



Department for
Communities and
Local Government

Residential leasehold dwellings in England

Technical Paper

© Crown copyright, 2014

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.gov.uk/dclg

If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

August 2014

ISBN: 978-1-4098-4305-4

Leasehold dwellings in England

Summary

1. The Department for Communities and Local Government (DCLG) has developed a new methodology for estimating the number of residential dwellings in England that are privately owned, on long leasehold.
2. The methodology involves a match between English Housing Survey data and data held by the Land Registry¹.
3. The methodology provides an estimate of the number of dwellings in the owner occupied and the private rented sectors², where a long lease exists on the dwelling. As a general rule for a lease to be 'long' it must have duration of more than twenty one years when first granted.
4. The estimate does not include dwellings in the social rented sector, i.e. homes owned by a social landlord and rented out to social tenants. Any dwellings bought by a social tenant under the Right to Buy or Right to Acquire schemes (where a social landlord remains as the freehold owner) are included.
5. Dwellings for which an owner possesses both a long lease and a 'share of freehold'³ are also included in the total figure of leasehold dwellings.
6. In 2012-13 there were 4.1 million dwellings in England owned leasehold, Table 1. There were 2.4 million dwellings in the owner occupied sector and 1.7 million privately owned but let in the private rented sector.

Table 1: Leasehold dwellings in England, by dwelling type, 2012-13

	Detached house	Semi-detached and terraced houses	Flats (converted and purpose built)	Total
				<i>thousands of dwellings</i>
Owner occupied sector	223	825	1,352	2,400
Private rented sector	32	185	1,447	1,664
	255	1,010	2,799	4,064

Sources: Land Registry title data, English Housing Survey, Census 2011

¹ <http://www.landregistry.gov.uk/>

² The private rented sector describes homes that are owned privately on a long lease and rented out or let to tenants as their main home.

³ Share of freehold: where the freehold of the building is (a) either owned jointly by a number (up to four) of the flat owners in their personal names, or (b) where a company is the owner of the freehold and each of the leaseholders hold a share or membership in that company.

Methodology

7. The starting point for the new approach is the English Housing Survey (EHS), a national survey administered by DCLG. It collects information about people's housing circumstances and the condition and energy efficiency of housing in England. In particular it collects information on tenure and dwelling type⁴.
8. All addresses⁵ in the owner occupied and private rented sectors, who responded to the English Housing Survey in 2012-13 were shared with Land Registry, the government organisation which administers the record of land and property ownership in England and Wales.
9. Land Registry carried out a database search on the ownership for each of the 9,901 addresses shared, achieving a 94% match rate.
10. Using this matched data the proportion of homes owned on a long lease could be estimated for detached houses, semi-detached houses and flats (for each tenure separately). These proportions were then applied to population dwelling figures from the Census 2011 adjusted to give estimates for 2012.

Previous estimate

11. The figure previously used by the department, stood at 2.5 million *households* in 2011/12. This figure comprised 1.4 million households for the owner occupied sector and 1.1 million households for the private rented sector.
12. The new revised figure of 4.1 million dwellings is much higher than the previous estimate of 2.5 million households. A number of reasons have been identified for the difference.
13. The modelled approach taken for the private rented sector⁶ in the previous estimate did not account for the different stock profile of private rented homes, which are more likely to be flats. Failing to account for a higher proportion of flats (which are typically owned on a long lease) resulted in an under-estimate of leasehold.
14. The new approach includes all leaseholders who own a share of freehold, while the old approach did not.

⁴ The English Housing Survey does in fact ask a subset of households (those in owner occupation) about leasehold and freehold status. However this data is not used in the new methodology as it is incomplete, with no data collected on homes that are privately owned and rented out to tenants.

⁵ Only addresses were shared with Land Registry, no personal data collected as part of the survey.

⁶ Where privately rented homes are sampled for interview by the English Housing Survey the field worker will interview the tenants, not the owner of the property. The tenants are assumed not to know about the type of ownership their landlord enjoys, so they are not asked about leasehold ownership. Leasehold status for private renters therefore needed to be modelled.

15. The previous estimate was also subject to some misreporting of leasehold ownership; where an owner had a very long lease (e.g. 999 years) the owner sometimes reported their ownership as freehold.
16. The new approach relates to dwellings, while the old approach related to households, which are different concepts⁷.

⁷ A dwelling is a living space, typically a flat, or a house, while a household is a group of people who live together as a unit. Occasionally two or more households will share a single dwelling. However there are over half a million vacant dwellings at any time so in general the count of dwellings is higher than the count of households.