



Estimating the number of leasehold dwellings in England, 2017-18

- In 2017-18, there were an estimated **4.3 million leasehold dwellings in England**. This equates to 18% of the English housing stock. Of these, 2.3 million dwellings (55%) were in the owner occupied sector and 1.7 million (39%) were privately owned and let in the private rented sector. The remaining 249,000 (6%) were dwellings owned by social landlords and let in the social rented sector.
- More than two thirds (69%, 2.9 million) of the leasehold dwellings in England were flats; 31% (1.3 million) were houses.
- These figures have not changed since 2016-17, when this estimate was last produced.
- The statistics in this report are published as **Experimental Official Statistics**. Experimental statistics are considered by the Government Statistical Service as 'new official statistics undergoing evaluation'. Publishing in this way is intended to involve users and stakeholders in their development and as a means of building in quality at an early stage. This experimental statistic, therefore, has been published in line with the standards expected of an Official Statistic.

Housing *Statistical Release*

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Introduction

This report presents an estimate of the number of leasehold dwellings in England in 2017-18 by tenure and dwelling type.

The statistics in this report are Experimental Official Statistics. Experimental statistics are considered by the Government Statistical Service as 'new official statistics undergoing evaluation'. Publishing in this way is intended to involve users and stakeholders in their development and as a means of building in quality at an early stage. This experimental statistic, therefore, has been published in line with the standards expected of an Official Statistic.

The Ministry of Housing, Communities and Local Government (MHCLG) welcomes views¹ on both the methodology and this statistical release more generally.

MHCLG will update and publish this statistical release annually. Since this estimate of the number of leasehold dwellings was first produced, MHCLG have made a number of adjustments to the methodology in order to improve the accuracy of the estimate. More details can be found in the methodology section below.

Results

In 2017-18, there were an estimated 4.3 million leasehold dwellings in England. This equates to 18% of the English housing stock. Of these, 2.3 million dwellings (55%) were in the owner occupied sector and 1.7 million (39%) were privately owned and let in the private rented sector. The remaining 249,000 (6%) were dwellings owned by social landlords and let in the social rented sector, Table 1.

The majority of leasehold dwellings (69%) were flats with 2.9 million leasehold flats across all tenures (2.8 million in the private sector and 171,000 in the social rented sector). There were 1.3 million leasehold houses in 2017-18 which made up the remaining 31% of leasehold dwellings.

While just over half (54%) of flats were leasehold, proportions varied by tenure. In the private sector, 81% of flats were owned on a leasehold basis (93% of owner occupied flats and 71% of privately rented flats). A much smaller proportion (9%) of flats in the social rented sector were owned on a leasehold basis.

Leasehold houses were less prevalent than flats. This is true across all tenures. Overall 7% of houses were owned on a leasehold basis, this was highest in the private rented sector, and lowest in local authority owned houses (10% and 1% respectively).

¹ Please complete the survey at <https://www.surveymonkey.co.uk/r/leasehold> or contact ehs@communities.gov.uk

Table 1: Leasehold as a proportion of stock and number of dwellings, by tenure and dwelling type, 2017-18

	Houses		Flats		Total	
	% dwellings leasehold	number of leasehold dwellings (thousands)	% dwellings leasehold	number of leasehold dwellings (thousands)	% dwellings leasehold	number of leasehold dwellings (thousands)
Owner occupied	7.1	961	93.2	1,381	15.6	2,342
Private rented sector	10.0	284	71.5	1,394	35.0	1,678
All private sector	7.6	1,245	80.8	2,775	20.3	4,020
Local Authority	1.1	8	5.0	40	3.0	48
Housing Association	5.5	70	11.0	131	8.2	200
All social sector	3.8	78	8.6	171	6.1	249
All tenures	7.2	1,323	54.3	2,945	17.9	4,269

Sources: English Housing Survey; Land Registry; MHCLG Dwelling Stock Estimate 2017; VOA Council Tax Stock of Properties 2017

Note: Based on 12,320 cases (including 836 with imputed HM Land Registry data).

Overall, 35% of all private rented sector dwellings, 16% of owner occupied dwellings, and 6% of social rented sector dwellings were leasehold in 2017-18. Shared owners are included as owner occupiers.

While overall, detached and semi-detached/terraced houses were equally likely to be owned on a leasehold basis, this varied by tenure. One in ten (10%) semi-detached/terrace houses in the private rented sector and 8% in the owner occupied sector were leasehold. In the social sector, leasehold semi-detached/terrace houses were less prevalent (6% of houses owned by housing associations, and 1% of those owned by local authorities). Among detached houses, the apparent differences between the tenures are not statistically significant, Annex Table 1.

The EHS sample of addresses is drawn randomly (from the Royal Mail Postcode Address File). Therefore, a confidence interval around the estimate can be calculated. The 95% confidence interval was calculated. As in 2016-17, the estimate is relatively precise with a lower bound of 4.1 million leasehold dwellings and an upper bound of 4.5 million dwellings. These intervals have been calculated on the sample size including the imputed cases. Because imputation rates were low (7%) inclusion of these cases has not changed the confidence intervals. The difference between the 2016-17 and 2017-18 estimates is only 4,000 dwellings, well within these confidence intervals. The estimated number of leasehold dwellings in England has not significantly changed from the previous release.

Methodology

This statistical release presents an estimate of the number of leasehold dwellings in England in 2017-18 by tenure (owner occupied, rented privately or from a local authority or housing association) and dwelling type (i.e. detached or semi-detached/terraced house or flat).

The methodology used to produce the leasehold estimate is broadly the same methodology that MHCLG have used since establishing this experimental statistics series in 2014. To summarise, it involves calculating the proportion of dwellings with leasehold titles by tenure and dwelling type, and applying (calibrating) these proportions to the total number of dwellings in England. The proportions of leasehold dwellings are calculated by matching English Housing Survey (EHS)² and HM Land Registry data³. Data are matched on their Unique Property Reference Number (UPRN). The UPRN is the unique identifier for every addressable location in Great Britain. Most addresses in the EHS have a UPRN⁴. Imputation is undertaken for those cases which do not have a UPRN and/or cannot be matched the HM Land Registry data. The total number of dwellings in England is derived using MHCLG's Dwelling Stock Estimates⁵ adjusted to account for dwelling type using Valuation Office Agency's (VOA) Council Tax Stock of Properties⁶.

While MHCLG have used broadly the same methodology to produce the estimate of the number of leasehold dwellings since this statistical series was established in 2014, a number of adjustments have been made in order to improve the accuracy of the estimate.

Imputation

At MHCLG's request, the Office for National Statistics (ONS) Good Practice Team reviewed the leasehold methodology in 2015-16. They judged it to be "the best approach given the available data sources", and recommended that MHCLG consider developing an imputation strategy for the small number of cases that cannot be matched to HM Land Registry data. These "missing" or "unmatched" cases either do not have a UPRN or do not have a record in HM Land Registry title data⁷. This release is based on 12,320 cases, of which 836 (7%) could not be matched to HM Land Registry data.

To produce this (2017-18) release, MHCLG worked with the Methods Advisory Service at the ONS to implement an imputation strategy. After analysing the extent to which missing and equivalent matched cases were comparable, missing cases were designated as leasehold or freehold based on a 'donor group' of matched cases sharing the same tenure, dwelling type and region. For example, "missing" owner occupied detached houses in the East Midlands were assigned leasehold or freehold titles based on the proportions of matched properties of the same tenure, type and region. This method compensates for any differences in tenure, dwelling type and region between the matched and unmatched cases. As imputation based on insufficient data can be unreliable, where it was not possible to retain donor groups of at least 30 matched cases these were combined either with similar regions or dwelling types to produce a robust estimate of the leasehold proportion. Within all rented sectors, and the owner occupied sector in London specifically, detached houses were combined with semi-detached /terraced houses to calculate a

² For more information, see: <https://www.gov.uk/government/collections/english-housing-survey>.

³ For more information, see: <https://www.gov.uk/government/organisations/land-registry>

⁴ 98% of the 12,320 English Housing Survey cases on which this estimate is based had a UPRN.

⁵ For more information, see: <https://www.gov.uk/government/collections/dwelling-stock-including-vacants>.

⁶ For more information, see: <https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics>

⁷ Dwellings which have not been bought, given or inherited, received in exchange for other property or land, or been mortgaged since 1990 may not be recorded with HM Land Registry.

proportion of leasehold dwellings for all houses within each region and tenure. Within the owner occupied sector in the in regions outside of the South East, and within the private rented sector in the North of England, flats were combined into super-regional groupings (North of England: North East, Yorkshire and the Humber, North West) (Rest of England: East Midlands, West Midlands, South West, East of England). This imputation strategy has been peer reviewed by ONS.

Address matching

The accuracy of the leasehold estimate relies on a high match rate between the EHS and HM Land Registry data. Cases without a Unique Property Reference Number (UPRN; drawn from the Ordnance Survey's AddressBase⁸) cannot be matched with HM Land Registry data. The UPRN is the unique identifier for every addressable location in Great Britain. Given the relative completeness of the EHS address data, most addresses in the EHS are easily matched in AddressBase. However, a small number of cases do not easily match with AddressBase and therefore do not have a UPRN.

In the release covering 2016-17, MHCLG worked with data scientists to increase the number of EHS addresses that have a UPRN. A new algorithm was developed which enabled "fuzzy matching" between the EHS and AddressBase, allowing EHS addresses without a precise match in AddressBase to be matched to a UPRN. These are typically dwellings where the address has been recorded in a different format, or where the address has changed, for example from a street number to a named house.

This algorithm was used again to produce this estimate. In 2017-18, this process increased the proportion of EHS cases with a UPRN from 79% to 98%, enabling 1,276 additional cases to be sent to the HM Land Registry.

Wider coverage

In the 2015-16 release, coverage was widened to include the small number of leasehold dwellings in the social rented sector. In 2017-18, there were an estimated 249,000 leasehold dwellings in the social rented sector. This does not include owner occupiers who bought their home under Right to Buy (such dwellings are now in the private sector, and either owner occupied or privately rented) but rather leasehold dwellings owned by local authorities or housing associations and rented in the social sector.

Since the 2015-16 release, the leasehold estimate has been based on two years of the EHS to increase the sample size, and to improve the accuracy of the estimate.

Calibration

To ensure the most accurate possible estimate, the leasehold proportions obtained from HM Land Registry and by imputation are applied (calibrated) to the total number of dwellings in England, using MHCLG's Dwelling Stock Estimates and adjusted to account for dwelling type using Valuation Office Agency's (VOA) Council Tax Stock of Properties. This method was first used to

⁸ <https://www.ordnancesurvey.co.uk/business-and-government/products/addressbase.html>

produce the 2014-15 estimate and has been retained in this release. The classification of dwelling type in EHS data has been adjusted to better match definitions used by the VOA. In particular, bungalows are now counted separately (they were previously classified as either detached or non-detached houses).

In the 2012-13 release, the leasehold proportions were calibrated to the 2011 Census (rather than the Dwelling Stock Estimates) to obtain the total number of properties. This was due to the proximity of the 2012-13 estimate to the 2011 Census. It is likely that leasehold estimates produced in the years immediately after 2021 Census will be calibrated to that Census rather than the Dwelling Stock Estimates.

The changes described above are minor enough that they do not constitute a break in the time series. Estimates of the total number of leasehold dwellings in the private sector are comparable from the 2014-15 release onwards, and estimates of the number of leasehold dwellings in the social sector and all stock are comparable from the 2015-16 release onwards. It is therefore possible to compare the current estimate with previous estimates.

None of the apparent differences between 2016-17 and 2017-18 in the number and type of leasehold dwellings are statistically significant.

As an experimental statistic, analysts at MHCLG will continue to evaluate and test the methodology, making improvements as required.

Comparison with other data sources

This statistical series was established because a comprehensive estimate of the number of leasehold dwellings in England did not exist. Other sources – detailed below – provide only a partial picture.

English Housing Survey

The EHS alone underestimates the number the leasehold dwellings. There are two main reasons for this:

- The EHS cannot provide an estimate of the number of leasehold properties in the social or private rented sectors, because respondents are tenants who will not know if their home is leasehold; and
- Owner occupiers may not understand the leasehold questions and misreport their leasehold status.

Analysis has found that, each year, the EHS underestimates the number of owner occupied leasehold properties by almost a million⁹.

⁹ <https://www.gov.uk/government/publications/english-housing-survey-methodology-paper-cognitive-testing-of-leasehold-questions>

HM Land Registry Price Paid Data

The HM Land Registry Price Paid Data¹⁰ records whether properties bought and sold (and registered with HM Land Registry) are leasehold or freehold. This is a record of transactions not properties and cannot be used to estimate the prevalence of leasehold properties across the whole stock.

HM Land Registry Title Data

In addition to using HM Land Registry Title Data to produce the estimate of the number of leasehold dwellings, MHCLG have also conducted robustness checks against these high level data.

HM Land Registry keeps a register of leasehold titles in England and Wales¹¹. In 2019, there were a total of 5.3 million registered leases, including non-residential leases such as commercial premises or leases of roof spaces for solar panels, and multiple leases on some dwellings, such as subsidiary leases for flats within a leased block. It is therefore not possible to calculate a definitive number of leasehold dwellings from this dataset. HM Land Registry estimate that just over 160,000 of these leases were in Wales¹², and that 14%¹³ of all leases were likely to be non-residential. Excluding these Welsh and non-residential leases gives a total of approximately 4.5 million residential leases in England, including multiple leases on the same dwelling. This figure is a plausible upper limit on the number of leasehold dwellings in England, and is within the confidence intervals reported in this release (4.1 to 4.5 million leasehold dwellings). It therefore provides support for the robustness of this estimate.

Technical notes

Definitions

Dwelling

A unit of accommodation which may comprise one or more household spaces (a household space is the accommodation used or available for use by an individual household). A dwelling may be classified as shared or unshared. A dwelling is shared if:

- the household spaces it contains are 'part of a converted or shared house', or

¹⁰ <https://www.gov.uk/government/collections/price-paid-data>

¹¹ Register Stocks by Tenure (HM Land Registry internal report) based on data from the National Polygon Service datasets <https://www.gov.uk/guidance/national-polygon-service>

¹² HM Land Registry internal calculations

¹³ Estimated based on unpublished internal regulatory impact assessment for HM Land Registry and <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2018>

- not all of the rooms (including kitchen, bathroom and toilet, if any) are behind a door that only that household can use, and
- there is at least one other such household space at the same address with which it can be combined to form the shared dwelling.

Dwellings that do not meet these conditions are unshared dwellings.

The EHS definition of dwelling is consistent with the Census 2011.

Leasehold

A long leasehold is a form of property ownership normally used for flats that is simply a long tenancy, providing the right to occupation and use for a long period – the ‘term’ of the lease. This can be a period of over 21 years and the lease can be bought and sold during this term. The term is fixed at the beginning and decreases year by year, until the property returns to the landlord. Houses can also be leasehold. A person who buys a leasehold property on a lease is called a leaseholder.

Freehold

The freehold interest in land is a title in property that can be held in England and Wales. In practice a residential freehold interest applies to the outright ownership of land or property for an unlimited period and applies to the majority of houses.

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.

The data most commonly show detached houses to have a single freehold title. For flats, the record most frequently showed either a single freehold title or a single leasehold title. However, some homes were found to have multiple titles of ownership recorded. In these cases addresses with one or more leasehold titles registered were categorised as leasehold. Conversely, cases were designated as freehold only if all titles found in the data were freehold titles.

These definitions have not changed since the statistical series was first established.

Data collection

No data are collected directly for this statistical release. Instead, it draws on information from a range of data sources in order to compile a coherent set of statistics on the total number of dwellings, tenure profile of the stock, dwelling type across tenure and title data of dwellings. The statistical sources used are listed below.

- English Housing Survey (Ministry of Housing, Communities and Local Government)
<https://www.gov.uk/government/collections/english-housing-survey>

- Dwelling Stock Estimates (Ministry of Housing, Communities and Local Government)
<https://www.gov.uk/government/collections/dwelling-stock-including-vacants>
- Council Tax: Stock of Properties (England and Wales) (Valuation Office Agency)
<https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics>
- HM Land Registry: National Polygon Service Title Descriptor dataset, National Polygon Service Title Number and UPRN Look Up dataset
<https://www.gov.uk/guidance/national-polygon-service>

Data quality

The information in this release is based on a number of data sources. Information on the strengths and weaknesses of the data sources used to calculate the leasehold proportions and dwelling totals and type by tenure can be found in the separate statistical releases for each source. See the 'Data collection' section of this publication for a list of these sources and weblinks to each.

The only data generated for this release is through the matching exercise with HM Land Registry which is the government organisation that records land and property ownership in England and Wales. The high success rate of this matching exercise means that we are content with the quality of the data we have on the ownership status of the EHS sample.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry of Housing, Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-MHCLG-revisions-policy>). There are two types of revisions that the policy covers:

Non-scheduled revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled revisions

Changes to the component data sources used in this release will be incorporated in the next scheduled release of data.

Uses of the data

The leasehold estimates are intended to be used as evidence in policy making by both central and local government. These releases will allow for tracking the total number of leasehold dwellings over time.

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

A short questionnaire on how the leasehold estimates are used and feedback on the revised methodology and potential methodological improvements is currently open at: <https://www.surveymonkey.co.uk/r/leasehold>

Related statistics

Help to Buy (Equity Loan scheme) and Help to Buy: NewBuy statistics

The Ministry of Housing, Communities and Local Government publishes quarterly Official Statistics on the number of home purchases and the value of equity loans under the Government's Help to Buy: Equity Loan scheme, as well as the number of purchases under the Government's Help to Buy: NewBuy scheme (formerly known only as 'NewBuy'). The latest statistical release contains data on the number of homes purchased through the Help to Buy: Equity Loan scheme that are freehold and the number that are leasehold. Further information, including a breakdown of homes purchased through the scheme by tenure (freehold/leasehold), property type and local authority, is available in the live tables accompanying the release (Release Tables 9, 9a and 9b). The Help to Buy (Equity Loan scheme) and Help to Buy: NewBuy statistics can be found here: <https://www.gov.uk/government/collections/help-to-buy-equity-loan-and-newbuy-statistics>

Notes

1. These leasehold dwelling statistics are estimates.
2. Sources are shown at the foot of each table throughout the release.

3. This is an experimental statistics publication and is produced to the standards set out in the Code of Practice for Statistics.
4. Details of ministers and officials who receive pre-release access to the Ministry of Housing, Communities and Local Government estimating the number of leasehold dwellings in England release up to 24 hours before release can be found at:
<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics>
5. The next release will be published in September 2020.

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Information on Official Statistics is available via the UK Statistics Authority website:

<https://www.gov.uk/government/statistics/announcements>

Information about statistics at MHCLG is available via the Department's website:

www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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

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