

Affordable housing supply, England, 2007-08

18 December 2008

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- A gross total of 53,730 additional affordable homes were supplied in England in 2007-08. This is an increase of 21 per cent from 44,570 additional affordable homes supplied in 2006-07, and is the highest number of new affordable homes provided in England since 1996-97.
- 29,370 new affordable homes were made available for social rent in 2007-08, while 24,360 homes were provided through other intermediate housing schemes including shared ownership and shared equity, up 19 and 23 per cent respectively on the previous year.
- New build homes accounted for 43,560 or 81 per cent of all new affordable homes supplied in 2007-08, a similar proportion to 2006-07.
- New build homes funded by the Housing Corporation accounted for 65 per cent (34,790) of total additional affordable homes supplied in 2007-08, a similar proportion to the previous year. Acquisitions by the Housing Corporation accounted for 13 per cent of gross additional supply in 2007-08. The remainder of affordable homes supplied were funded by other sources.
- Just under half (47 per cent) of national supply of new affordable homes was provided in London and the South East in 2007-08.
- Eight out of nine regions experienced an increase in new affordable housing supply in 2007-08, with the North East showing a decrease of only 350 homes.

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Introduction

This statistical release presents figures on gross additional affordable homes in England and its regions from 1998-99 up to 2007-08. The 2006-07 figures in this release have been revised to include latest estimates from local authorities on affordable housing supply.

New affordable homes are additional housing units (or bed spaces) provided to specified eligible households whose needs are not met by the market. The figures in this release show the gross supply of affordable homes each year; these include new build and acquisitions but do not take account of losses through demolitions and sales.

On 1 December 2008, the Homes and Communities Agency (HCA), the national housing and regeneration agency for England, was formed along with the Tenant Services Authority (the regulatory body for Registered Social Landlords). The Homes and Communities Agency is a non-departmental public body sponsored by Communities and Local Government, and includes the investment functions of the Housing Corporation, the functions of English Partnerships, and a number of delivery activities of Communities and Local Government. The latest data in this release are for 2007-08 at which time the HCA's predecessor organisations, the Housing Corporation and English Partnerships were still in existence. As such, these two organisations are referred to by their previous names throughout this publication.

National trends in new affordable homes

Table 1: Trends in the gross supply of affordable housing by type of scheme, England, 1998-99 to 2007-08^{1,6}

England	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Social Rent, of which:	33,580	28,790	27,090	26,810	23,960	22,660	21,670	23,630	24,730	29,370
Housing Corporation (new build)	22,430	19,520	17,300	17,510	16,590	16,600	16,560	17,400	18,180	21,700
Housing Corporation (acquisitions)	10,950	9,120	8,840	8,140	6,420	4,290	2,610	2,410	2,360	3,390
Other Housing Corporation Schemes ⁴							870	920	950	660
Local authorities (new build)	180	60	180	60	200	190	100	300	250	310
Section 106 nil grant total (new build) ³			750	1,070	720	1,580	1,530	2,550	2,750	3,130
of which, recorded by Housing Corporation only							40	260	290	460
Private Finance Initiative ⁵	20	100	20	40	30	0	10	60	240	180
Intermediate Affordable Housing²	8,870	6,300	6,070	6,210	8,970	15,410	15,800	22,350	19,840	24,360
Intermediate Rent, of which:						280	1,510	1,680	1,200	1,110
Housing Corporation (new build)						260	680	1,370	1,110	1,050
Housing Corporation (acquisitions)						30	830	310	90	60
Low Cost Home Ownership, of which:	8,870	6,300	6,070	6,210	8,970	15,120	14,280	20,680	18,640	23,250
Housing Corporation (new build)	3,930	2,750	2,260	2,040	2,330	3,710	5,570	7,570	9,210	12,040
Housing Corporation (acquisitions)	4,820	2,280	2,380	2,270	4,550	8,850	5,800	7,710	3,050	3,540
Other Housing Corporation Schemes ⁴								490	570	130
Section 106 nil grant total (new build) ³			450	1,060	1,250	1,550	1,900	3,810	4,440	5,090
of which, recorded by Housing Corporation only							220	420	640	880
Assisted Purchase Schemes ⁶	120	1,270	990	840	830	1,010	1,020	1,100	1,360	2,460
All affordable¹	42,450	35,090	33,160	33,020	32,920	38,070	37,470	45,980	44,570	53,730

1. Affordable housing is the sum of social rent, intermediate rent and low cost home ownership.

2. Intermediate affordable housing is the sum of intermediate rent and low cost home ownership.

3. Section 106 nil grant completions are from the Housing Strategy Statistical Appendix (HSSA) returns and the Housing Corporation Investment Management System (IMS). Some Section 106 nil grant completions are included in both data sources and have been excluded from one source to exclude double counting. The Section 106 nil grant completions from the Housing Corporation Investment Management System (IMS) are excluded from the Housing Corporation rows to show total Section 106 nil grant completions.

4. "Other Housing Corporation schemes" include Homeless Division, Safer Communities, Recycled Capital Grant Funds, Disposal Proceeds Fund, and remodelled units. The Homeless Division figures include some refurbishments as well as new builds, and the majority of these figures will be units but a small number of bedspaces are included.

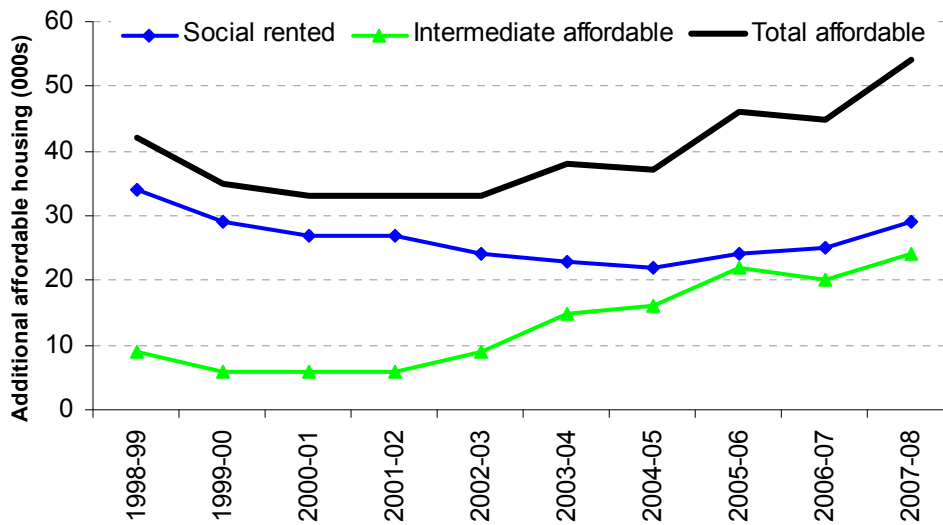
5. Private Finance Initiative figures are mostly new build, but include a small number of acquisitions

6. Assisted Purchase Schemes include instances where a dwelling has been purchased through the Cash Incentive Scheme, Voluntary Purchase Grant, Right to Acquire, Social HomeBuy scheme, First Time Buyers Initiative or London Wide Initiative scheme. First Time Buyers Initiative and London Wide Initiative scheme figures cannot be broken down below national level, so the sum of the regional figures may not equal the England figure.

7. Figures shown represent our best estimate and may be subject to revisions. The figures have been rounded to the nearest 10, so the totals may not sum due to rounding.

Source: Housing Corporation, English Partnerships, local authorities

Figure 1: Trends in the gross supply of affordable housing, England



53,730 affordable homes were provided in England in 2007-08, an increase of 21 per cent from 44,570 in 2006-07. This continues the upward trend started in 2003-04, and is the highest number of new affordable homes provided in England since 1996-97.

29,370 affordable new homes were supplied in the social rented sector in 2007-08. This is an increase of 4,630 or 19 per cent from 2006-07; new social rented supply has increased for the third consecutive year.

24,360 new homes were delivered via intermediate rent and low cost home ownership schemes in 2007-08. This is an increase of 4,520 or 23 per cent from 2006-07, and is the largest annual supply of new intermediate affordable homes ever recorded. There was a small decrease of 90 units provided for intermediate rent in 2007-08, but an increase of 4,610 additional Low Cost Home Ownership units provided causing the total supply of intermediate affordable homes to rise.

The number of Section 106 nil grant affordable homes increased 14 per cent in 2007-08, to 8,220. This is the seventh consecutive annual increase in Section 106 nil grant completions. Of the 8,220 homes, 3,130 were supplied in the social rented sector and 5,090 were provided for low cost home ownership.

New build homes and acquisitions

Table 2: Trends in the gross supply of affordable housing by new build and acquisitions, England, 1998-99 to 2007-08^{1,3}

England	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Social Rent, of which:	33,580	28,790	27,090	26,810	23,960	22,660	21,670	23,630	24,730	29,370
New Build	22,620	19,610	18,230	18,640	17,510	18,370	18,790	20,510	21,500	25,390
Acquisitions	10,960	9,180	8,860	8,170	6,450	4,290	2,890	2,460	2,450	3,390
Not Known ²	0	0	0	0	0	0	0	660	790	590
Intermediate Rent, of which:						280	1,510	1,680	1,200	1,110
New Build						260	680	1,370	1,110	1,050
Acquisitions						30	830	310	90	60
Not Known ²						0	0	0	0	0
Low Cost Home Ownership, of which:	8,870	6,300	6,070	6,210	8,970	15,120	14,280	20,680	18,640	23,250
New Build	3,930	2,750	2,710	3,100	3,590	5,260	7,460	11,380	13,660	17,130
Acquisitions	4,940	3,550	3,370	3,100	5,380	9,860	6,820	8,810	4,180	4,860
Not Known ²	0	0	0	0	0	0	0	490	810	1,270
All affordable, of which:	42,450	35,090	33,160	33,020	32,920	38,070	37,470	45,980	44,570	53,730
New Build	26,550	22,360	20,940	21,740	21,100	23,890	26,930	33,260	36,260	43,560
Acquisitions	15,900	12,730	12,220	11,280	11,830	14,180	10,540	11,570	6,720	8,300
Not Known ²	0	0	0	0	0	0	0	1,150	1,600	1,860
Social Rent percentages:										
New Build	67%	68%	67%	70%	73%	81%	87%	87%	87%	86%
Acquisitions	33%	32%	33%	30%	27%	19%	13%	10%	10%	12%
Not Known ²	0%	0%	0%	0%	0%	0%	0%	3%	3%	2%
Intermediate Rent percentages:										
New Build						91%	45%	82%	92%	95%
Acquisitions						9%	55%	18%	8%	5%
Not Known ²						0%	0%	0%	0%	0%
Low Cost Home Ownership percentages:										
New Build	44%	44%	45%	50%	40%	35%	52%	55%	73%	74%
Acquisitions	56%	56%	55%	50%	60%	65%	48%	43%	22%	21%
Not Known ²	0%	0%	0%	0%	0%	0%	0%	2%	4%	5%
All affordable percentages:										
New Build	63%	64%	63%	66%	64%	63%	72%	72%	81%	81%
Acquisitions	37%	36%	37%	34%	36%	37%	28%	25%	15%	15%
Not Known ²	0%	0%	0%	0%	0%	0%	0%	3%	4%	3%

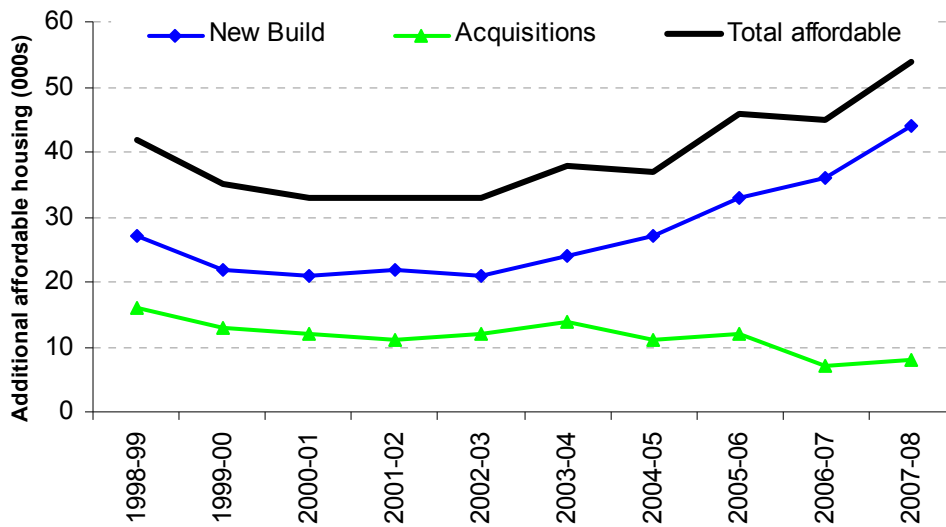
1. Affordable housing is the sum of social rent, intermediate rent and low cost home ownership.

2. Figures for Recycled Capital Grant Fund, Disposal Proceeds Fund, and remodelled units cannot be broken down to show new build and acquisitions.

3. Figures shown represent our best estimate and may be subject to revisions. The figures have been rounded to the nearest 10, so the totals may not sum due to rounding.

Source: Housing Corporation, English Partnerships, local authorities

Figure 2: Trends in the gross supply of affordable housing, England 1998-99 to 2007-08



Total new build homes accounted for 43,560 or 81 per cent of all new affordable homes provided in 2007-08. The number of new build affordable homes provided increased from 36,260 in 2006-07, although the proportion of new build remained at 81 per cent. However, there has been a continuous increase in both the number and the proportion of new build affordable homes provided since 2002-03.

Housing Corporation funded new build homes accounted for 34,790 or 65 per cent of all new affordable homes in 2007-08. This is a similar proportion to the previous year.

The increase in Housing Corporation new build homes was the biggest driver behind the rise in total affordable homes provided in 2007-08. Housing Corporation social rent new build increased by 3,520 or 19 per cent, and Housing Corporation Low Cost Home Ownership new build increased by 2,830 or 31 per cent in the latest year.

Acquisitions funded by the Housing Corporation accounted for 6,980 new homes in 2007-08, or 13 per cent of total gross supply. This was an increase from 5,500 or 12 per cent of total gross supply in 2006-07.

Regional trends

Figure 3a: Trends in gross supply of affordable housing in London, South East and the South West, 1998-99 to 2007-08

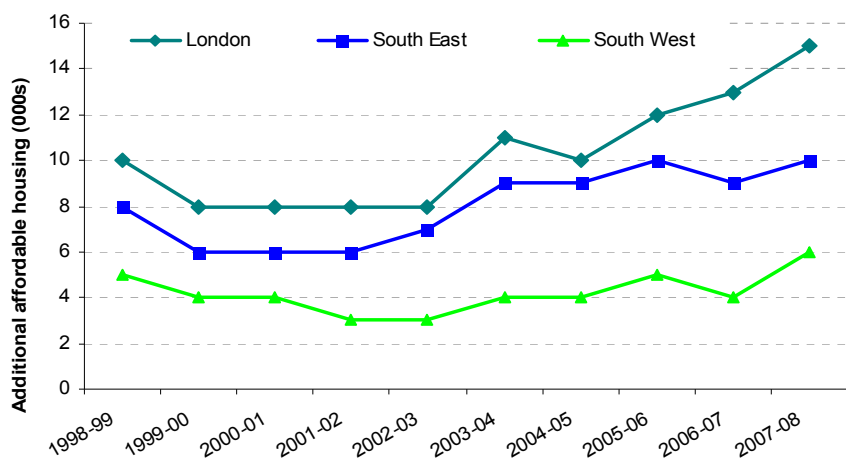


Figure 3b: Trends in gross supply of affordable housing in East of England, East Midlands and the West Midlands, 1998-99 to 2007-08

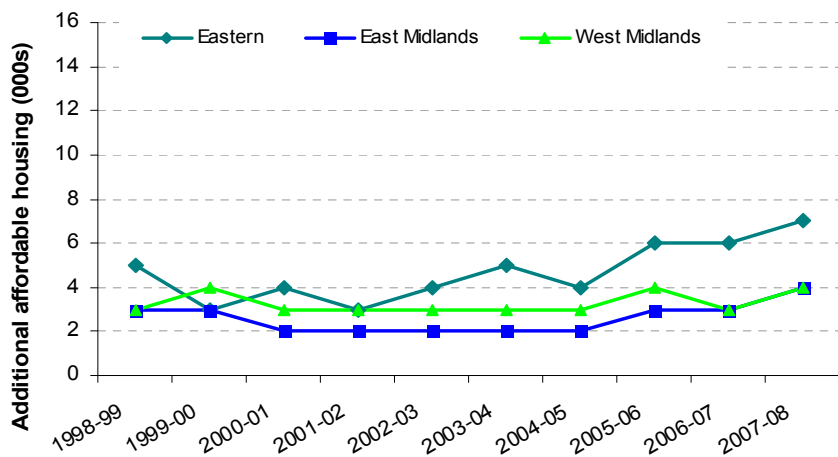
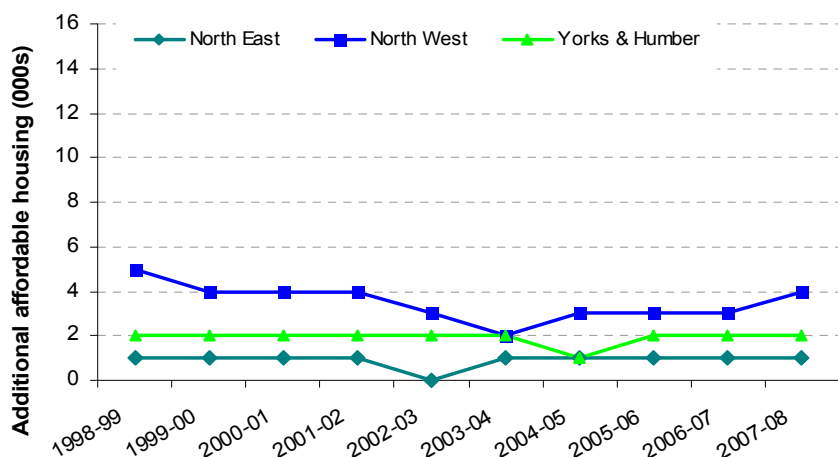


Figure 3c: Trends in gross supply of affordable housing in the North West, North East and the Yorkshire & Humberside, 1998-99 to 2007-08



In 2007-08, just under half (47 per cent) of national supply of new affordable homes was provided in London and the South East. Only two per cent of the supply of new affordable homes in England was provided in the North East.

The increase in the national supply of new affordable housing in recent years has been driven by London and to a lesser extent other regions in the South and East of England. Between 2006-07 and 2007-08, the supply of affordable homes provided increased by 9,160 nationally; the largest regional increases were in London (2,060 homes) and the East (1,620 homes). The regions with the biggest relative increases in gross affordable supply were the West Midlands and East Midlands which experienced 52 per cent and 44 per cent increases respectively between 2006-07 and 2007-08.

The number of new affordable homes supplied increased in eight of the nine Government Office regions between 2006-07 and 2007-08. The only decrease was in the North East, where the number of new affordable homes provided fell by 350 homes to 960.

Affordable housing targets

The 2004 Spending Review (SR04) introduced a target to supply 75,000 new homes for social rent over the three-year period 2005-06 to 2007-08 of which 30,000 would be supplied in the final year. In 2007-08, 29,370 new homes were provided for social rent, making a total of 77,730 over the three-year period.

A new Public Service Agreement indicator was announced in the 2007 Comprehensive Spending Review (CSR07) to increase the number of gross affordable homes provided to 70,000 per annum by 2010-11. The national target was first announced in the 2007 Housing Green Paper (Homes for the future: more affordable, more sustainable). Of the 70,000 affordable homes, 45,000 will be available for social rent and 25,000 for other intermediate housing schemes including shared ownership and shared equity. This release presents figures for 2007-08 and shows a gross supply of 53,730 new affordable homes, of which 29,370 were available for social rent and 24,360 were available for intermediate housing schemes. The next release in December 2009 will present figures for the first year of the CSR07 period, 2008-09.

Data collection

There are several data sources on gross affordable housing supply:

- Investment Management System (IMS) figures from the Housing Corporation;
- the Housing Corporation Regulatory and Statistical Return completed by Registered Social Landlords (RSLs);
- Continuous Recording (CORE) jointly funded by the Housing Corporation and Communities and Local Government and completed by Housing Associations and Local Authorities;
- the Housing Strategy Statistical Appendix (HSSA) submitted to Communities and Local Government by Local Authorities;
- P2 quarterly housebuilding return submitted to Communities and Local Government by Local Authorities;
- English Partnerships figures on First Time Buyers Initiative (FTBI) and London Wide Initiative (LWI); and
- Private Finance Initiative Scheme figures.

Strengths and weaknesses of data

The majority of data in the table has been produced using the Housing Corporation's IMS which contains information provided by RSLs that have applied to receive grant. We also use figures submitted on the HSSA by each Local Authority, and impute for a small number of missing returns.

For some new affordable homes only one source of data exists. When there are two or more alternative sources, the most reliable source is used. So for example, where figures for RSL Social Rent dwellings are available from the Housing Corporation and Local Authority returns, we have used the Housing Corporation IMS figures as this is the most reliable source.

The data are fit for monitoring progress towards the Department's gross affordable housing supply PSA and Departmental Strategic Objective. The data support inferences on annual changes in the level of the gross supply of affordable housing nationally and regionally.

The figures in the tables represent our best estimate of gross affordable housing supply and are subject to revisions in later years.

Guidance notes

1. Affordable housing is the sum of social rent, intermediate rent and low cost home ownership. New affordable homes are defined as additional housing units (or bed spaces) provided to specified eligible households whose needs are not met by the market.
2. The figures in this release show the gross supply of affordable homes each year; these include new build and acquisitions but do not take account of losses through demolitions and sales, and are presented for financial years ending in March. They represent our best estimate, and have been rounded to the nearest 10.
3. Sources are shown at the foot of individual tables.
4. We expect to publish the next annual release in December 2009; this will cover gross affordable housing supply to 2008-09.
5. The table in this release and further tables showing gross affordable housing supply by region and for individual local authorities can be found in the Communities and Local Government Housing Live Tables
<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/affordablehousingsupply>
6. Local authority gross affordable housing supply can be presented by the local authority in which the new homes are located or by the local authority that funded the new homes. Tables in the Communities and Local Government Housing Live Tables area show gross affordable housing supply by location and funding local authority. The regional figures in this release have been calculated by aggregating local authority figures calculated on the basis of the local authority in which the new homes are located.
7. Section 106 nil grant completions are from the Housing Strategy Statistical Appendix (HSSA) returns and the Housing Corporation Investment Management System (IMS). Some Section 106 nil grant completions are included in both data sources and so an adjustment has been made to avoid double counting. The Section 106 nil grant completions recorded on the Housing Corporation Investment Management System (IMS) are excluded from the Housing Corporation new build figures elsewhere in the release.
8. The 2008-09 gross affordable housing supply figures will be released in December 2009.

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