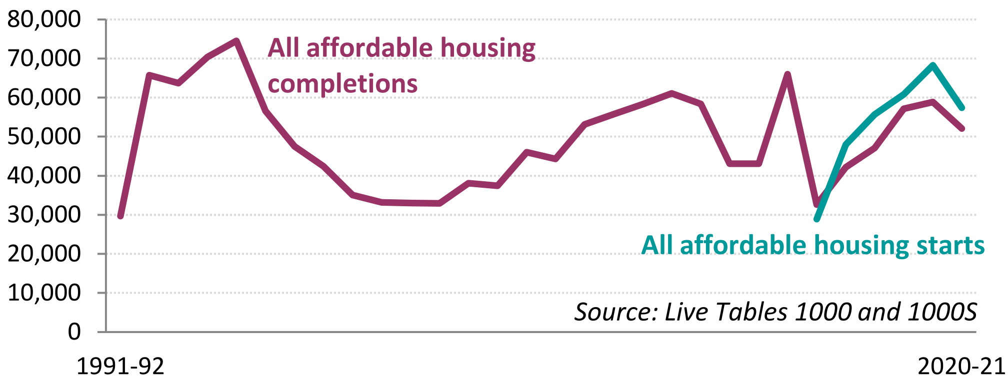
Department for Levelling Up, Housing & Communities

Statistical release
Housing

Affordable Housing Supply: April 2020 to March 2021, England

In this release:

- There were 52,100 affordable homes delivered (completions) and 57,417 starts on site in England in 2020-21, decreases of 12 per cent and 16 per cent respectively when compared to the previous year. The chart below shows the trend for affordable homes delivered (completions) since 1991-92 and affordable homes starts on site since 2015-16.



- In 2020-21, affordable housing for rent (including social, affordable and intermediate rent) represented around two thirds of completions (65%) and three out of five starts (59%), similar to the previous year. These proportions compare to around three quarters of both completions and starts in 2015-16 (77% and 75%, respectively).
- Just under half (47%) of all affordable homes delivered in 2020-21 were funded through section 106 (nil grant) agreements, compared to 51 per cent in the previous year.
- 89 per cent of affordable homes delivered in England were new build and 11 per cent acquisitions. The proportion and number of acquisitions is the highest since 2014-15.

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Introduction

This release presents statistics on additional affordable housing supply in England. The estimates include new build and affordable housing providers' acquisitions of private housing. Losses through demolitions, sales to tenants and other sales are not included so the statistics here show only new additions to the affordable housing stock.

Additional affordable homes are defined as housing units (or bed spaces) provided to specified eligible households whose needs are not met by the market in addition to existing stock of affordable housing. Further details on the coverage of this release are given in the technical notes document published alongside this release (a link is included at the end of this document).

Responsibility for affordable housing in London transferred to the Mayor of London from April 2012. This means that Homes England (previously the Homes and Communities Agency) no longer administer or report on most affordable housing delivery in London, which is now the responsibility of the Greater London Authority (GLA).

Figures are presented for financial years ending 31 March and are presented unrounded, unless otherwise noted. They represent our best estimate at the time of publication and may be subject to revisions.

Sections I and J of the Local Authority Housing Statistics (LAHS) are released along with this publication.

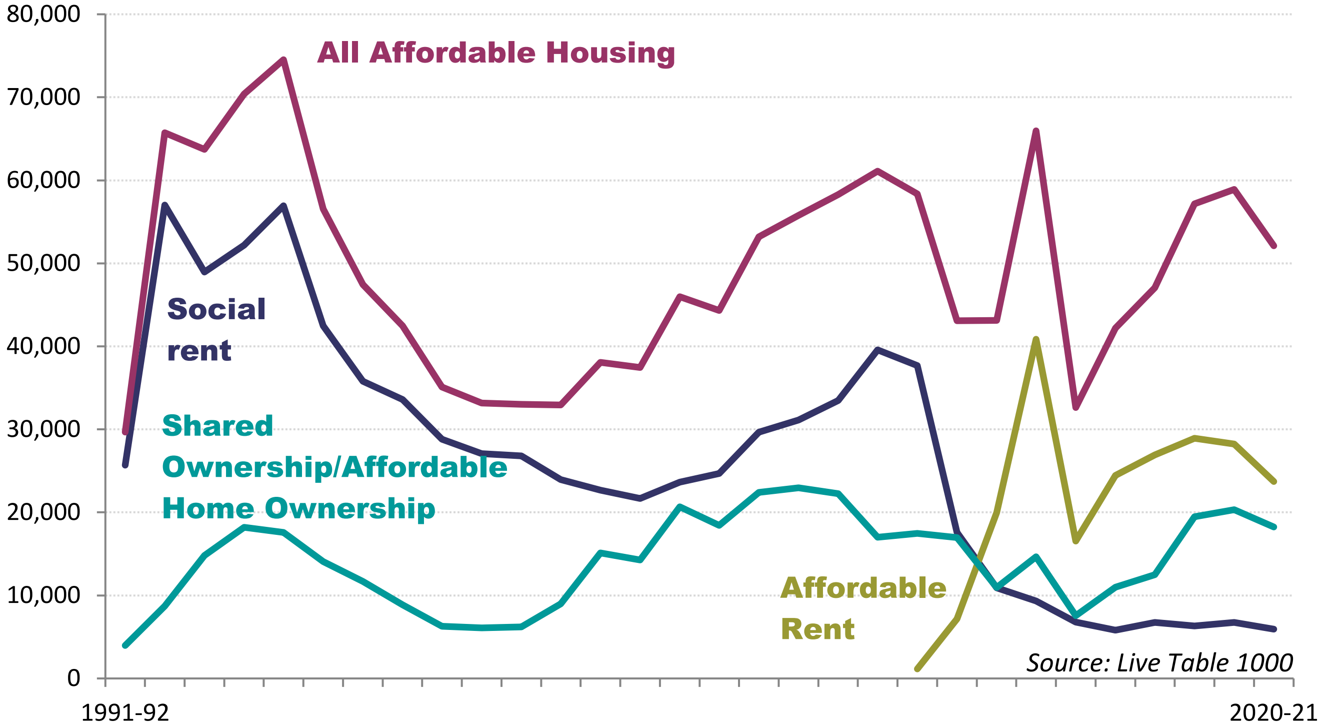
Changes to this release

There are no major changes to this release, but the commentary on affordable housing and overall housing gross supply will be included in Housing supply: net additional dwellings statistical release that will be published on 25 November 2021.

National trends in additional affordable housing

There were 52,100 affordable homes delivered in England in 2020-21, a decrease of 12 per cent compared with the previous year. This decrease may be due, in large part, to the restrictions introduced during Spring 2020 in response to the CoVID-19 pandemic. These homes represent the new additions to the affordable housing stock in 2020-21[1].

Chart 1: Trends in the supply of affordable housing completions by tenure, England, 1991-92 to 2020-21



Note: All Affordable housing also includes London Affordable Rent, Intermediate Rent and unknown tenure. The data for this chart are available in Live Table 1000.

The number of affordable homes delivered has varied considerably since 2011-12. The supply of affordable housing is dependent on funding programmes, and as part of a house building cycle, delivery is normally lower in the first years of any new programme. The peak in 2014-15 is explained by the end of the 2011-15 affordable homes programme and the increase in the number of completions since 2015-16 reflects the transition to the 2016-23 affordable homes programme. Unlike during the 2011-15 programme, every year between 2015-16 and 2019-20 saw an increase in the delivery of affordable homes, while the decrease in 2020-21 may be due, in large part, to the restrictions introduced during Spring 2020 in response to the CoVID-19 pandemic.

There also have been changes in the mix of different tenures of affordable housing. Up to 2011-

[1] Due to COVID19, the response rate to LAHS, and in particular the affordable housing sections of the collection, was slightly lower than in previous years and similar to 2019-20. Additionally, due to a technical issue Rochdale was unable to submit their LAHS return. We expect to include these data in the scheduled revisions for this publication in June/July 2022.

12, social rent was the most common affordable housing tenure for new supply, but affordable rent has become the most common since its introduction in 2011-12. This change was driven in part by the 2011-15 affordable homes programme, as well as subsequent affordable homes programmes, which funded affordable rent as a tenure. Recent programmes also fund shared ownership, which contributed to an increase in these properties, from 4,084 in 2015-16 to 17,097 in the latest year.

In 2020-21, there were 33,834 new affordable homes for rent (i.e. excluding shared ownership and affordable home ownership), lower than 38,533 in the previous year, and following successive year-on-year increases between 2015-16 and 2019-20. However, the share of new affordable homes for that are rent (i.e. excluding shared ownership and affordable home ownership) has decreased year-on-year since 2014-15, from 78 per cent to 65 per cent in 2019-20. In 2020-21, it was again 65 per cent.

In 2020-21, 81 per cent of all affordable homes were delivered by private registered providers, with local authorities delivering 13 per cent and non-registered providers 3 per cent[2]. There is no provider information on the remaining units. These proportions are similar to the previous four years, despite the drop in the overall delivery. Historically, private registered providers had a higher share of the delivery (nearly all affordable housing delivery throughout the 1990s was through private registered providers). The 6,873 affordable homes delivered by local authorities (representing 13 per cent of the overall affordable housing delivery, as per above) are the second highest recorded number of local authority completions since 1991-92; however, this comparison should be interpreted with care because the number of units for which is not possible to identify the provider was higher prior to 2011-12 than it is currently.

Delivery of affordable homes funded through s106 nil grant agreements[3] [4] accounted for 47 per cent of all affordable homes delivered in 2020-21. This represents a decrease from 2019-20, when it was 51 per cent and may be due to the impact of to the restrictions introduced in response to the CoVID-19 pandemic. The first completions of s106 (nil grant) were recorded in 2000-01 and nearly all homes funded through this process are new build properties. Prior to 2014-15, s106 (partial grant) units were not separately identified in the data and are captured within the numbers of grant funded units. Partial grant funding used to be much more prevalent but recently the vast majority of s106 funded units are nil grant.

Chart 2 below shows the completions' profile by funding method since 1991-92. The data for this graph are available in Live Table 1000C.

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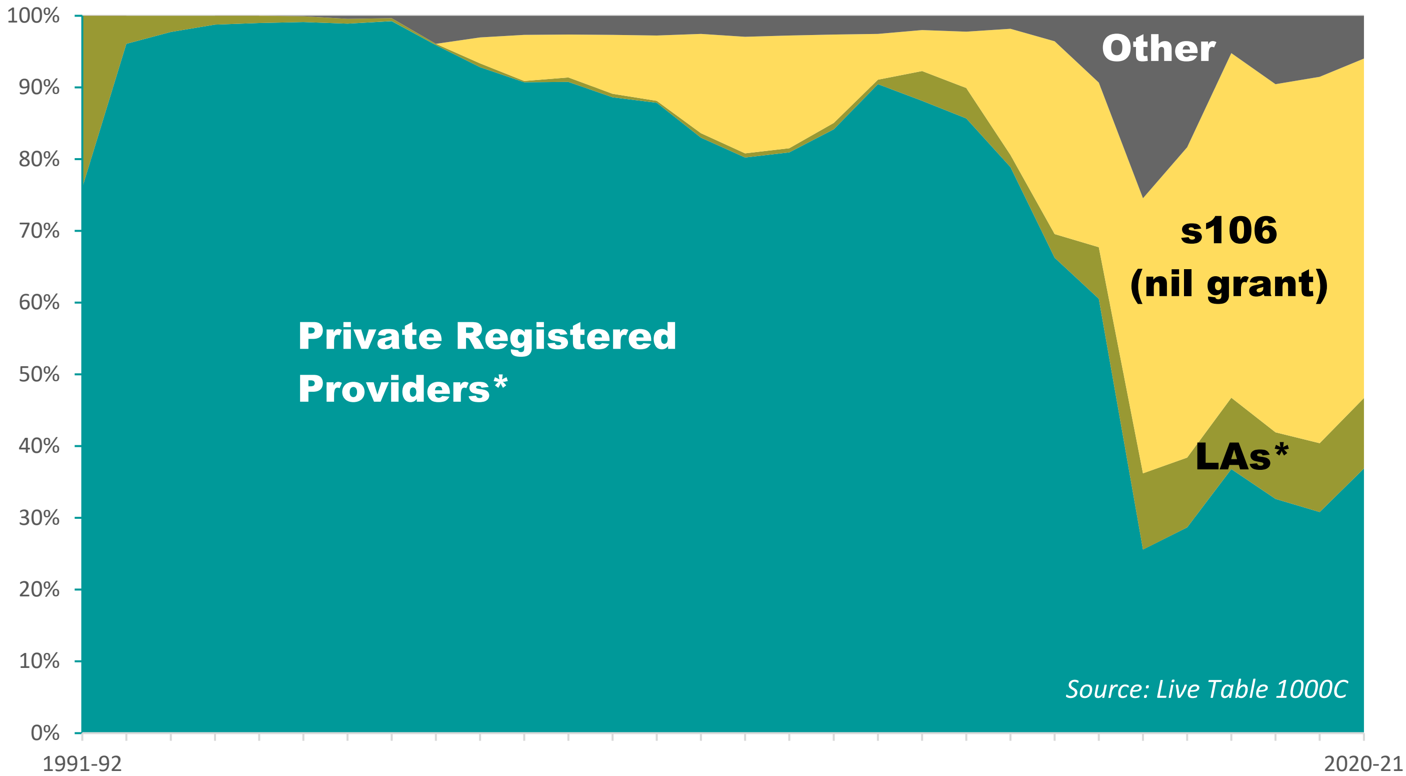
[2] Since 2018-19, Homes England started funding delivery of shared ownership homes provided by non-registered providers. Non-registered providers cannot receive Homes England funding for other tenures. However, a small proportion of social rent (34 starts and 16 completions) and affordable rent units (156 starts and 428 completions) funded by Homes England in 2020-21 had as lead organisation a non-registered provider, which at later date will be handed over to either a local authority or a private registered provider. These units have been classified as "unknown" provider and with "other" funding in Live Tables 1000S, 1000C, 1011S and 1011C. The department is working with Homes England to better understand how to present these data in future.

[3] Please see the Housing statistics and English Housing Survey glossary for a definition https://www.gov.uk/guidance/housing-statistics-and-england-housing-survey-glossary/a-to-z

[4] Since 2017-18, details of s106 units for London reported by the Greater London Authority (GLA) are estimates based on the total number of nil grant homes recorded on projects within the GLAOps.

Chart 2: Affordable Housing completions by funding, England, 1991-92 to 2020-21



* Homes completed by private registered providers and local authorities are funded by Homes England or the GLA or other sources, such as reserves, loans or in the case of Local Authorities, through Right to Buy receipts.

Note: The data for this chart are available in Live Table and 1000C.

Sub-national trends: Regional delivery

In 2020-21, London was the region with the highest delivery of new affordable housing, followed by the South East. While this is consistent with historical data, it is a change from the previous three years, as between 2017-18 and 2019-20 delivery was higher in the South East. Together, these two regions have driven the trend in affordable housing completions. A full set of regional figures are included in Live Table 1008C.

However, by tenure, there is a more complex picture. London had the highest delivery of social rent in most years between 1991-92 and 2017-18, however, in 2020-21, it was the one of the regions with fewer new social rent units (376 units out an England total of 5,955). On affordable rent, both the South East and the East of England have delivered more homes than London since 2016-17 and 2017-18, respectively. In 2016-17 and 2017-18, the North West also delivered more affordable homes than London. Both of these changes coincided with the GLA’s introduction of London affordable rent as a tenure. Figures for regional completions of homes for social rent are included in Live Table 1006C, for affordable rent are included in Live Table 1006aC and for London affordable rent in Live Table 1006bC.

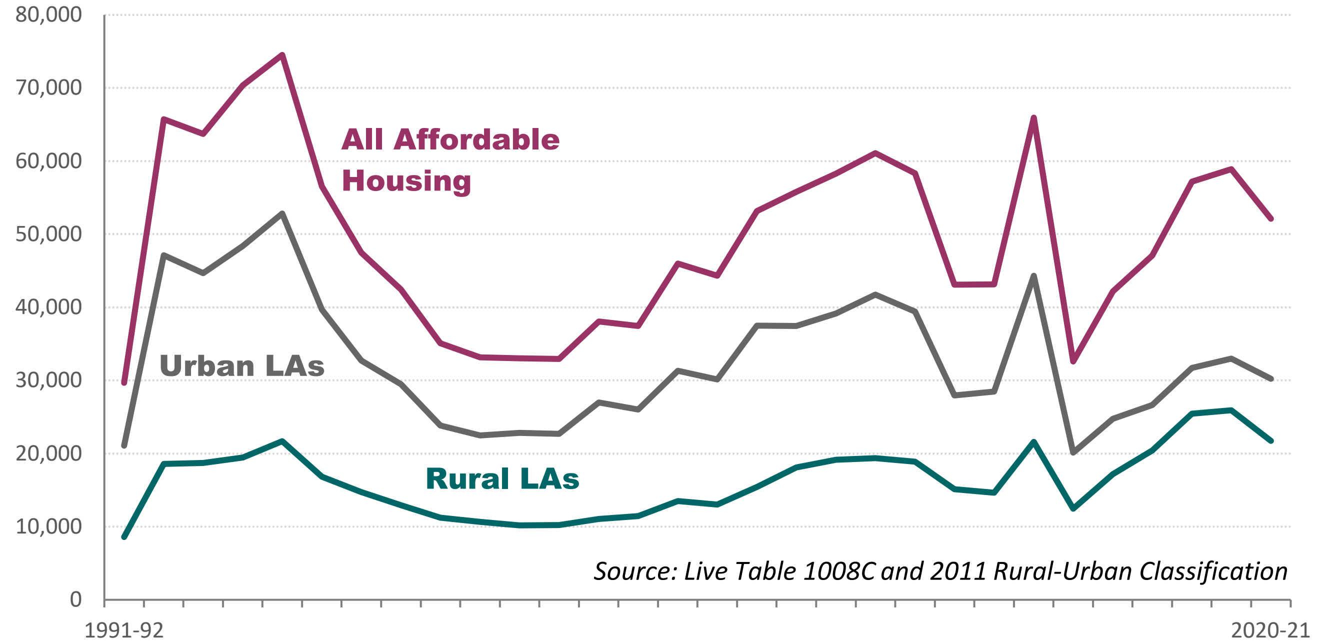
In 2020-21, 30 per cent of local authority delivery was done by London boroughs (including the City of London), compared to 34 per cent in 2019-20 and around a quarter between 2015-16 and 2018-19. 19 per cent of delivery by non-registered providers was in the South East. Regional trends for private registered provider delivery more closely reflect overall delivery.

Sub-national trends: Rural-Urban delivery

Using DEFRA's 2011 Rural-Urban classification for England[5], it is possible to present sub-national trends in rural and urban areas[6].

In 2020-21, 21,723 units were delivered in local authorities classified as rural[7] and 30,228 in those classified as urban[8]. Possibly in large part to the restrictions introduced in response to the CoVID-19 pandemic, the decrease in delivery compared to the previous year was higher in rural areas than urban areas (16 per cent decrease in rural areas compared to 8 per cent in urban).

Chart 3: Trends in the supply of affordable housing completions by 2011 Rural-Urban classification, England, 1991-92 to 2020-21



Note: All affordable housing also includes units for which local authority information isn't available.

The proportion of completions in rural local authorities has historically been around 30 per cent of all completions, but it increased steadily between 2014-15 and 2019-20, when it was 44 per cent.

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[5] The DEFRA 2011 Rural-Urban classification can be found here: https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes

[6] The local authorities created on 1 April 2019 and 1 April 2020 were classified based on the data available through the link in the previous footnote: Bournemouth, Christchurch and Poole was classified as Urban with City and Town, while Dorset, West Suffolk, Somerset West and Taunton and East Suffolk were classified as Largely Rural (rural including hub towns 50-79%) and Buckinghamshire was classified as Urban with Significant Rural (rural including hub towns 26-49%).

[7] For the purpose of this bulletin, Rural includes the following three categories: Mainly Rural (rural including hub towns >=80%), Largely Rural (rural including hub towns 50-79%) and Urban with Significant Rural (rural including hub towns 26-49%).

[8] For the purpose of this bulletin, Urban includes the following three categories: Urban with City and Town, Urban with Minor Conurbation and Urban with Major Conurbation.

In 2020-21, rural areas represented 42 per cent of all completions.

Completions by local authority going back to 1991-92 are presented in Live Table 1008C (1008S for starts). A breakdown of this by tenure can be found in other live tables (with a suffix C for completions and a suffix S for starts) available here: https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply

New build homes and acquisitions

There were 45,296 new build affordable homes completed in 2020-21. These were supplemented by 5,884 acquisitions of existing stock and 920 homes where there is currently no information on whether they are new build or acquisitions.

The 52,900 new build affordable homes represent an increase of 0.2 per cent on the existing stock of all 24.66m homes in England[9]. This is the same as in recent years, with the proportion varying between 0.1 and 0.4 per cent throughout the available period (since 1991-92).

Proportionally, of the 52,100 affordable homes delivered in 2020-21, 89% were new build and 11% were acquisitions (excluding unknowns). These proportions have changed considerably since the early 1990s, particularly after 2003-04. The number and proportion of acquisitions was the highest in six years. Chart 4 below shows this change in proportions, excluding unknowns: in 1992-93, 6 out of 10 new affordable homes were new build compared to 9 out of 10 in the latest year. The remaining homes were acquisitions.

Chart 4: Trends in the supply of affordable housing by type, England, 1991-92 to 2020-21

Note: The chart excludes completed affordable units where build type was unknown. The data for this graph, as well as further details on affordable housing supply by build type, are available in Live Table 1009.

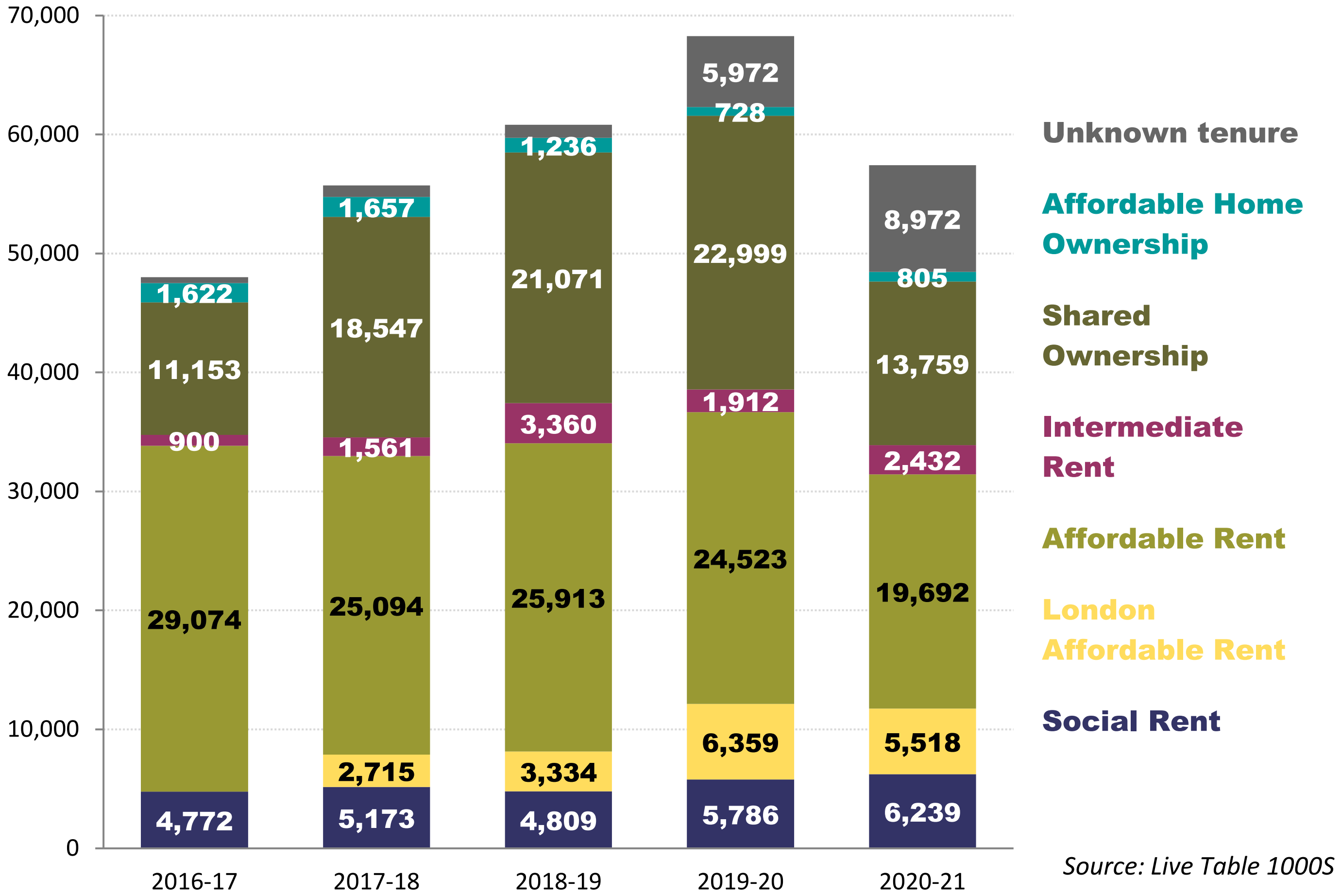
[9] Source: DLUHC Live Table 104 on dwelling stock https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

Starts on site

Since 2015-16, the department has published live tables with starts on site[10] of affordable housing to provide a leading indicator of affordable supply. In that year, data were only provided by Homes England and the GLA, but since 2016-17 they have also been collected from local authorities on a voluntary basis. This means that starts funded directly by local authorities or by planning agreements will have been excluded from 2015-16 data and may still be under reported for all years.

There were 57,147 starts on site in England in 2020-21, compared to 68,279 in the previous year. This represents a 16 per cent decrease. Direct comparisons with 2015-16 cannot be made as this was the first year the data were collected and data from local authorities were not included. As such, that year is excluded from Chart 5 below, despite being included in Live Table 1000S, the underlying data source.

Chart 5: Trends in the starts of affordable housing completions by tenure, England, 2016-17 to 2020-21



Note: The data for this chart are available in Live Table 1000S.

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[10] It should be noted that starts on site are not planning applications. For further details, please see definition in the Housing statistics and English Housing Survey glossary.

By tenure, affordable rent and shared ownership continue to account for the largest number of starts, although the number of starts decreased for both tenures compared to previous year. In 2020-21, these two tenures accounted for 58 per cent of new affordable housing starts down from 70 per cent in the previous year. This is due to a reduction in the number of affordable rent starts and an overall increase of starts for other tenures.

The number of social rent units started in 2020-21 increased by 8 per cent compared to 2019-20 and is the highest for the five year period for which there is comparable data. The number of London affordable rent starts decreased by 13 per cent compared to the previous year.

In 2020-21, the overall number of affordable starts for rent (33,881) decreased 12 per cent compared to the previous year; while those for ownership decreased by 22 per cent. Affordable housing starts for rent represented three out of five of all starts (59 per cent) in 2020-21, slightly higher than the previous year (when it was 57 per cent).

The increase in the number of starts for which tenure was unknown since 2019-20 is due to units reported via Strategic Partnerships[11]. These units will have their tenure confirmed at a later stage.

Accompanying tables and open data

Symbols used

R	Revised
P	Provisional
"-"	nil units
".."	not applicable

Tables

Accompanying tables are available to download alongside this release. These tables can be accessed through the following link https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply

Open data

These statistics are available in fully open and linkable data formats through the following link https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply#open-data .

[11] Strategic partnerships were introduced in 2018 and work as long-term agreements between one or more housing associations and Homes England. Homes England's funding of these units is based on a whole development programme rather than scheme-by-scheme.

Technical Notes

Please see the accompanying technical notes document for further details. This can be found at https://www.gov.uk/government/statistics/affordable-housing-supply-in-england-2020-to-2021

Information on Official Statistics is available via the UK Statistics Authority website: https://www.statisticsauthority.gov.uk/

Information about statistics at DLUHC is available via the Department's website: https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities/about/statistics

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

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