



**Scottish Housing
Regulator**

New homes, empty homes and lettings

**An early analysis of 2023/24
data returns from social
landlords**

July 2024

About this report

The Scottish Parliament recently declared a national housing emergency. This has further intensified the focus on a range of housing matters, particularly the supply of new homes and the best use of existing homes. In this report we provide an early analysis of the data for 2023/24 that all social landlords provided to us on empty homes and lettings and that Registered Social Landlords (RSLs) provided to us on their plans to build new homes.

Each year every social landlord provides us with information on their performance in achieving the outcomes and standards in the [Scottish Social Housing Charter](#), and every RSL provides us with Five Year Financial Projections (FYFPs). The data from these submissions which we have used in this report is still being verified and validated, and so may change, although we anticipate any changes being marginal and unlikely to materially alter this analysis. We will publish a full analysis of social landlords' performance in achieving the outcomes and standards in the Scottish Social Housing Charter at the end of August, and we will publish our full analysis of RSLs' FYFPs later in the year.

Key messages

- The rate at which RSLs are building new homes has fallen, and is projected to remain at a lower level for the next five years.
- The number of social rented homes becoming empty has dropped in each of the last two years.
- Taken together, this means that social landlords have significantly fewer homes available to let to people in need, including those who are experiencing homelessness.
- Despite the lower number of homes available to let, both RSLs and local authorities have increased both the number and percentage of homes they let to people who were homeless.

Context

We published a [thematic review of homelessness services](#) in Scotland in February 2023, and an [update](#) to this in December 2023. In these, we highlighted that the demands on some local authorities around homelessness now exceed their capacity to respond, and that there is systemic failure in the services provided to people who are homeless by some local authorities and that there is a heightened risk of systemic failure in others.

The latest [Scottish Government data](#) shows that the level of homelessness is rising, with applications for assistance for the year to September 2023 at 40,024 and those assessed as homeless at 33,191. There were more people and children than ever before in temporary accommodation, and they were spending longer in such accommodation. Failures by local authorities to meet statutory duties have increased significantly.

[Published statistics](#) show that on 31 March 2023 there were 175,092 applications on the housing lists or common housing registers maintained by 26 local authorities, an increase of around 11% since before the COVID19 pandemic hit in 2020. These figures do not include data for six local authorities which have transferred their housing stock to RSLs, nor do they include data from the separate housing lists maintained by some RSLs. The figures will also include some multiple applications from the same households, as people are able to apply to more than one local authority. Despite the limitations in the data, this illustrates the scale of demand for social housing in Scotland.

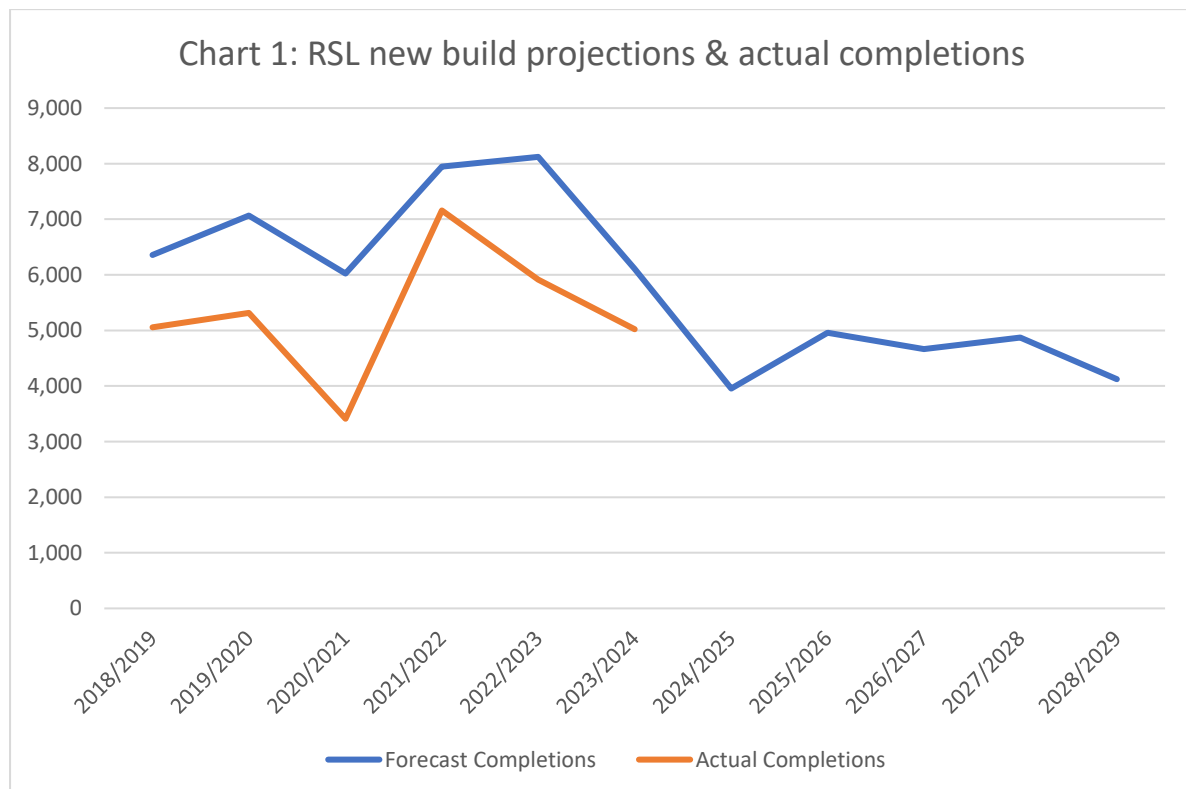
In May 2024 the Scottish Parliament declared a national housing emergency. The declaration is significant and sits alongside the declaration of local emergencies in ten local authority areas. These declarations have further intensified the focus on the supply of new homes and the best use of existing homes.

New homes

The rate at which RSLs are building new homes has fallen, and is projected to remain at a lower level for the next five years.

From the 2024 FYFPs, RSLs forecast building or buying 22,577 homes over the five-year period to March 2029; this is 13% down on the total forecast figure of 26,082 in the 2023 FYFPs, which itself was down by 17% on the previous year's projections.

Last year RSLs built or bought 5,022 new homes. This compares to a forecast of 6,109, meaning that they achieved just over 82% of their forecast new homes.

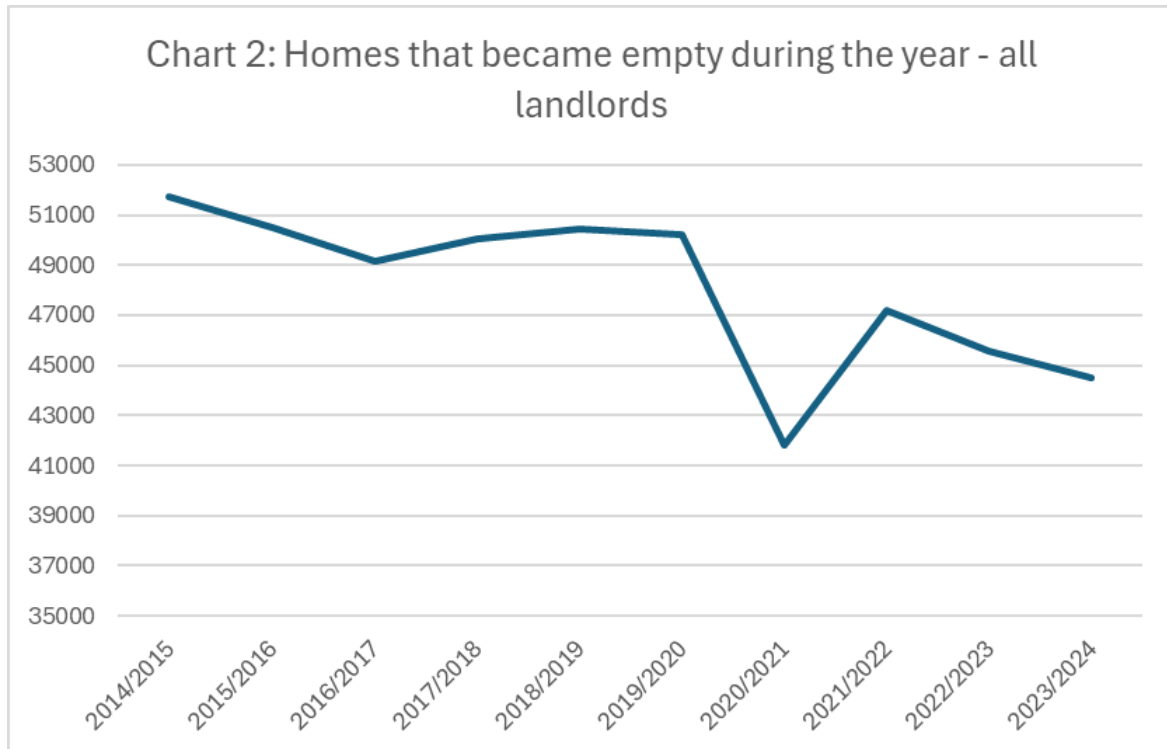


Social landlords have told us that significant inflation in construction costs and uncertainty around future availability of grant funding are the main reasons for the reducing numbers of planned new homes. Landlords have also highlighted other pressures in business plans as contributing to reductions in planned expenditure on new homes; these include cost inflation in maintaining existing homes and uncertainty on what they will need to spend on meeting the proposed [Social Housing Net Zero Standard](#).

Empty homes

The turnover of homes – homes becoming empty and being relet – is essential to a well-functioning housing system. Turnover helps landlords meet the needs of people who are existing tenants or who are not yet tenants. Turnover helps social landlords to make the best use of the homes they currently have.

Turnover has been reducing in recent years. In our [National Report on the Scottish Social Housing Charter](#), published in August 2023, we reported that social landlords saw a lower turnover of homes in 2022/23 than they did before the COVID19 pandemic hit in 2020. That trend has continued in to 2023/24: just over 1,000 fewer homes became empty during 2023/24 than in the previous year and nearly 6,000 fewer than in 2019/20.



For the five years to the end of March 2020 the number of homes that became empty was consistently around 50,000 each year. In 2020/21, the year the pandemic first impacted, the number of homes becoming empty dropped by 17% to just under 42,000, before rising to just over 47,000 in 2021/22. However, the number of homes becoming empty dropped in each of the next two years.

The reductions in turnover may indicate positive outcomes from the work social landlords do to prevent homelessness and sustain tenancies, that more tenants are happy with their home or that tenants are less keen to move in a time of such economic challenges. Whatever the underlying cause, lower turnover means that social landlords have significantly fewer homes available to let to people in need, including those who are experiencing homelessness, than they had ten years ago.

Homes were, on average, empty for 57 days in 2023/24, marginally up on the previous year and significantly up on 32 days in 2019/20. The time taken by local authorities to re-let empty homes increased to 73 days in 2023/24 from 67 in 2022/23. RSLs reduced the time taken to re-let empty homes to 39 days in 2023/24; this is down from 44 days in 2022/23, but not yet back to the low of 26 days in 2019/20.

Social landlords have told us about a range of challenges they are experiencing that are negatively impacting on how quickly they can bring empty homes back in to use.

These include availability of labour and materials, contractor difficulties and problems with getting utility companies to move quickly on installing or updating gas and electricity meters. Landlords have also told us about a growing problem of homes being left in poor condition by departing tenants, and so requiring more work to bring back to a lettable standard; many landlords attribute this emerging problem to increasing levels of vulnerability amongst tenants.

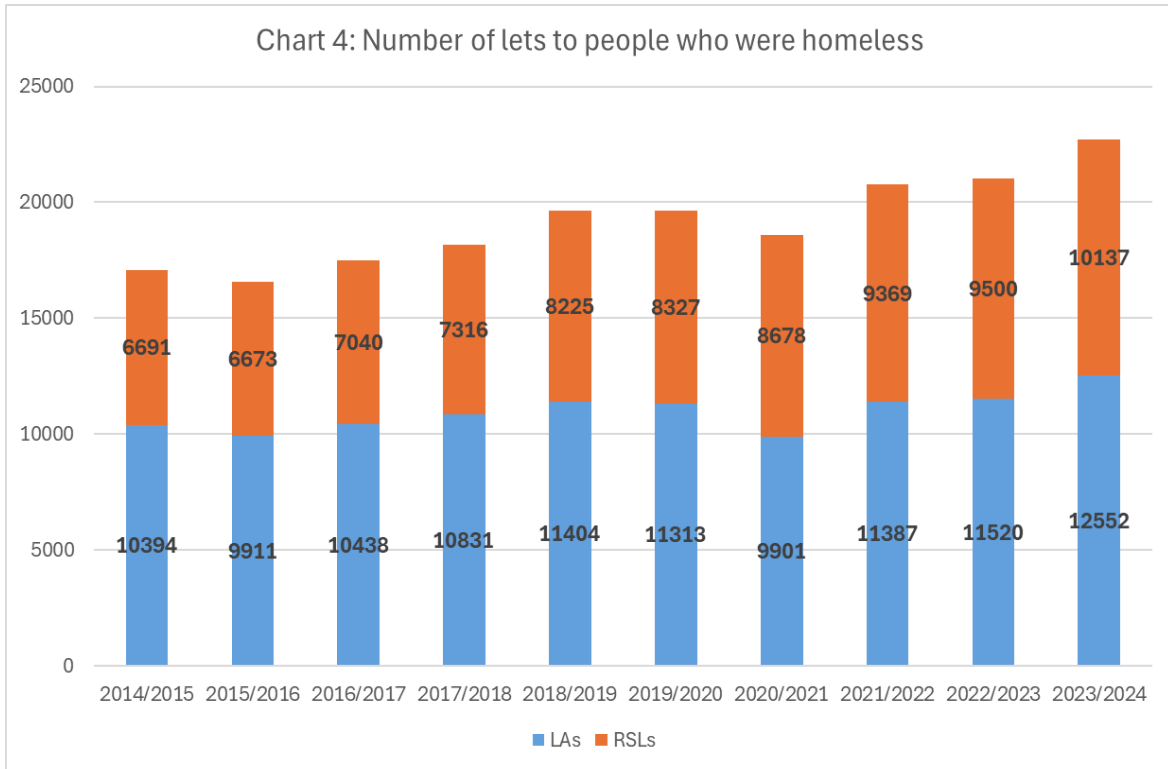
Letting of homes

Despite an overall reduction in lets since 2019/20, both RSLs and local authorities have increased both the number and percentage of homes they let to people who were homeless.

For the five years to the end of March 2020 the number of homes let by social landlords ranged from around 53,000 to just over 56,000. The number of lets dropped significantly in 2020/21 as pandemic-related restrictions took effect. Since then the number of lets has ranged from just under 51,000 to just under 53,000.



Since 2015/16 the number of homes let by social landlords to people who were homeless has steadily increased— except for 2020/21 when the pandemic restrictions limited landlords’ ability to let homes – from a total of just over 16,500 in 2015/16 to over 22,600 in 2023/24. That equates to an increase of 37% over the nine-year period, with a 27% increase by local authorities and 52% by RSLs.



The proportion of total lets that social landlords make to people who were homeless has increased over the last ten years. In 2014/15 social landlords let 32% of their total lets to people who were homeless, with local authorities letting 39% of their total lets to people who were homeless and RSLs letting 24% of total lets. In 2023/24 this had increased to 44% overall, with 49% for local authorities and 39% for RSLs.

