Regulator of
Social Housing

Private registered provider social housing stock in England - rents profile

2019-2020

Version 1.0 – February 2021

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Introduction

Regulator of Social Housing

Private registered provider social housing stock in England - rents profile is part of the statistical data return (SDR) statistical release series.

This document is supplemented by **technical notes and definitions** and **data quality and methodology** notes. These notes provide additional information on our data collection and cleansing processes; key limitations with the data and provide additional context for the statistics presented.

Additional tables, data and tools, allowing for the interrogation of the data at both a PRP and geographical level, are also available.

Coverage

These statistics provide information on social housing owned and managed by PRPs at 31 March each year. Unless otherwise stated, all figures in this document refer to stock located in England. The definitions used within the release are consistent with the way data was collected each year. The term unit used in this release includes self-contained units and non-self-contained bedspaces.

National Statistics status

These statistics are considered by the United Kingdom Statistics Authority (UKSA) regulatory arm (the Office for Statistics Regulation (OSR)) to have met the highest standards of trustworthiness, quality and public value, and are considered a national statistic. For more information see the **data quality and methodology note.**

Key

Introduction

The tabs to the left of the page provide the index for the note.

Provide information about key methodological considerations (see notes for more information).

T.X

Identify the table from which data is drawn. Tables are available from the 2020 data release page.

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Rents reductions and exceptions

Rent reductions

The Welfare Reform and Work Act (2016) (WRWA) introduced rules around the levels of rent charged by registered providers of social housing in England from 1 April 2016. The Act determines that social rents must be reduced by 1% per annum for four years for most, but not all, social housing units. For new tenancies, rents may be reset at up to the social rent rate defined in the Act. From 1 April 2020 rents will be set in accordance the Government's Policy Statement on Rents for Social Housing 2018. Data in this release represent the position from the final year covered by WRWA rules.

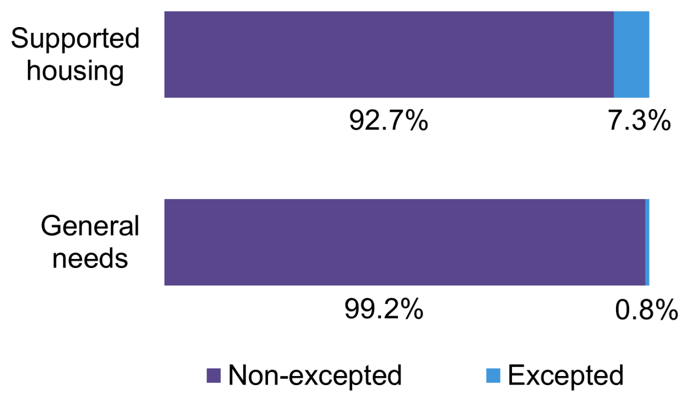
Aspects of the rent rules introduced by the WRWA are complex, for example, those set out in Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016. Certain types of provider and some units, such as those designated as specialised supported housing or temporary social housing, have an absolute exception from the social rent reduction. We can also issue exemptions to the 1% per annum reduction to specific units where this could cause PRPs to be unable to meet other standards, particularly financial viability.

Users of these statistics should also refer to the **technical notes and definitions** for details of other factors impacting rents in 2020, including the potential for organisations to make 53 rent payment charges in the year.

Impact of units with exceptions

Average rent and service charge figures presented in each section of this briefing note are for all units in that stock category and include both excepted and non-excepted units. The presence of units with absolute exceptions may affect the data presented due to outlier values skewing averages.

Not including those let on Affordable Rent terms, approximately 0.4% of general needs units and 7.3% of supported housing units held by PRPs with 1,000 or more social units were reported as having an absolute exception from the WRWA requirements in 2020.



Year-on-year changes

The divergence in some regions between the reported aggregate net rent decreases and the policy as set out in the WRWA will be due, in part, to new additions to the stock, units with absolute exceptions and to PRPs taking the opportunity to set rents at the prevailing social rent rate when re-letting units.

Key facts

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Average general needs net rent £94.25 per week

The average weekly net rent for general needs low cost rental stock (excluding Affordable Rent and intermediate rent) owned by PRPs in England with 1,000 or more units/ bedspaces was £94.25 per week in 2020.

General needs net rents down by 0.9%

The average weekly net rent for general needs low cost rental stock (excluding Affordable Rent and intermediate rent) owned by PRPs in England with 1,000 or more units/ bedspaces reduced by 0.9% from the previous year.

Supported housing net rents down by 2.1%

Within the overall decrease of 2.1% are regional differences, with the greatest reduction seen in the West Midlands (a 6.2% year-on-year decrease).

Affordable Rent rents increase by 0.4%

The average gross rent for Affordable Rent general needs units was £125.62 per week in 2020, a slight increase of 0.4% on the previous year.

General needs and supported housing figures for large PRPs only and exclude Affordable Rent units. Figures for Affordable Rent for all PRPs.

General needs (social rent) net rents

The average general needs (social rent) weekly net rent in England is £94.25.

London and the South East have the highest weekly net rents on average, both over £100 per week.

The North East has the lowest average weekly net rent of £77.17.

PRP general needs (social rent) net rents by region (£/ week)

T2.2

The high average net rents in London and the wider South East reflects higher formula rents in these areas. These, in turn, follow relatively high property values and county-level earnings (two factors in the formula introduced to set social rents in 2002).

There is large degree of variation within each region and between PRPs within each region. This reflects variations in business models as well as differences in types of properties operated, for example, the mix between houses and flats.

Section based on data from large PRPs only. Excludes Affordable Rent units.

General needs (social rent) gross rents

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The average general needs (social rent) gross rent in England is £98.49 per week.

The average weekly service charge eligible for housing benefit is £7.07.

London has the highest average gross rent in England (£129.91 per week).

PRP general needs (social rent) gross rents by region (£/ week)

T2.2

Service charges are included in gross rents. They are similar across the country, with the exception of London where they are almost double the average at £12.80 per week. Outside of London, average service charges range from £4.92 per week in the South West to £6.41 per week in the South East.

Service charges increased in all but two regions between 2019 and 2020. In the North East and in Yorkshire and the Humber they fell (-£0.54 or -8% and -£0.25 or -4% respectively). The largest increase in service charges was in the North West (+£0.60 or +13% per week).

Service charges are not subject to our regulation.

Average gross rents are not calculated by adding the average net rent and average service charge together. See **technical notes** for more information.

Section based on data from large PRPs only. Excludes Affordable Rent units.

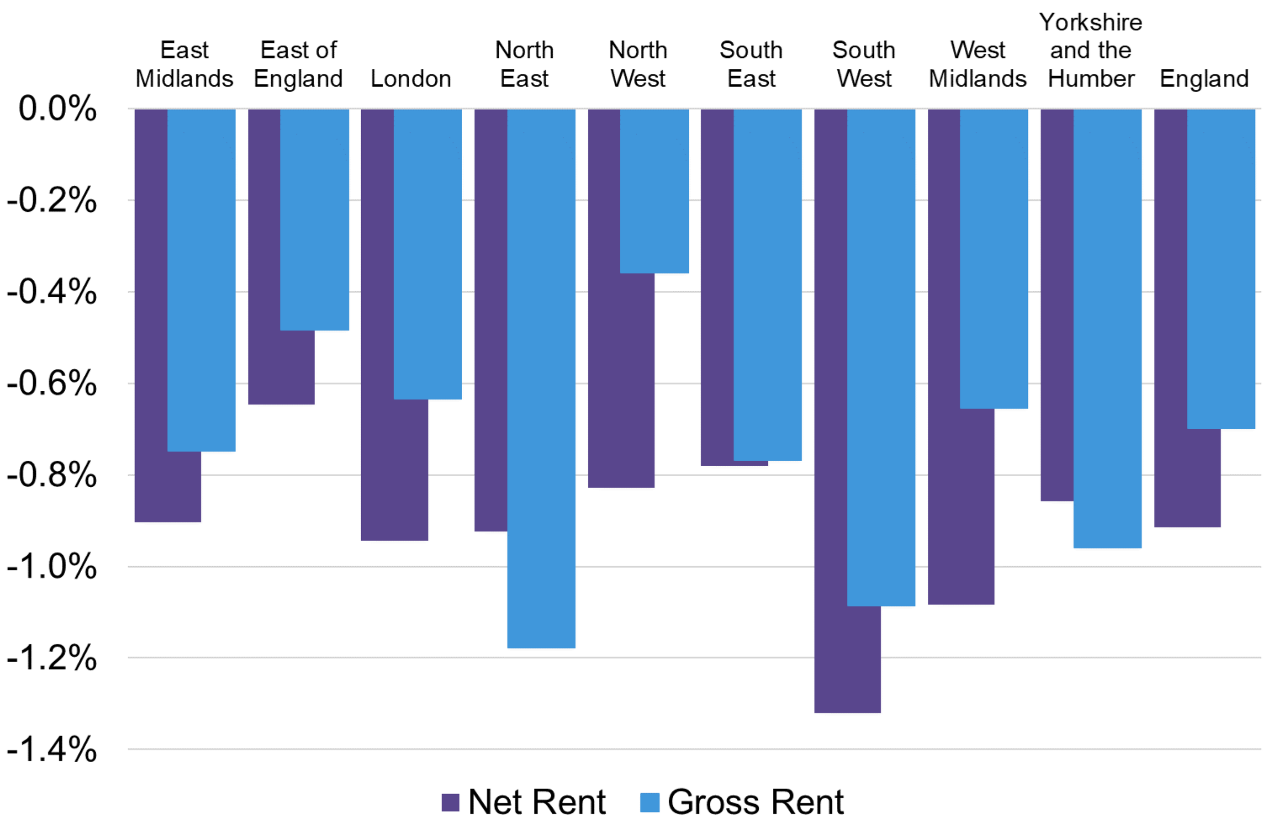
General needs (social rent) change

General needs (social rent) net rents fell by 0.9% between 2019 and 2020.

The East of England saw the smallest decrease in net rent (0.6% or £0.64 per week) in general needs (social rent) net rent.

The South West saw the largest decrease in general needs (social rent) net rent at 1.3% or £1.22 per week.

General needs (social rent) rent change (%) 2019 to 2020



T2.3
T2.4

Gross rents reduced by a smaller amount than net rents in almost all regions. The exceptions were the North East and Yorkshire and the Humber where service charges had fallen by the greatest amount causing gross rents to decrease by a greater amount than net rents.

Increases in service charges drive the slower decrease in gross rents than net rents. As noted above, service charges increased in all but two regions (the North East and Yorkshire and the Humber) between 2019 and 2020. As a result these two regions were the only ones to see greater gross rent than net rent decrease.

Section based on data from large PRPs only. Excludes Affordable Rent units.

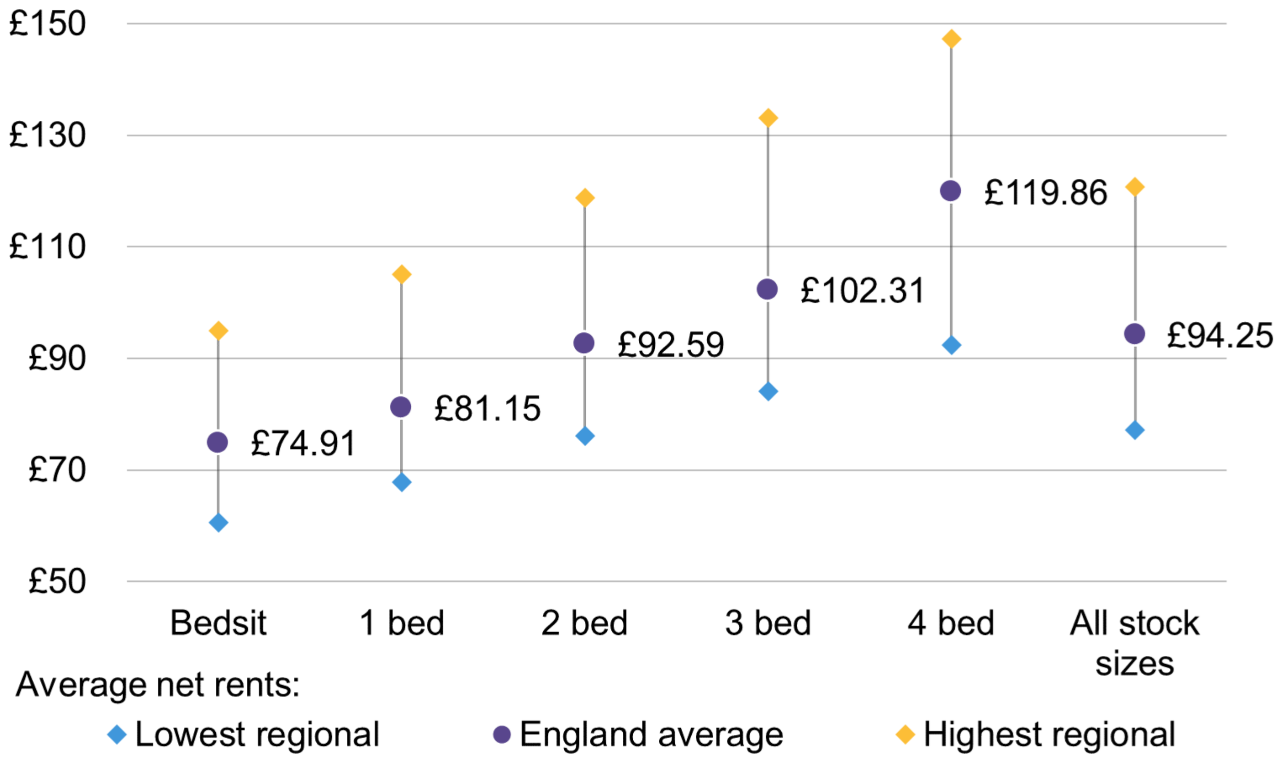
General needs net rent by size

Bedsit units have the smallest range of regional average weekly net rents ranging from £60.53 in the North West to £95.01 in London.

The range for two bedroom units average weekly net rent is the closest to the national average range.

37% of these units have two bedrooms. This is the most common size of unit.

General needs (social rent) range of net rents by size (£/ week)



T2.5

Size categories that represent less than 0.5% of the total stock have been suppressed from this chart. The small base size of these size bands make the results highly prone to distortion by a small number of outlier values when analysed at a regional level.

The size categories suppressed for this chart are: non-self contained units, five bedroom units and units with six or more bedrooms. Data for these size categories are provided in the data tables document accompanying this release.

Note that the values for the 'All Stock Sizes' category are calculated using data from all stock sizes, including those that are individually suppressed in this chart.

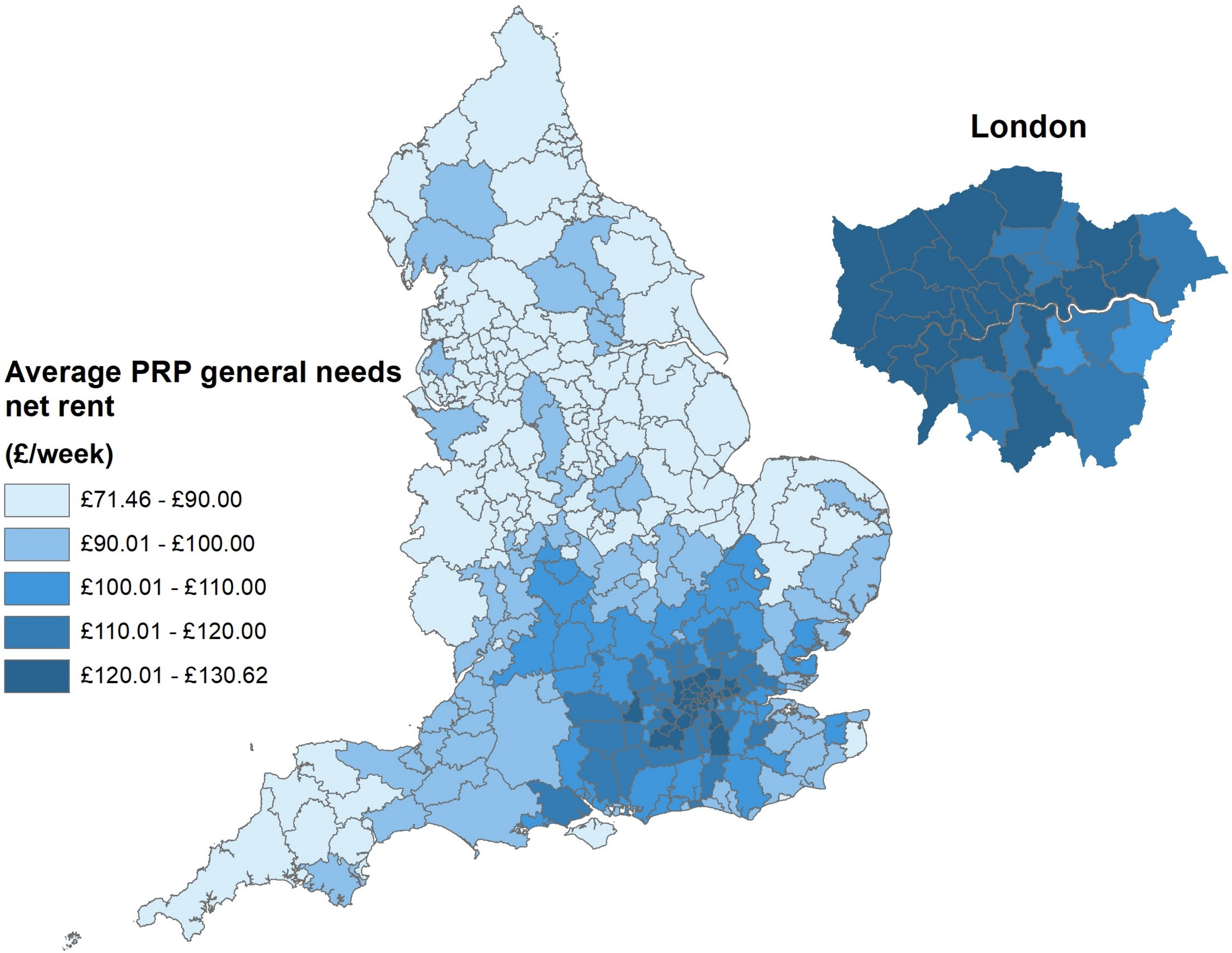
Section based on data from large PRPs only. Excludes Affordable Rent units.

General needs net rent by LA

Average general needs (social rent) net rents are highest in London and the South East. This reflects higher social rent rate in these areas.

The highest LA level weekly net rent is in Brent (£130.62). The highest LA rent in 2019 was Westminster (£140.33) but this reduced to £129.08 in 2020.

The lowest LA level weekly net rent remains in County Durham (£71.46 per week).



T2.6

Section based on data from large PRPs only. Excludes Affordable Rent units.

Supported housing net rents

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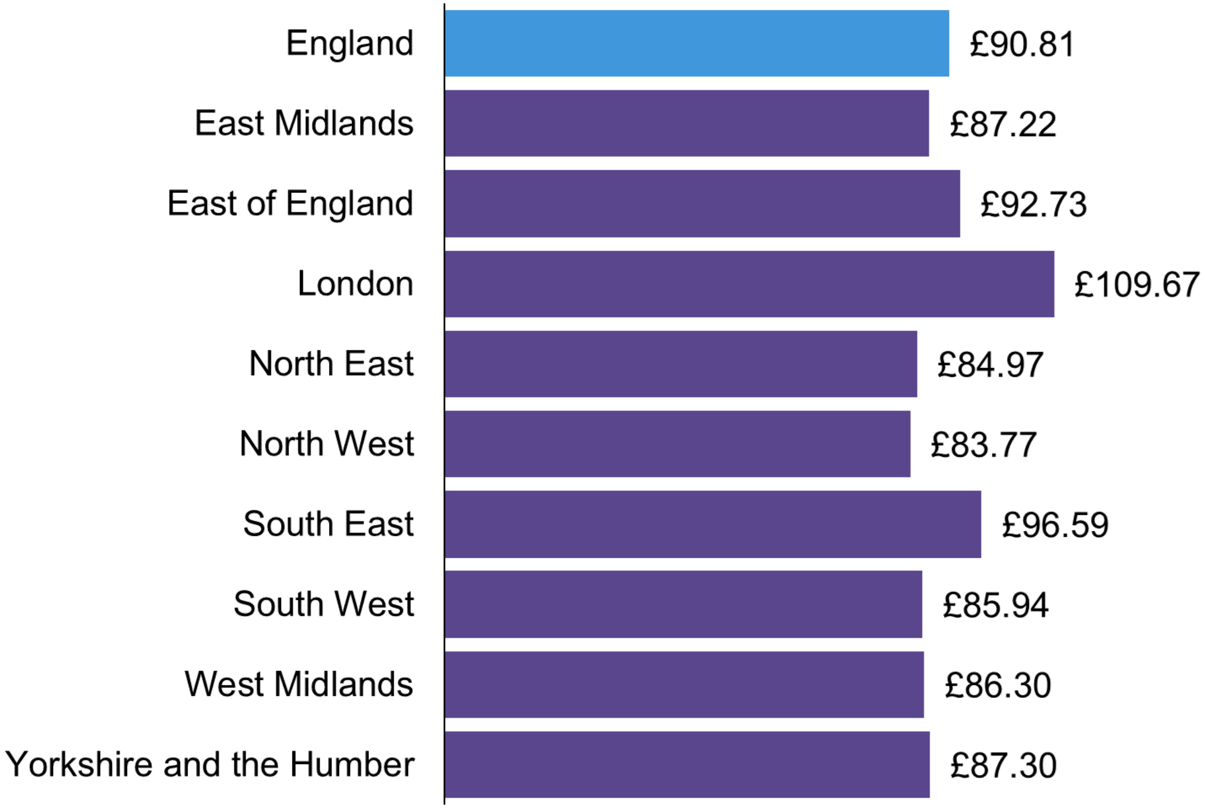
The average supported housing (social rent) net rent in England is £90.81 per week.

The North West has the lowest average weekly net rent of £83.77. This is £25.90 lower than the highest average (London).

London remains the only region with an average net rent above £100 per week.

PRP Supported housing (social rent) net rents by region (£/ week)



T2.7

Average supported housing rent levels should be viewed within the context that large variations exist between PRPs within each regions due to them serving different client groups with varying degrees of support needs. This also applies to service charges.

Caution should be employed when comparing rent values for supported housing units with those for general needs. Differences in the rent setting rules, the service offerings provided and the client groups may mean that units are not strictly comparable.

Section based on data from large PRPs only. Excludes Affordable Rent units.

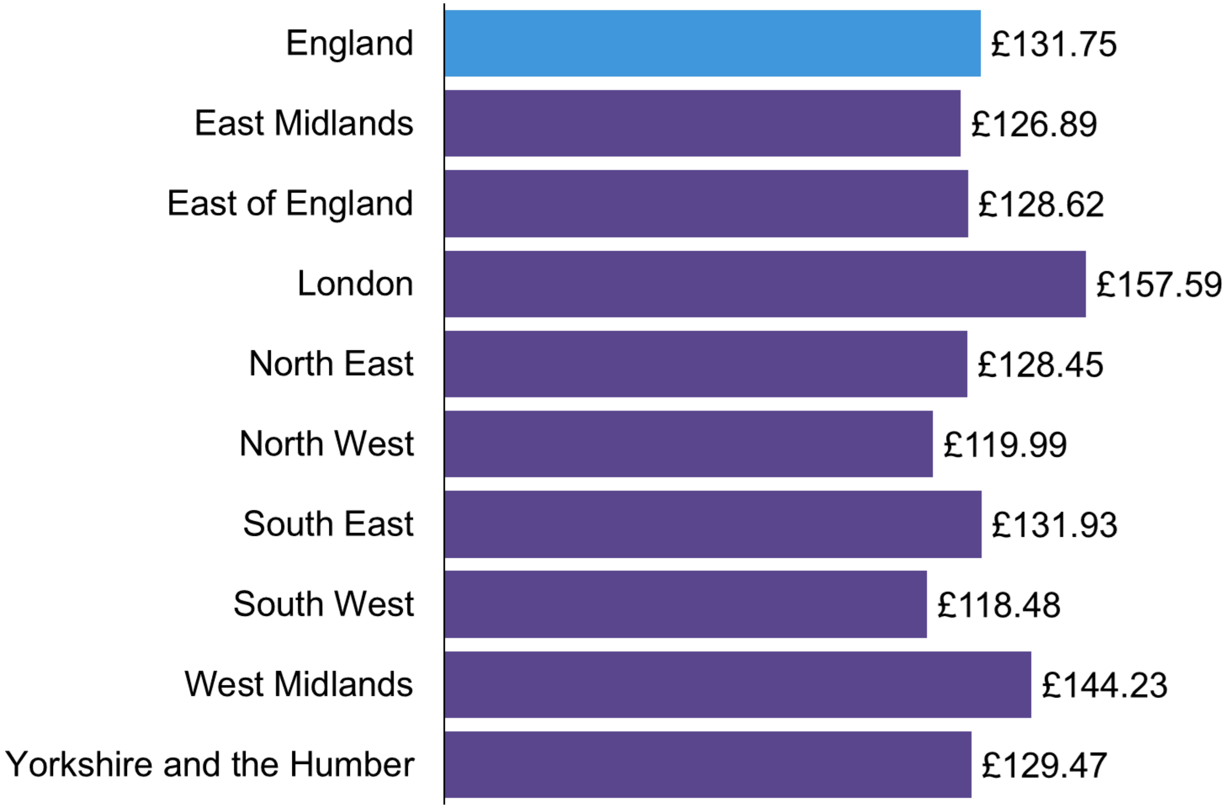
Supported housing gross rents

The average supported housing (social rent) gross rent in England is £131.75 per week.

The average weekly service charge eligible for housing benefit is £43.17.

Most service charges in the social housing sector are eligible for housing benefit.

PRP Supported housing (social rent) gross rents by region (£/ week)



T2.7

Service charges for supported housing can vary significantly between PRPs depending on the nature and level of support provided. The service charges for individual properties can also vary from year to year as units are used to house different types of support clients.

Average service charges in England increased by 4% between 2019 and 2020 although there was a large degree of regional variation. This ranged from 3% falls in the East of England and London to a 9% increase in the East Midlands.

Service charges are not subject to our regulation.

Average gross rents are not calculated by adding the average net rent and average service charge together. See **technical notes** for more information.

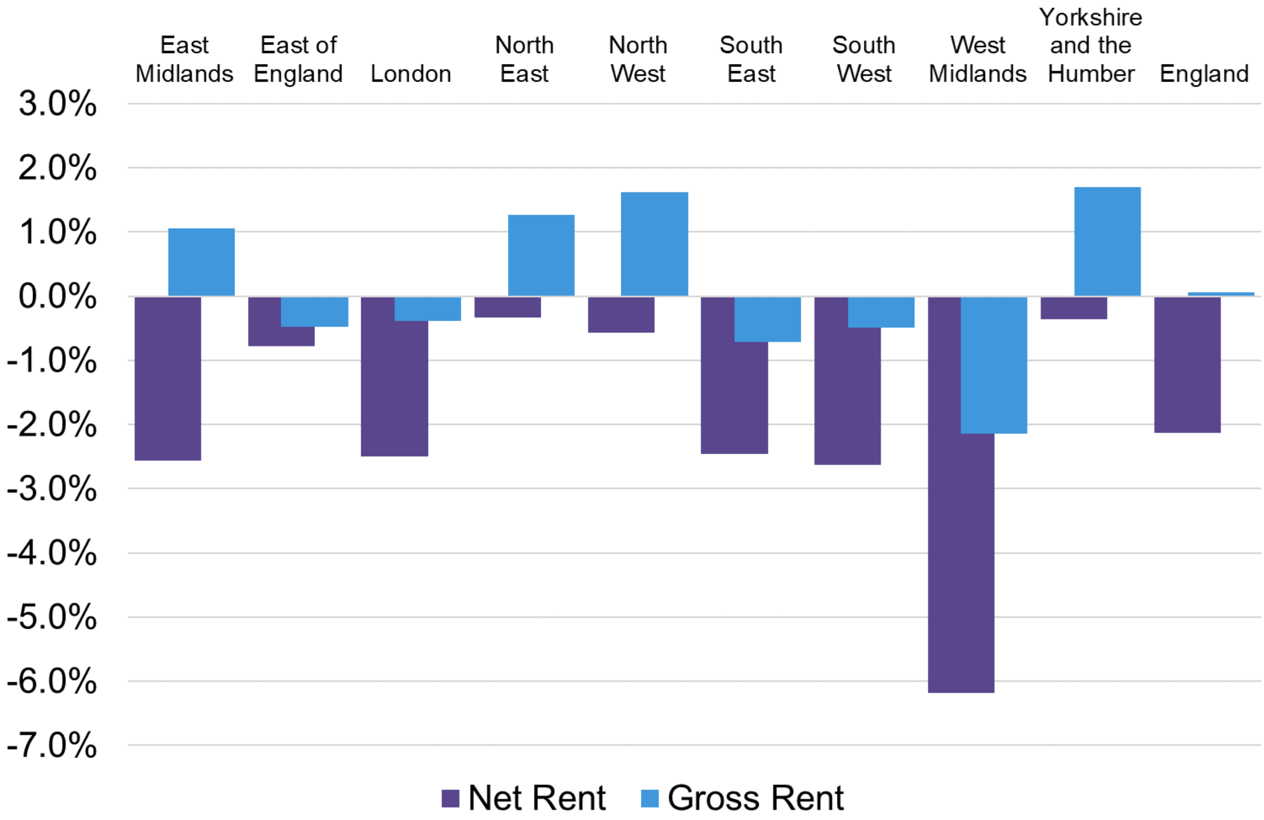
Section based on data from large PRPs only. Excludes Affordable Rent units.

Supported housing (social rent) change

Supported housing (social rent) net rents fell by 2.1% between 2019 and 2020. The West Midlands had the largest decrease (6.2%).

Average gross rents increased by 0.1% between 2019 and 2020. Yorkshire and the Humber saw the greatest percentage increase (1.7%).

Supported housing (social rent) rent change (%) 2019 to 2020



T2.8
T2.9

Net rents for supported housing units have decreased across all regions, but gross rents (those inclusive of service charges) have risen in four areas (East Midlands, North East, North West and Yorkshire and the Humber).

Service charges for supported housing can vary significantly across areas and over years, reflecting the nature and level of support provided to individual client groups and these year-on-year changes should be viewed with some caution.

The relatively large decreases seen in supported housing net and gross rents in the West Midlands appear to have been driven by a small number of providers who have reconsidered their stock classification and rent setting in light of regulatory activity during 2020.

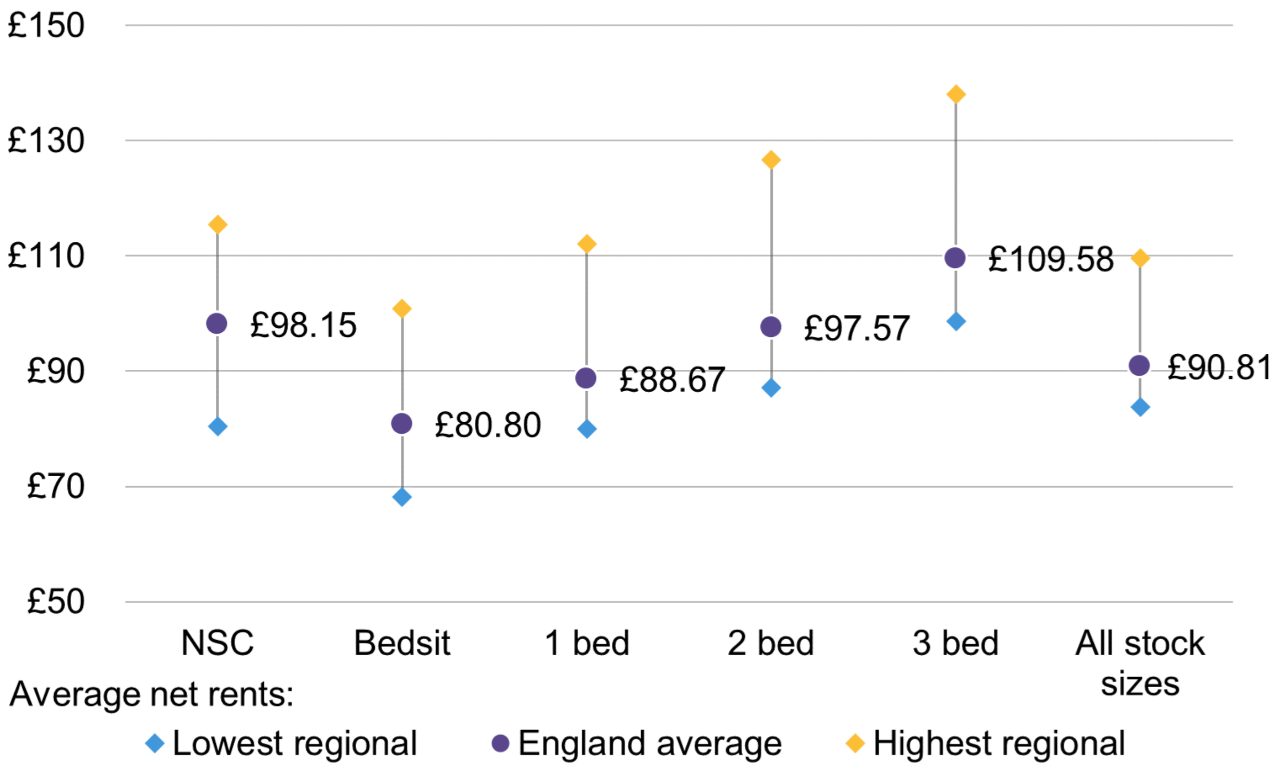
Section based on data from large PRPs only. Excludes Affordable Rent units.

Supported housing net rent by size

1 bedroom units have the smallest range of average regional (social rent) net rents across England, ranging from £80.04 in the North East to £112.07 in London.

63% of these units have one bedroom and this is the most common unit size.

Supported housing (social rent) range of net rents by size (£/ week)



T2.10

The higher average net rents for non-self-contained units (NSC) than for some self-contained units is likely to be due to the highly specialised nature of these units. This will also mean that many of these units have an absolute exception from the WRWA requirements.

Size categories that represent less than 0.5% of the total stock have been suppressed from this chart. The small base size of these size bands make the results highly prone to distortion by a small number of outlier values when analysed at a regional level.

The only size category suppressed in this chart is four or more bedrooms. Data for this size categories is provided in the data tables document accompanying this release. Note that the values for the All Stock Sizes category are calculated using data from all stock sizes, including those that are individually suppressed in this chart.

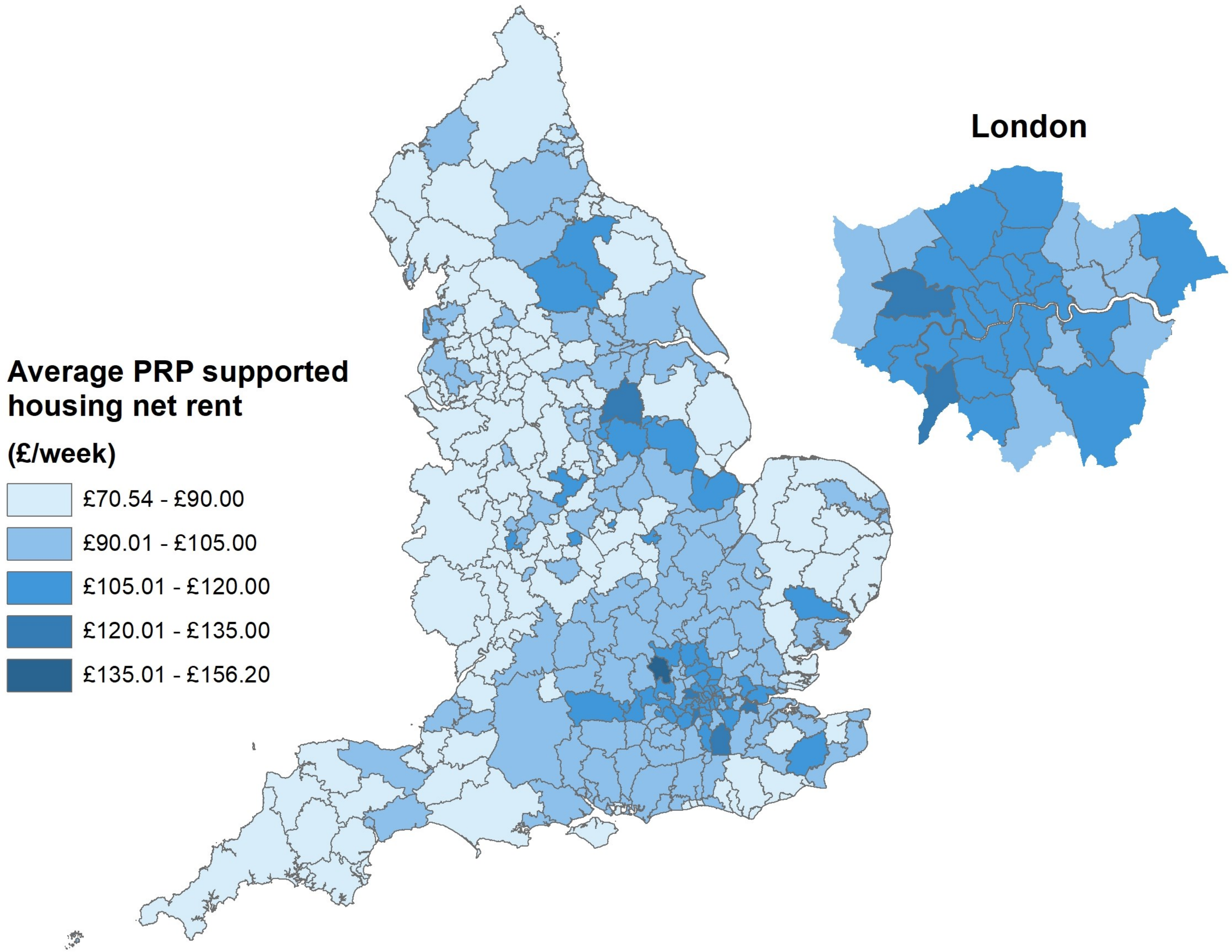
Section based on data from large PRPs only. Excludes Affordable Rent units.

Supported housing net rent by LA

There is greater variation in average net rent (social rent) by LA area than with general needs stock, possibly reflecting the wider range of services offered and higher social rent rate in these areas.

The LA with the highest level of net rent remains Chiltern (£156.20 per week).

The LA level with the lowest level of net rent is Torridge (£70.54) down from £72.49 per week in 2019.



T2.11

Section based on data from large PRPs only. Excludes Affordable Rent units.

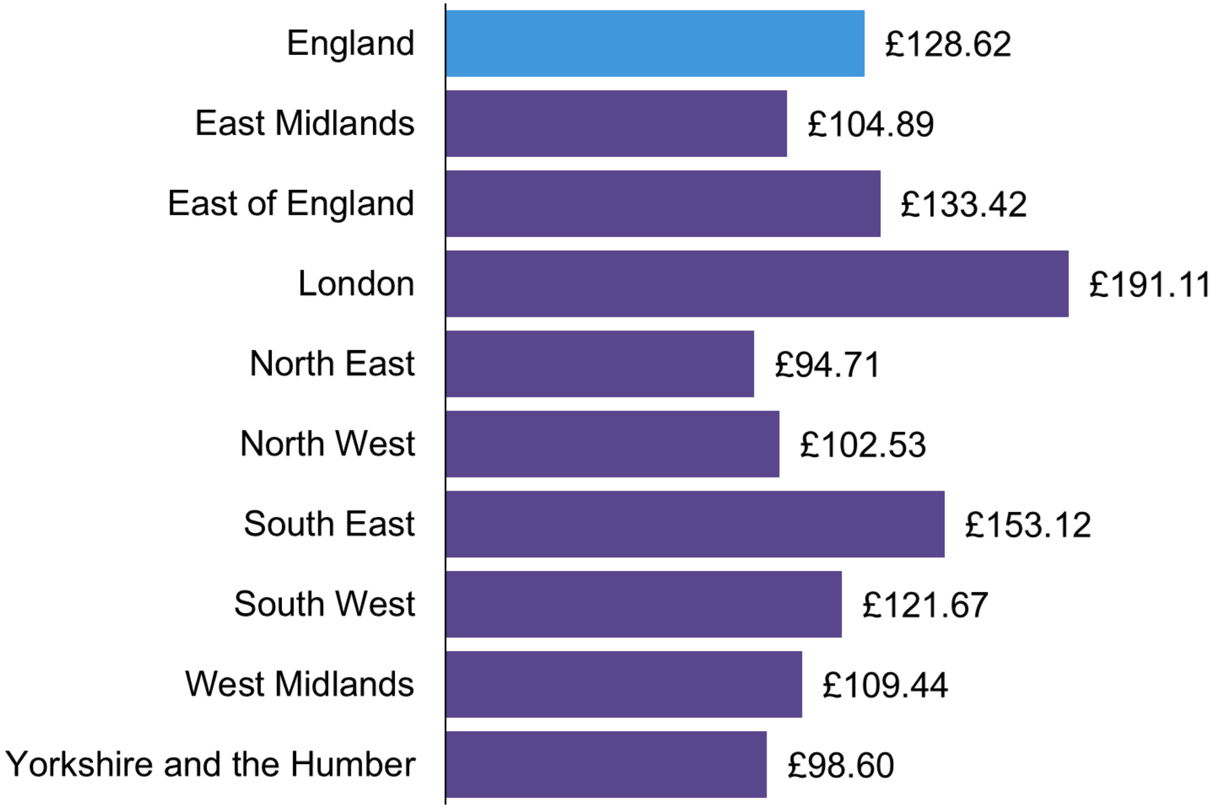
Affordable Rent general needs

The average weekly gross rent for an Affordable Rent general needs property in England is £128.62.

London and the South East have the highest average gross rent. This reflects higher local market rents.

The North East has the lowest average weekly gross rent, less than half that for London.

Affordable Rent general needs gross rent by region (£/ week)



T2.12

Affordable Rent* units are made available by providers, to households that are eligible for social rented housing, at a rent level of no more than 80% of the market rent of an equivalent property, inclusive of service charges.

Affordable Rent units cover both newly built homes (with or without grant input) and conversions from existing social rented units to Affordable Rent units (see **technical notes** for more information).

The link to local market rents will be the primary driver for the large variation in average rent levels between regions.

*London Affordable Rent, which is included here, is set differently. Users should see glossary for more information.

Section based on data from all PRPs with Affordable Rent stock.

Affordable Rent general needs

Affordable Rent general needs gross rents increased by 0.4% between 2019 and 2020.

London had the largest increase (1.5%) and remains the region with the highest average gross rent.

Affordable Rent general needs gross rent change (%) 2019 to 2020

T2.13

The 0.4% increase in Affordable Rent gross rents represented an increase of £0.57 per week.

The relatively large increases in the number of general needs Affordable Rent units (10% between 2019 and 2020) will impact on the year-on-year gross rent changes. With these additional units let at rents established at up to 80% of the current local market levels.

Due to the property-specific nature of the rent setting rules for Affordable Rent units (which also govern rent-setting when units are re-let), users of this report should exercise caution when looking at average changes in rent levels between years. While PRPs are allowed to set rents at up to 80% of market rent of an equivalent property, they are not obliged to use this maximum level (see also London Affordable Rent in glossary).

Section based on data from all PRPs with Affordable Rent stock.

Affordable Rent supported housing

Regulator of Social Housing

The average weekly gross rent for an Affordable Rent supported housing property in England is £172.58.

London has the highest weekly gross rent, being over £20 per week more than the next highest regional average, the West Midlands.

Affordable Rent general needs gross rent by region (£/ week)

T2.14

Affordable Rent supported housing remains a comparatively niche product with circa 14,500 units in England. Some regions still have fewer than 1,000 units.

For most of these units the gross rents are likely to include some level of service charge based on client needs.

Analysis of year-on-year changes for Affordable Rent supported housing is considered unreliable due to the low volume of stock and is not presented here. For further information on Affordable Rent stock levels, please see the **Private registered provider social housing stock in England - stock profile.**

Section based on data from all PRPs with Affordable Rent stock.

Comparisons across provider type

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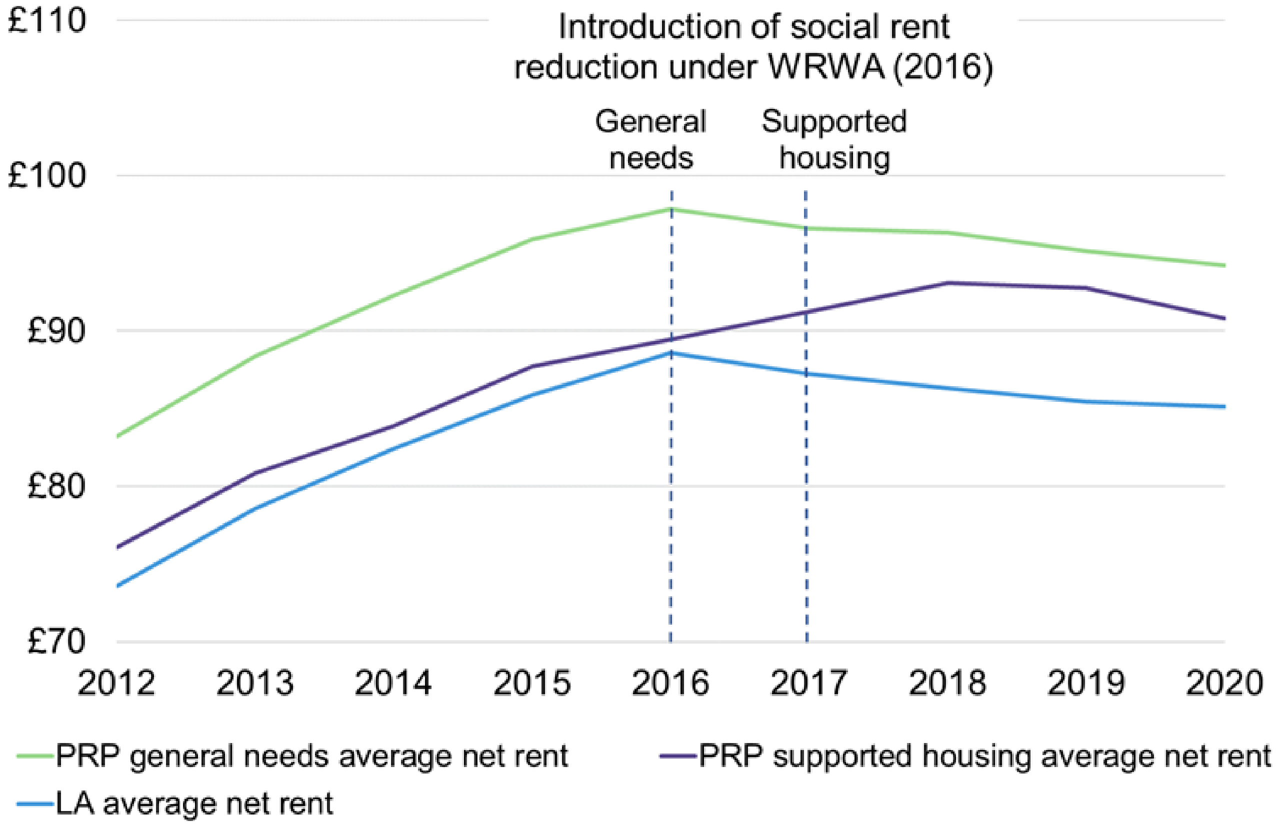
Since 2016 average net rents have fallen year-on-year, with a 3.7% decrease in PRP general needs and a 3.9% decrease in LA overall average net rents.

PRP general needs net average rents were £9.13 higher than LA average net rents in 2020 (compared to £9.68 in 2019).

Average low cost rental net rents by PRP and LA 2012 to 2020



T2.15

The decreases since 2016 have been driven by the rent setting rules introduced in WRWA (2016).

The 1% per annum reduction in rents established in the WRWA (2016) was delayed by one year for units of supported housing. Please reference the 2018 release for further details and the impact of PRP operating models and methodological issues which may have impacted data in 2017/18.

PRP values based on data from large PRPs only and exclude Affordable Rent units. LA data combines both general needs and supported housing units to produce a single average rent figure and exclude Affordable Rent units.

LARP data for 2020 from LADR, previous years from LAHS statistics.

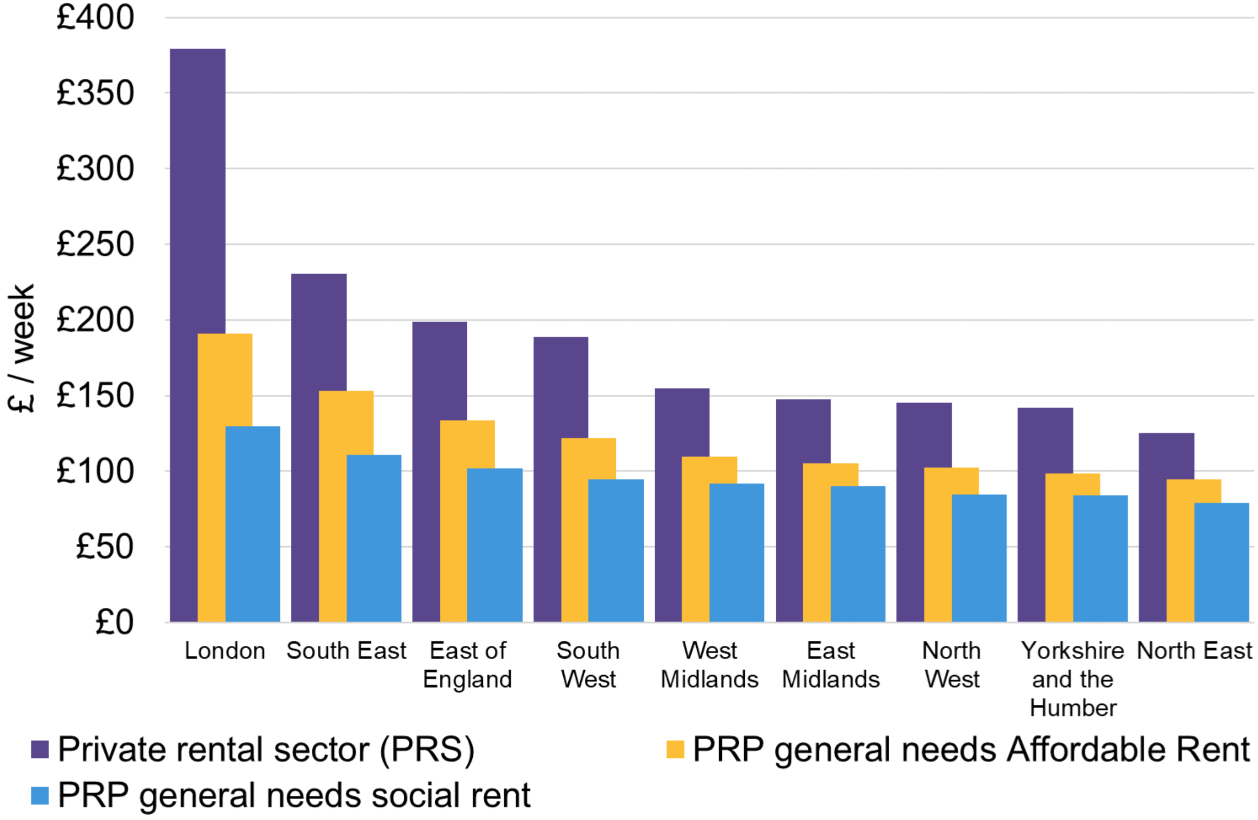
Comparisons across provider type

Regulator of Social Housing

The average gross rent for Affordable Rent general needs units in London (£191.11) is about half the average London private sector rent (£379.38).

Rents in the North East are closest to market rents, with general needs gross rents at 63% of market rent and Affordable Rent general needs at 76% of market rent.

Market and PRP average gross rents by tenure type (£/ week)



T2.16

General needs social rent gross rents range from 34% of private sector rents in London to 63% of private sector rents in the North East. The average gross social rent in England (£98.45 per week) is 51% of the average private rental sector rent (£194.54 per week).

General needs Affordable Rent rents range from 50% of private sector rents in London to 76% in the North East. The closeness of values in the North East is largely due to the area having the lowest average market rent in England (£125.08 per week).

General needs social rent gross rents based on data for large PRPs only excluding Affordable Rent units. Affordable Rent general needs gross rents based on data for all PRPs with Affordable Rent stock. Weekly mean private rental sector (PRS) rents derived from Valuation Office Agency private rental market summary: April 2018 to March 2019.

Gross rents used for all values to enable comparability.

Notes

Background

These statistics are based on data gathered in the SDR survey. This survey collects data that we believe is included in the PRPs administrative or management systems. We consult with PRPs to ascertain which data items are present in systems and work to minimise the overall burden placed on data providers requesting data already collected.

We use the SDR data extensively as a source of administrative data to inform our operational approach to regulating the economic standards (see **data quality and methodology note** for more details). The United Kingdom Statistics Authority (UKSA) encourages public bodies to use administrative data for statistical purposes, as such, we publish these data annually.

Governance of data and statistics at RSH

The statistician responsible for the publication of these statistics is also responsible for the SDR data collection and the cleansing of incoming SDR data; working with PRPs to directly address anomalies within the data submissions and producing the final data set and statistics.

All SDR data is stored and analysed within password-protected government secure networks and access to the sector level analysis work undertaken on the data is restricted until after publication (PRP level data is accessed by our staff as part of operational work). Further information on the data quality assurance processes employed by RSH is provided in **data quality and methodology note.**

Contact information submitted by PRPs in the Entity Level Information section is redacted within the release. This contact information is not publicly available. We hold no other administrative data that can be made available for use in statistics. However, we publish a range of summary data from other information collected. These are available from our website (https://www.gov.uk/government/organisations/regulator-of-social-housing).

Data coverage

The rent and service charge data presented in these statistics are for low cost rental housing that is owned by PRPs at 31 March.

General needs and supported housing (including housing for older people) rent and service charge figures for stock considered ‘social rent’ in this release are calculated using data supplied by large PRPs (those owning 1,000 or more units of social housing) only. PRPs with fewer than 1,000 units are not required to submit detailed rent data on these units.

Rent data for Affordable Rent stock are required from all PRPs regardless of their total stock ownership.

Notes – glossary of terms

Regulator of Social Housing

Affordable Rent

Affordable Rent homes are those made available (to households eligible for low cost rental housing) at a rent level of no more than 80% (inclusive of service charges) of local market rents. Affordable Rent homes can be either newly built, acquired from other PRPs or converted from existing low cost rented homes, but only where they form part of an agreement with Homes England or the Greater London Authority. They can be either general needs or supported housing. See also **London Affordable Rent**.

Average service charges and gross rents

The average service charges presented in the rent sections relate only to the stock where there is a Housing Benefit eligible service charge present. Therefore, zero service charges are excluded from this calculation. However, gross rents presented in this briefing note do include stock without a service charge. Because of this, the sum of the average net rent and average service charge will not equal the average gross rent.

General needs housing

General needs housing covers the bulk of housing stock for rent. It includes both self-contained units and non-self-contained bedspaces. General needs housing is stock that is not designated for specific client groups or delivered under specific investment programmes.

Housing for older people

Properties made available exclusively to older people and that fully meet the definition of supported housing specified in the Welfare Reform and Work Act (2016) and regulations made under it.

London Affordable Rent

London Affordable Rent (LAR), was introduced in 2016 by the Mayor of London. LAR units are Affordable Rent units in London let at or below the weekly rent benchmarks set by the GLA. For more information see https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes/homes-londoners-affordable-homes-programme-2016-2023.

Notes – glossary of terms

Regulator of Social Housing

Low cost rental

The term low cost rental is used in these statistics to denote any stock which meets the definition of low cost rental accommodation in the Housing and Regeneration Act 2008. It must be available for rent, with a rent below market value, and in accordance with the rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.

Non-self-contained unit (bedspace)

A non-self-contained unit will consist of an area in a hostel/ dormitory or other similar entity or a room or rooms (within a block of flats, sheltered scheme, house in multiple occupation or similar entity) which is/ are private to the tenant but which require sharing of some or all living, cooking, bathroom or toilet amenities. When counting non-self-contained units, PRPs record the number of areas for which an individual tenancy can be issued, not the number of occupants. All non-self-contained units are recorded in the SDR as bedspaces.

Owned stock

A PRP owns property when it: (a) holds the freehold title or a leasehold interest (of any length) in that property; and (b) is the body with a direct legal relationship with the occupants of the property (this body is often described as the landlord). No non-residential properties should be reported in the SDR. In earlier data collections (RSR), a minimum period of lease (21 years) was stated. Stock held on shorter leases will have been counted as stock managed but not owned in these earlier collections.

Private registered providers (PRPs)

PRPs refer in this document to providers of social housing in England that are registered with the Regulator of Social Housing (RSH) and are not local authorities (this is the definition of PRP in the Housing and Regeneration Act 2008). For the purposes of the SDR release **large PRPs** are those that own 1,000 or more social housing units/ bedspaces and that complete the 'long SDR form' and **small PRPs** are PRPs that own fewer than 1,000 social housing units/ bedspaces and that complete the 'short SDR form'.

Self-contained unit

A self-contained unit is one in which all the rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a door which only that household can use and therefore allows that household exclusive use of them. Some self-contained units, especially flats, may have some common areas (such as a shared entrance hall) or services (such as a central boiler for heating and/ or hot water).

Regulator of Social Housing

Notes – glossary of terms

Social housing

Social housing is defined in the Housing and Regeneration Act 2008 sections 68-77. The term covers low cost rental, low cost home ownership and accommodation owned by PRPs as previously defined in the Housing Act 1996.

Social rent

In these statistics social rent refers to all low cost rental units that are general needs or supported housing (excluding Affordable Rent and intermediate rent units). This includes units with absolute exceptions from standard rent rules.

Social stock

Social stock is used to denote the total number of low cost rental and low cost home ownership units. Social stock figures do not include social leasehold units or any other stock type. Total social stock figures represent the number of self-contained units plus bedspaces.

Supported housing

Units can only be counted as supported housing if they meet the definition of supported housing specified in the Welfare Reform and Work Act (2016) and regulations made under it. The fact that a tenant receives support services in their home does not make it supported housing.

WRWA

References to the WRWA are references to the Welfare Reform and Work Act (2016). This, and regulations made under it, have introduced significant changes to the way rents are set within the social housing sector, and providers should review their rent policies and stock definitions in light of legislation. The legislation is available at http://www.legislation.gov.uk/ukpga/2016/7.

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