08/2019

⁵³ Regulator of Social Housing, [NROSH+ Local Authority Data Return \(LADR\) Guidance Notes](#), accessed 17/10/2019

⁵⁴ Welsh Government, [Social Housing Stock and Rents](#), accessed 25/07/2019

⁵⁵ Scottish Government, [Open Market Shared Equity monitoring: characteristics of households report](#), June 2019

⁵⁶ MHCLG, [Table 100: number of dwellings by tenure and district, England](#), 02/08/2019

Northern Ireland Department for Communities, [Northern Ireland Housing Statistics 2017-18 Section 1 Tables – Supply](#), Dec 2018

Scottish Government, [Stock by Tenure Tables](#), accessed 02/08/2019

Welsh Government, [Dwelling stock estimates by year and tenure](#), accessed 02/08/2019

⁵⁷ MHCLG, [Table 102: by tenure, Great Britain \(historical series\)](#), 02/08/2019

Overall, data is available on various aspects of affordable housing stock, particularly in England. However, data is not comprehensive or generally comparable and there is limited understanding of total affordable housing stock by tenure. A key reason for this is that affordable housing categorisations are most commonly used in the context of supply. Supply data usually comes from the administrative systems of funding programmes, which are no longer concerned with the housing once it has been delivered.

5.4 Need and demand data

A range of data related to affordable housing need is produced and published across the UK. This includes data on social housing waiting lists, although this is a relatively crude measure of housing need as in some cases the same households may appear on multiple lists, and some waiting lists are not updated to remove people who are no longer in need.

There is however a lot of work currently underway on estimating future local housing need by tenure. For example, Scotland's Housing Need and Demand Assessment (HNDA) tool models future housing need in terms of households likely to be able to afford: owner-occupied housing, private rents, below-market rents and social rents⁵⁸. The Scottish HNDA is designed to work at local authority and Housing Market Area level. Scotland have been working with the Welsh Government on adapting the HNDA Tool to create national and regional estimates for Wales, and the Welsh Government has recently published estimates of housing need by tenure (affordable and market) and a tool that allows users to split the estimates to four tenures⁵⁹. Scotland are also currently working with Northern Ireland who are also considering use of the HNDA tool.

Welsh Government recently published an independent review of affordable housing supply which includes a recommendation that Local Housing Market Assessments should become mandatory and consistent for all local authorities⁶⁰.

Needs models vary as to whether they account for existing need and whether they allow for adaptation to local circumstances.

5.5 Existing cross-UK statistics

There are no major official statistics publications of cross-UK affordable housing statistics, although occasional comparisons between countries are included in some official statistics publications and other more informal departmental outputs. These usually refer to 'social housing' or 'social rents'. For example, the Northern Ireland Housing Statistics compendium includes a comparison of estimated median weekly rents in the social rented sector between Northern Ireland and the rest of the UK⁶¹. Similarly, Scottish Government produces a publication on Social Tenants in Scotland, which includes a range of comparisons to other UK countries including the proportion of social rented housing, social rent levels, and the characteristics of social tenants⁶².

⁵⁸ Scottish Government, [Housing Need and Demand Assessment \(HNDA tool\)](#), accessed 31 May 2019

⁵⁹ Welsh Government, [Estimates of Housing Need in Wales by Tenure: 2018-based](#), June 2019

⁶⁰ Welsh Government, [Independent Review of Affordable Housing Supply Final Report](#), April 2019

⁶¹ Department for Communities, [Northern Ireland Housing Statistics 2017-18 pdf](#), revised Feb 2019

⁶² Scottish Government, [Social Tenants in Scotland 2017](#), April 2019

Some cross-UK survey data relating to affordable housing is available, for example through the Family Resources Survey, however these do not relate specifically to officially classified 'affordable housing'.

Some non-government organisations publish UK data, most notably the UK Housing Review (which is partly funded by the Scottish and Welsh Governments and the Northern Ireland Housing Executive, amongst others)⁶³. Where comparable data exists, the UK Housing Review includes comparisons across the UK or Great Britain (England, Scotland and Wales). For example, they include tables on dwellings by tenure, which identify owner occupied vs. local authority, housing association and other public sector stock in each country (but do not separate out other affordable housing such as shared ownership). The review also includes an independent estimate of affordable and market housing need for the English regions, Scotland and Wales, produced by Glen Bramley for Crisis and the National Housing Federation. However, the majority of other statistics relevant to affordable housing are presented separately for each country, due to lack of comparability.

5.6 Stakeholder need for cross-UK statistics

As part of this harmonisation review, stakeholders⁶⁴ were asked about their need for cross-UK statistics on affordable housing. There was some interest in this in terms of the need to answer ministerial or media questions, freedom of information requests, or to understand the merits of the different approaches to meeting housing need that have been taken in the different countries and influence policy.

However, stakeholders also expressed reservations about making comparisons due to the differences between housing markets, economies and housing policies of each country, which reduce comparability.

It was also noted that comparing Scotland, Wales or Northern Ireland to England as a whole is not particularly useful, as the context in London and southern England is too different. There was some interest in regional comparisons, such as to the North East of England, where the economic situation is more similar to those of the Devolved Administrations.

A few stakeholders did suggest it may be possible to develop broader agreed categorisations through which to compare affordable housing statistics across the UK, for instance: social rented housing, other sub-market rented housing (intermediate/mid-market), shared ownership and/or sub-market owned housing. If further work on cross-UK statistics is undertaken, definitions could be agreed for such broader analytical categories that subsume a number of products offered in different countries, reducing the impact of any differences on comparability. To ensure comparability, such groupings could include data from all applicable products offered in each country, even if they are not considered affordable housing under that country's own definition.

If consistent data were published to assess affordability, this would be another way to understand and compare overall affordable housing provision and affordable housing products across the UK.

⁶³ Chartered Institute for Housing, [UK Housing Review](#), 2019

⁶⁴ See the appendix for a [list of contributing organisations](#)

On the whole however, while many stakeholders commented that it would be interesting to have UK comparisons for affordable housing statistics if this were possible, they did not consider this to be a priority, as housing policy is devolved. This was particularly the case in comparison to addressing some of the other gaps and issues in housing statistics – discussed in the following section of this report.

More detail on the cross-UK comparisons that are currently possible is contained in the article on UK affordable housing statistics published alongside this report.⁶⁵

5.7 Gaps identified by stakeholders

As part of the research for this report in the first half of 2019, stakeholders⁶⁶ identified a range of gaps they perceived in data relating to affordable housing – areas on which they would like either more data or greater specificity of data. While the identification of gaps was not the focus of this review, these areas are noted here to help statistics producers understand the needs and views of stakeholders. In general, stakeholders prioritised their need for data on these areas over any need for cross-UK statistics.

Some data on these areas is already produced (or is forthcoming) in parts of the UK, although this does not usually cover the full spectrum of affordable housing, and most does not distinguish between social rent and other ‘affordable’ tenures. In some cases this data is included in official statistics, while other relevant data is published as management information. In cases where data on these areas is already published, further work may be beneficial to improve signposting of the data.

Statistics producers across the UK are continually reviewing user requirements and data gaps, developing new statistics and enhancing existing outputs. The user feedback in this report will be used to inform these processes, as discussed in the next steps section of this report.

Key areas in which stakeholders perceived gaps in affordable housing statistics in some or all countries of the UK:

- **Affordability** – data to understand the affordability of affordable housing (to households, and relative to market housing) was a key gap for some stakeholders, which was also identified in the OSR systemic review of housing statistics⁶⁷. How affordable are the different affordable housing products? Which groups of people are they affordable to? What are the actual rents/prices charged under the schemes (not just the maximum amounts permitted)? How do costs compare to local incomes?
- **Local data** – as housing markets vary greatly within the countries of the UK, local data across the topic was prioritised by a range of stakeholders. While breakdowns by local authority are often possible, these are sometimes only published on request rather than as standard. Additionally, some users want statistics on smaller areas, and different

⁶⁵ Office for National Statistics, [Affordable Housing in the UK](#), November 2019

⁶⁶ See the appendix for a [list of contributing organisations](#)

⁶⁷ Office for Statistical Regulation (OSR), [Systemic Review of Public Value: Statistics on Housing and Planning in the UK](#), November 2017

geographic breakdowns such as regions, settlements and functional housing market areas. Data distinguishing between urban and rural housing was also requested.

- **Shared ownership** – data on the uptake and performance of shared ownership schemes was a key gap to some stakeholders. Stakeholders want to understand whether these products are functioning as affordable housing, whether they lead to full ownership, and, from the perspective of mortgage lenders and developers, whether and how they should invest in these products. Data was requested on the total stock in these schemes, performance measures including rent arrears and defaults, as well as the extent and speed of staircasing (particularly staircasing to 100%).
- **Section 106/Section 75** – with the substantial and increasing use of Section 106/Section 75 planning obligations to contribute to affordable housing delivery, often without grant funding, more data was requested on this area. In cases where this data is not already published, what types of housing and tenures are provided, and where? What proportion of affordable housing is delivered through these mechanisms?
- **Stock** – a few stakeholders noted the lack of data on affordable housing stock by tenure as a problem, particularly in relation to understanding how much affordable housing is retained and therefore how long-lasting an effect affordable housing programme spending has.

A smaller number of stakeholders also requested more data on the following:

- **Supported housing** – more data was requested separating out sheltered and supported affordable housing from general needs.
- **Housing characteristics by tenure** – size, number of bedrooms, accessibility for people with disabilities.
- **Change of tenure** – data identifying properties that have changed in tenure (either during build process, or after).
- **Buyer circumstances** – data on buyers of affordable housing properties, including: whether they are first time buyers, average deposit size, length of time to save up for deposit.
- **Producer activity** – data identifying market housing built by registered housing associations, and affordable housing built by private developers.

6. Feasibility and desirability of harmonising affordable housing definitions in official statistics

As detailed throughout this report, the terminology used in affordable housing statistics comes from affordable housing programmes and planning policy, and housing policy is devolved in the UK. For these reasons, our conclusion is that it would be very difficult to develop consistent statistical definitions of affordable housing across the UK. Additionally, our understanding from discussions with stakeholders⁶⁸ is that there is not a strong user need for such harmonisation, particularly when considered against other priorities.

7. Conclusions

Affordable housing definitions and terminology used in government statistics are complicated and varied. This is partly due to the devolved nature of housing policy across the UK. Different approaches have been taken in the four countries to meeting the needs of their populations and diverse housing markets. Definitions and terminology used in affordable housing statistics come mainly from planning policy and affordable housing funding programmes, and the affordable housing products on offer through these change and increase in number over time. However, the range of terminology itself is relatively limited, meaning that the same terms have differing meanings both between and within countries, which can cause confusion. This includes both broad terms like ‘affordable’, ‘intermediate’ and ‘social’, as well as more specific ones such as ‘starts’ and ‘completions’.

The devolved nature of housing policy and practice mean that it does not currently appear feasible to develop consistent affordable housing definitions across UK official statistics, and there is not a strong user need for this. However, increasing the clarity of information provided with official statistics, particularly around the key distinguishing features of affordable housing definitions, products and statistics may help data users understand how and where it is and is not reasonable to compare data.

⁶⁸ See the appendix for a [list of contributing organisations](#)

8. Next steps

Given that the development of consistent affordable housing definitions across UK official statistics is not highly feasible or strongly desired, the GSS Harmonisation Team's next steps will be around improving the clarity of the information provided to data users. We will work with data users, producers and the cross-government housing statistics group to identify a proportionate way to provide users with a clearer understanding of the differences between affordable housing statistics and where comparisons are and aren't possible.

The GSS Strategy Delivery Team and the cross-government housing statistics group will consider how to prioritise and address the other gaps identified by stakeholders. This may include improving signposting to existing data sources that meet the needs identified by stakeholders. Additionally, consideration will be given to investigating the feasibility of producing more data on housing affordability, potentially including the development of a harmonised statistical measure of affordability.

Contact Information

If you have any comments or queries about this report, please get in touch with the GSS Harmonisation Team at Harmonisation@Statistics.gov.uk

If you would like to find out more about the GSS Harmonisation Team please visit: <https://gss.civilservice.gov.uk/guidances/harmonisation/>

For information on Best Practice and Impact Division: <https://gss.civilservice.gov.uk/about-us/support-for-the-gss/>



Appendix: Contributing organisations

We would like to thank the following organisations who took part in discussions and provided information to support the development of this report:

Chartered Institute of Housing

Co-Ownership

Heriot-Watt University

Home Builders Federation

Homes England

Housemark

House of Commons Library

Joseph Rowntree Foundation

Ministry for Housing, Communities and Local Government (MHCLG)

National Housing Federation

Northern Ireland Department for Communities

Northern Ireland Federation of Housing Associations

Northern Ireland Housing Executive

Office for National Statistics

Regulator for Social Housing

Savills

Scottish Government

Shelter Scotland

UK Collaborative Centre for Housing Evidence (CaCHE)

UK Finance

UK Housing Review

Welsh Local Government Association

Welsh Government