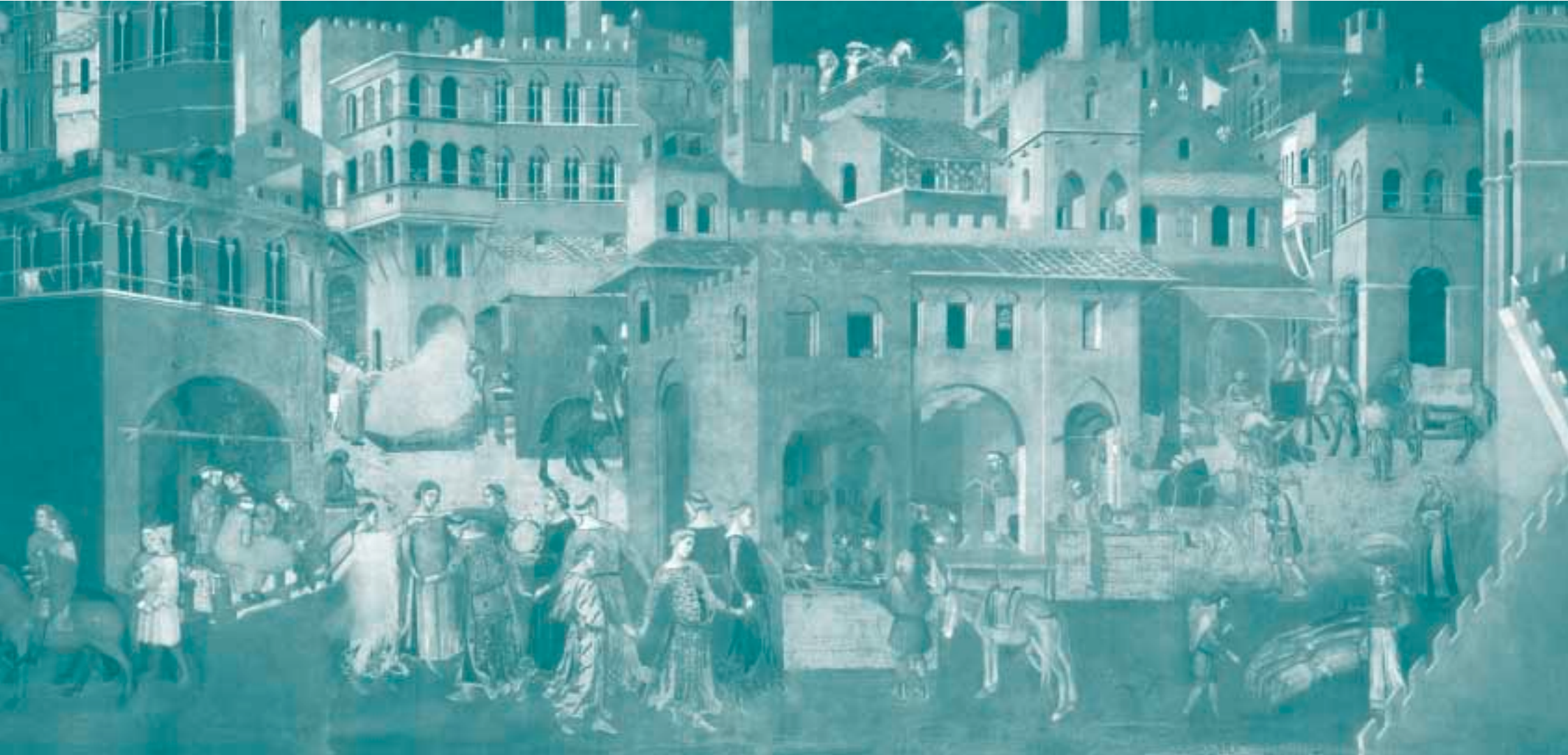


# Housing Finance Review 2001/2002



Published for the Joseph Rowntree Foundation

by the Chartered Institute of Housing and the Council of Mortgage Lenders

Steve Wilcox

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# Acknowledgements

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Similar assistance was given from the Council of Mortgage Lenders, the Housing Corporation, Scottish Homes, the National Housing Federation, the Scottish and Welsh Federations of Housing Associations, the Local Government Association and others.

The enormous help they have all once again provided in the compilation of this year's edition of the *Review* is most readily and gratefully acknowledged.

Much of the statistical data presented here is generally available in a variety of published, or publicly available, statistical series, and sources are

comprehensively acknowledged against each table in the *Review*.

This year thanks are again due to Alan Lewis for his help in updating much of the Compendium of tables in the *Review*. The editor is also particularly grateful to the direct contributors to this year's edition of the *Review*, Simon Campbell and David Thorns at the University of Canterbury, Christchurch, New Zealand, John Hawksworth at PricewaterhouseCooper, London and John Perry at the Chartered Institute of Housing.

This is the third year that the *Review* has been produced as a joint venture between the Joseph Rowntree Foundation, the Council of Mortgage Lenders and the Chartered Institute of Housing. Thanks are thus variously due to David Darton, Julia Lewis, Alan Dearling, John Perry, Jeremy Spencer and Peter Williams for their hard work, support and creative contributions in producing this edition of the *Review*.

For all the diverse help provided, and despite every attempt that has been made to check and double check all the figures included in the *Review*, and the

construction put upon them, the final responsibility for any errors, omissions or misjudgments is entirely that of the editor. The views expressed in the *Review* are the responsibility of the respective authors.

*August 2001*

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The majority of the tables below contain UK-based figures, but sometimes figures for Great Britain are used depending upon the sources. All other tables will refer to the country(ies) concerned. Where English regional figures are shown, this is usually indicated in the title. Tables showing breakdowns between England, Wales, Scotland and/or Northern Ireland are indicated with a single \*, and those showing international comparisons with two \*\*.

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# Introduction

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## Introduction

The primary objective of this, the 10th edition of the *Housing Finance Review*, remains simply to draw together key current financial and related data about both public and private housing in the United Kingdom, and rapidly assemble them in a coherent and accessible format.

To that end the *Review* draws on a wide range of expenditure plans and departmental reports, as well as statistical volumes, survey reports, and other more occasional research reports. The *Review* also includes a number of tables constructed from databases that are not routinely published elsewhere.

The structure of the *Review*, and the sparse text, aim above all to provide a swift guide to that data, with detailed analysis confined to the Section 1: Contemporary issues articles at the beginning of the *Review*. This year those four articles focus on housing policy lessons from overseas, and set out a range of comparative housing statistics to supplement those comparative tables that are a routine part of the main Compendium of tables.

The six chapters of Section 2: Commentary offer a brief introduction and discussion of the key developments in policy, financial provision and

output, that are reflected in the tables and figures in the main Section 3: Compendium of tables. It also provides a reference to other publications and data that provide further useful insights into current policy issues.

## A longer perspective

As in previous editions most of the tables in the *Review* start at the beginning of the last decade, to provide a consistent context for the most recent year's figures. However, even with the *Review* published in landscape format, there are limits to the number of years' data that can be set out across a single page.

Rather than starting to simply drop years off from the beginning of tables, this year the *Review* has continued the process begun in earlier years, and in some tables provides data at five year intervals, rather than for every year, up to 1985, or in some cases 1990. Readers seeking data for the years 1981 to 1984 are referred to the 1995/96 and earlier editions of the *Review*. Data for the years 1986 to 1989 omitted this year can be found in the 1999/00 and earlier editions of the *Review*.

## Regions

The *Review* contains several tables providing data for the regions of England. Many of those tables provide

data for the long established 'standard statistical regions'. Government statistics are, however, now being published primarily on the basis of 'government office regions'. This presents difficulties in providing a consistent long run of regional data. In this period of transition, wherever possible current data for standard regions has been sought, in order to provide a consistent data series. This has not, however, always been possible. Equally long back series of data for government office regions are not generally available. In some cases, therefore, the *Review* includes recent data for government office regions, together with earlier data for standard regions. This is clearly indicated in the tables concerned.

There has also been a recent change in the nomenclature of government office regions. The Eastern region is now known as the East of England, and Yorkshire and Humberside is now known as Yorkshire and the Humber. In this year's *Review* the government office regions are generally shown under their new names. However, the new names are not always used in our source documents or datasets, and we have followed the practice in the latest editions of our sources, rather than impose a uniform usage.

The North West government office region now includes Merseyside, and in many cases separate figures for Merseyside are no longer available. However, where Merseyside figures continue to be available these continue to be provided in the *Review*.

### Contemporary issues

As in previous years, the 2001/02 edition of the *Review* includes articles relating to some of the central housing finance and policy issues of the day. This year all the articles draw on overseas experiences that have some useful lessons for the UK.

The experience of the radical reforms of both housing and welfare policies in New Zealand are analysed by Simon Campbell and David Thorns. Their account provides a useful warning against the rapid introduction of policies based very heavily on economic principles, without a wider appreciation of the way in which administrative structures and procedures mould policies into practice, and the social and political impacts.

The impact of European Monetary Union on the housing markets in member countries is examined by John Hawksworth. He draws out the potential implications for the UK economy and housing market of the possible transfer of decision-making on interest rates to the European Central Bank.

This editor provides an account of developments in housing allowance policy in a number of countries

around the world, at a time when housing benefit reform is back on the UK political agenda. John Perry then presents a brief commentary on a number of comparative tables on economic, social and housing topics, that supplement the comparative tables that now regularly appear in the main Compendium of tables in the *Review*.

### New Technology

Following a survey of readers, the *Review* continues this year in its established paper format. The survey did not suggest, at this point in time, that readers would generally prefer a switch to an on-line format. There is, however, one important development in the production format of the *Review*.

The *Review* has also established a website located at [www.york.ac.uk/inst/chp/hfronline.htm](http://www.york.ac.uk/inst/chp/hfronline.htm). The website does not carry the full body of tables from the *Review*, but provides a free updating service for a selection of tables where data becomes available at different points in the year. In 2001/02 the website will be updated twice. In the autumn it will provide an update on those tables where data did not for one reason or another become available in time to include in the published version of the *Review*. In the spring of 2002 the website will provide an update for those tables where new data routinely becomes available by the end of January.

The editor would welcome any comments or suggestions on the current and future format and contents of the *Review*, and he can be contacted by email, phone, fax or letter (see page 3).



# Section 1 Contemporary issues 1

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## Changes to New Zealand housing policy at the beginning and end of the 1990s

Simon Campbell and Dr David Thorns, Professor of Sociology, University of Canterbury, Christchurch, New Zealand

## Introduction

New Zealand in the 1990s elected a succession of centre-right governments, which made major changes to housing policy. A new centre-left government was elected at the end of 1999 with a platform that promised a return to previous housing policies. This article looks at both the rationale and practical outcomes of changes to housing policy during the 1990s, and identifies the most recent changes brought in after the 1999 election.

First, though, some details of the housing market in New Zealand to set central government housing policy in context. The most recently available census figures from 1996 show a total population of approximately 3.5 million and 1.2 million residential dwellings. The housing figures are typical of the last four or five decades, with approximately 71.5 per cent of households owning their home and 28.5 per cent renting. Of the rental properties, 72.1 per cent are in the private sector, 22.5 per cent are owned by central government (often referred to as state housing, similar to the UK's council housing) and the remaining 5.4 per cent are run by local authorities (city or district councils).

## 1991 budget

In November 1990, New Zealand elected the National Party as its new government. National is the main conservative or centre-right political party in New Zealand and at that stage had been in opposition for six years. Over those years, National had developed its policy platforms and came to power ready to implement changes based on

market-liberal economic theory. The underlying theme for changes in social policy was a substantial withdrawal from direct government provision, in the belief that private markets were a more efficient and effective way of providing social services. Only minimal corrective adjustments by the state were needed to protect the basic rights of citizens (Boston and Dalziel, 1992).

In National's first budget of July 1991, major changes were announced in many areas of social policy, including housing. The existing housing policy consisted of two main assistance programmes: providing state houses with rents set at twenty five per cent of tenants' net income; and subsidised loans for low-income households buying their first home. These programmes were designed to address problems with high costs, supply shortages, substandard housing, and discrimination. At the same time, these programmes indirectly influenced the rental market, extending benefits such as lower rents and a better physical standard of housing to the majority of the population. In addition, there were a number of smaller programmes aimed at specific housing needs, including: an Accommodation Benefit for private sector renters; rental subsidies for emergency houses run by community groups; and subsidised interest rates for Housing Corporation loans to organisations such as local authorities (for low-rent pensioner and general housing) and papakainga schemes (for rural Maori, New Zealand's indigenous minority, over-represented among low-income households and other measures of disadvantage).

The 1991 budget replaced all of these housing programmes with a single policy instrument called the Accommodation Supplement (AS), a tenure-neutral cash subsidy administered by the Department of Social Welfare (DSW). Once renting households had spent 25 per cent of their after-tax income on housing costs, the AS covered 70 per cent of the remaining costs, subject to a cash-asset test and regional limits. Households with a mortgage were expected to pay 30 per cent of their after-tax income before the AS applied (Murphy, 1997).

This change also meant state tenants were expected to move from income-related rents to market-based rents and central government housing institutions were restructured. The agency responsible for designing and administering housing policy, the Housing Corporation, continued to exist but in a much reduced form. Most of the Corporation's activities were taken over by two new organisations, Housing New Zealand and the Ministry of Housing. Housing New Zealand administered state housing with a strong commercial focus, while the Ministry of Housing provided policy advice and managed Tenancy Services, an information and disputes resolution service relating to tenancy law.

National felt these changes in housing policy would address problems it saw in the existing regime. The main problem was that three government agencies delivered housing assistance separately from each other: the Housing Corporation; the DSW; and the Department of Maori Affairs. In addition, income-related rents for state tenants were considered

inefficient because they ignored the size, quality and location of the housing. Income-related rents provided no incentive for state tenants to economise on housing costs, which meant some state houses were used inefficiently, wasting taxpayers' money. State tenants became dependent on the rent subsidy and could not survive in the open market. State tenants also had little choice over the quality or location of their housing. The existing regime lacked horizontal equity because households with the same financial circumstances received varying levels of government assistance, depending on whether they qualified for a state house, received the Accommodation Benefit, or had a subsidised Housing Corporation mortgage.

National believed a single tenure-neutral programme would eliminate non-uniform treatment for those needing housing assistance, while a subsidy rate of less than 100 per cent on the AS would provide an incentive for eligible households to reduce their housing costs. They believed that moving the Housing Corporation to a fully commercial focus would remove inefficient social objectives and allow private sector landlords to compete in the low rent sector of the market. This would eliminate waiting lists for state housing by a more effective use of both Housing Corporation and private sector rental stock. Restructuring the Housing Corporation would also remove a potential conflict of interest between policy advice and service provision, consistent with other reforms made to the state sector over the 1980s and 1990s (Kelsey, 1997). A final outcome that was never explicitly stated but was obviously

desirable was the break up of a large institution that may have challenged each stage of the implementation process.

### Practical outcomes

National had some justification for claiming in the 1991 budget documents that this was the most significant change in New Zealand housing policy since the 1930s. However, these changes did not always go according to plan, despite National being re-elected on its own in 1993 and as the major coalition partner in 1996, and the policy required repeated modifications throughout the 1990s.

As soon as the rent increases for state tenants began in December 1991, it became clear that the original plan of moving them to market-based rents by July 1993 in two steps was overly-ambitious, and changes were made to the timing and details of the rent increases. Many state tenants and their advocates complained that the new rents were set too high and were causing hardship. Elderly state tenants in particular provoked a great deal of public sympathy when it was realised that many of them were living in the larger housing where they had raised their families and faced the steepest increases from income-related rents to market-based rents. This led to the introduction of a Tenure Protection Allowance, specifically aimed at softening the blow for elderly or disabled state tenants. In addition, the second round of rent increases was limited to \$20 per week for all state tenants and new third and fourth rounds of increases (also with limits) were delayed until after the 1993 election.

More generally, the shift to market-based rents for state housing removed downward pressure on private sector rents, so when the housing market as a whole experienced strong price growth in some parts of the country in the mid-90s, an inflationary spiral was created between the public and private rental sectors. The introduction of market-based rents for Housing New Zealand properties encouraged increases in private sector rents, which led to a further round of rent increases by Housing New Zealand. Detailed studies of particular locations showed that market-based rents were being set too high where Housing New Zealand dominated the local rental market (Morrison, 1995), and that rents increased over both sectors when Housing New Zealand introduced market-based rents.

One implication of the rent increases for state housing was higher vacancy rates in areas where the housing was too expensive or undesirable. Housing New Zealand took this opportunity to reconfigure its housing stock, mainly through sales in provincial areas where demand for rental housing was low or the more expensive suburbs of the large cities. These sales led to a national reduction in the number of state houses from approximately 70,000 to approximately 60,000, partly because cheaper rural houses were being sold to finance fewer moderately-priced suburban houses, and partly because not all of the proceeds from the sales were put into building new houses in areas of greater demand.

Delays in the rent increase process meant a significant proportion of state tenants did not reach

their full market-based rent until mid-1995 but the AS was introduced according to plan in July 1993 for some state tenants and low-income private sector renters and home-owners. However, details of the AS were also modified in response to public criticism and the booming housing market in the mid-90s.

Upper limits on the amount of AS payable (regardless of the amount indicated by the formula) were set according to household size and three regions of the country: Auckland (the largest city with the highest accommodation costs); other high cost areas (such as Wellington, the second largest city, and popular provincial centres); and the rest of the country. Increases to these regional limits were announced in November 1994, most significantly for larger households and the Auckland region. The Special Benefit was also modified so that households who still faced hardship after being paid the AS were eligible for more DSW assistance for their housing costs. In response to rapidly increasing housing prices, some of the regional limits were increased again in April 1995. Following the election of a coalition government in 1996, there were further increases in the regional limits and the AS formula was altered to be more generous.

These modifications to the AS were partly a response to the impacts of rent increases on state tenants and its failure to deal with housing need in the wider community. The New Zealand Poverty Measurement Group used focus groups to

determine a minimum adequate standard of living then calculated poverty before and after housing costs. It found that the proportion of households below this poverty line in 1993 increased from 10.8 per cent to 18.5 per cent when housing costs were taken into account. This was before most state tenants had reached full market rents, and the official figures available for 1993 suggest that 60 per cent of Housing New Zealand tenants were below the poverty line, in contrast to 26 per cent of private renters and 19 per cent of the general population. A number of local reports from voluntary sector housing workers have also pointed to the increased difficulty of affording accommodation for low-income households. However, assessing the impact of the AS is complicated by the fact that the National government elected in 1990 also made significant cuts to a range of social welfare benefits, resulting in the household income of beneficiaries falling from 72 per cent of the mean equivalent disposable income to 58 per cent (Kelsey, 1997).

Aside from the impact on the affordability of housing costs for state tenants and the wider community, the policy changes were designed to be fiscally neutral, so that the same amount of government funding would be spread more equitably among a greater number of households. However, spending on the AS ballooned over the 1990s, mainly because of changes to eligibility criteria, increases in regional limits and rent increases in the housing market as a whole. When the policy was first designed in 1990, spending on the AS was expected to rise to a plateau of

approximately \$500 million by 1996, a similar amount to that already being spent on housing assistance. However, in its first year (1993) the AS was worth \$350 million, by 1996 actual spending was \$560 million and by 1998 it had risen to \$790 million with predictions of \$840 million being spent in 2000 (Murphy, 1999).

As well as causing a rents increase for state tenants and the introduction of the AS, the previous programme of subsidised home loans was minimised so that very few new loans were given and the existing loans privatised, after being increased to market interest rates. The privatisation process did not go smoothly. Approximately one billion dollars worth of loans (about a third of the existing total) were sold to the Mortgage Corporation in June 1992. The Mortgage Corporation was established by a merchant bank specifically to manage this portfolio of loans and it soon became embroiled in negative publicity when it charged penalty fees for borrowers who refinanced with other lenders. These early repayment penalty fees are commonly written into mortgages but not usually enforced by mainstream banks. The Mortgage Corporation did not have large cash reserves and needed to collect the penalty fees to satisfy its investors. The company and the government were both embarrassed by the events, and the next lot of mortgages (another third of the total value) were sold to a mainstream trading bank in mid-1994.

The Housing Corporation restructuring also had a range of outcomes, not all positive. There was a

reduced role for housing policy advice because the Housing Corporation had delivered comprehensive strategic policy advice but a scaled-down Ministry of Housing focused on operational and implementation policy advice. Housing New Zealand, which took over the administration of state housing and mortgages, was expected to give more weight to its commercial goals than its social objectives, but it kept suffering from political interference, especially when its business-minded managers made politically sensitive statements in public.

These problems with the implementation of the new policy led National (along with its later coalition partners) to move away from the concept of a single policy instrument to meet all housing need and reintroduce some minor state interventions in the housing market. This included a Home Buy scheme for state tenants and the establishment of Community Housing, both announced in the 1994 budget, and the Low Deposit Rural Lending programme announced in April 1995. The Home Buy scheme allowed state tenants to buy their homes with the help of a 10 per cent suspensory loan from the government that would be written off after seven years. However, the scheme was not particularly popular because the Housing New Zealand sale prices tended to be on the high side, tenants still had to access mortgages at commercial interest rates, and most banks were wary of counting the suspensory loan as part of a deposit. Community Housing was an organisation set up to facilitate access to appropriate supported or

independent housing for people with disabilities or their support groups, a need arising from government moves over a number of years to de-institutionalise care. The organisation found properties to rent or buy for individuals or groups but did not provide any financial support. The Low Deposit Rural Lending programme encouraged home-ownership among rural Maori by allowing government loans up to 95 per cent of the value of the property. Again, this programme was not particularly popular because applicants still had to pay commercial interest rates, had trouble saving even a 5 per cent deposit, and had to go through courses on how to be a 'good' home-owner.

To summarise the changes under National; in 1990 there were approximately 70,000 state houses with subsidised rents related to the income of the tenants, a substantial subsidised lending programme for low-income home buyers, an Accommodation Benefit for private renters, several other financial assistance schemes, and a strong voice on housing policy within the public service from the Housing Corporation. By the time of the 1999 General Election there were approximately 60,000 state houses, a minimal lending scheme with existing loans privatised, an AS as the only form of financial assistance, no Minister of Housing, a commercially-focused Housing New Zealand in regular conflict with the government, and policy advice on housing from a unit within a unit within DSW. (For more details of the changes to housing policy under National, see Morrison, 1995; Murphy, 1999; and Thorns, 2000.)

### 2000 budget

The Labour-Alliance coalition government led by the Labour Party was elected in November 1999. Labour had included a return to income-related rents for state tenants as a major plank in its policy platform. Indeed, housing policy was an important point of distinction between Labour and National during the 1990s, and an area where Labour has much in common with the Alliance (its junior coalition partner). Both parties agreed with community-based housing advocates that affordability of housing was the main issue, so the new government gave priority to income-related rents. Labour's election manifesto committed the party (once in government) to introducing income-related rents over three years, but the first budget in June 2000 announced a one-step reduction to income-related rents in December 2000, which has since taken place.

However, the new policy has restricted income-related rents to 'low-income' state tenants, who are defined as those with less than the after-tax New Zealand Superannuation payment for an equivalent household size (\$225 per week for single people and \$347 per week for others). This should cover all tenants whose only income is a DSW benefit, but Housing New Zealand had previously given priority to households with a net income of up to \$500 per week, and accepted some applicants with even higher incomes. This makes it likely that a substantial number of Housing New Zealand tenants (no one knows the exact figure) will not qualify as low-income, and therefore will have to pay more than 25 per cent of their net income in rent.

However, they will still pay an income-related rent because only half their income above the low-income threshold is considered in calculations. Depending on individual circumstances, many of those who do not qualify as low-income will be paying 30-35 per cent of their income on below-market rents. No-one will be expected to pay more than the market rent, and most state tenants should receive more assistance than they did with the AS.

The government has stated publicly that no effort will be made to evict Housing New Zealand tenants who do not qualify as low-income, even with a reasonable notice period. This is understandable given the bad publicity such evictions might generate, but it calls into question the effectiveness of income-related rents if state housing is not targeted at those on the lowest incomes.

The move to income-related rents represents a spending increase in the housing area because the AS remains available on the same basis to those outside state housing. Some of the spending increase was supposed to be covered by Housing New Zealand's surplus income but most of this disappeared when the government stopped all sales of state housing soon after the election. This cut off a major source of income for Housing New Zealand and committed the organisation to extra spending on deferred maintenance for properties that will now be rented out rather than sold.

The 2000 budget also announced funding for a state house building programme, but there are few other

details and the government has publicly stated that bringing forward income-related rents for state tenants means other policy initiatives will have to be delayed.

In addition, the restructuring of the Housing Corporation is being reversed, as much as possible. In July 2001 Housing New Zealand will absorb the Ministry of Housing, the housing policy unit within DSW and the remaining functions of the Housing Corporation and be renamed the Housing New Zealand Corporation. At this stage the Tenancy Services part of the Ministry of Housing will remain separate because there is a perceived conflict of interest between Housing New Zealand as a rental property owner and Tenancy Services' impartial role in disputes between tenants and property owners. In preparation for this restructuring, Housing New Zealand's principal objective has been changed from *"operating as a successful business to assist the government with its social objectives"*, to *"assisting with the government's social objectives by providing housing in a business-like manner"*. It is no longer expected to be *"profitable and efficient"*, but rather *"financially prudent and efficient"*. While these may sound like minor wording changes, they should give the government more formal control over the new agency's Statement of Corporate Intent and its broad goals.

There have already been some flow-on effects from the new government's changes in housing policy. There was a 48 per cent drop in the rental price of state houses in the March 2001 quarter, which was a major contributing factor to the overall 0.2 per cent

drop in the consumer price index. Similarly, a national survey of foodbank users in May 2001 showed decreases in median housing costs and the proportion of state tenants, with high debt levels replacing housing costs as the main reason for people using foodbanks.

## Conclusion

New Zealand elected a new, politically conservative government in 1990 that made major changes to housing policy. In particular, subsidised rents and mortgage finance for low-income households were replaced with an income supplement. This was in line with the market-liberal philosophy underlying a broad range of modifications to social policy. The changes in housing were introduced relatively quickly but encountered a number of problems during implementation. Over the next nine years a number of alterations were made to the details of the policy and several small state interventions in the housing market were reintroduced.

In 1999 a new centre-left coalition government was elected, with a platform that included a return to income-related rents for state tenants, an end to sales of state rental housing and stronger social objectives for the agency that manages state housing. All of these promises were delivered within a year of the election and have already made a difference to the housing costs of low-income households.



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# **Section 1      Contemporary issues 2**

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**Could house price  
inflation be kept under  
control if the UK enters  
EMU?**

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He is writing here in a personal capacity. The views expressed are his own and not those of PricewaterhouseCoopers.

### Introduction

As the debate on EMU<sup>1</sup> proceeds, the past and potential future behaviour of the UK housing market is likely to figure prominently. This reflects the UK’s unique combination among the larger EU economies of a relatively high owner-occupation rate, high levels of mortgage debt relative to GDP and a high proportion of variable rate (or short-term fixed rate) mortgages<sup>2</sup>. As a result, the UK economy is seen as potentially more sensitive to a given interest rate change than the existing Euroland economies, making it harder for us to live with a ‘one size fits all’ monetary policy under EMU.

The UK may also be more sensitive than the other large EU countries to economic shocks that manifest themselves in accelerating house price inflation, such as the financial deregulation of the 1980s. These house price booms have historically tended to get out of hand in the UK due to speculative behaviour in a situation where housing supply is relatively inelastic. The result is that house prices tend to overshoot<sup>3</sup> their sustainable equilibrium level relative to incomes and then later fall back significantly in real terms as the speculative bubble bursts, with consequent large negative wealth effects on household confidence and spending for some years thereafter. This, in turn, has tended to exacerbate the volatility of the general UK economic cycle<sup>4</sup> and deter long-term investment and innovation, with adverse consequences for the sustainable growth rate of UK living standards in the long run.

With inflation expected to remain low whether or not the UK joins EMU, nominal declines in house prices of the kind seen in the early 1990s could become more common if real house prices continue to vary as much as they have over the last three decades. This could lead to regular recurrences of the negative equity problems of the 1990s. The only way to avoid this would be for the volatility of real house prices to be reduced significantly, but this may be more difficult under EMU since the primary policy instrument for dampening house price booms – interest rates – would then be set on the basis of EMU-wide rather than UK conditions. Unless house price cycles are highly correlated across the EMU area, which we consider further below, the European Central Bank (ECB) is unlikely to set interest rates that are as appropriate for UK housing market conditions as the Monetary Policy Committee (MPC) at the Bank of England does now<sup>5</sup>.

This discussion leads us to the two central questions that are addressed in the remainder of this article:

- What other policy instruments could the UK government use to try to control house price inflation under EMU?
- How much does it matter if the UK government could not do this?

### Parallels with Ireland and the Netherlands

In considering these questions below, I refer to the recent experience of two countries that joined EMU on 1 January 1999 at a time when their housing markets were already very buoyant: Ireland and the Netherlands. As shown in the table below, housing markets in these two countries share certain characteristics with the UK.

Both Ireland and the Netherlands experienced very strong house price booms during the 1990s, at a

**Table 1.2.1 Comparative housing market characteristics**

	UK	Ireland	Netherlands
Owner-occupation (%)	67	80	49
Mortgage debt (% of GDP)	57	27	65
% Variable rate debt	80	69	8
Typical duration of fixed rate mortgages	2-5 years	2-5 years	Up to 30 years
Cumulative nominal house price increase (%: 1990-99)	35	110	90

Sources: CML, European Mortgage Federation, BIS, Central Bank of Ireland, ENHR. UK house price estimates are based on CML nominal, mix-adjusted figures (see Table 43b in this Review). Figures for other countries are PwC estimates of cumulative nominal house price increases (rounded to the nearest 10 per cent) based on data from De Nederlandsche Bank (2000). Definitions will differ somewhat between countries.

time when their interest rates were directed primarily to maintaining exchange rate parities under the Exchange Rate Mechanism. In the case of the Netherlands, interest rates have been closely linked to those in Germany since the early 1980s, so the transition to EMU from 1 January 1999 did not represent all that much of a shift in policy. However, there was still some discretion to use Dutch interest rates to control house price inflation within the ERM, which was lost after EMU entry.

In the case of Ireland, interest rates remained somewhat above German levels until 1998, but then had to be moved down rapidly from around 6 per cent to only around 3 per cent as part of the transition to EMU membership. The Irish housing boom had been proceeding for many years prior to this, reflecting the strong growth of the Celtic tiger economy throughout the decade, but EMU membership may have intensified the boom.

It is therefore interesting from a UK perspective to consider whether, either in the run-up to or after joining EMU, the Irish and Dutch governments have been able to make effective use of any policy levers other than interest rates in order to control their booming housing markets.

### Possible alternative policy instruments

Aside from interest rate changes, other policy instruments that might be used to dampen down housing market fluctuations include:

- mortgage interest tax relief (MITR);
- stamp duty on residential property sales;

- other property-related taxes affecting owner-occupiers (notably, in the UK, council tax);
- policy regimes for the private rented sector (e.g. rent controls, taxes, legal regimes etc);
- planning regimes and other means of influencing the supply of housing;
- credit controls; and
- the overall fiscal policy stance, through its impact on disposable incomes and economic activity levels and so the demand for housing.

We consider these possible policy instruments in turn below.

#### *Mortgage interest tax relief*

Relatively generous MITR regimes have been a common feature of the UK, Dutch and Irish housing markets in past decades. Whereas MITR has now been phased out in the UK, however, the Netherlands fiscal regime still allows unlimited mortgage interest payments to be deducted from income<sup>6</sup>. The Irish MITR regime was made less generous between 1994 and 1997 through restricting relief to the standard rather than the marginal rate of income tax, but no further moves were made to phase MITR out and more recently it was actually increased somewhat. Thus, in 2000/01, the Irish regime still allowed a deduction for first-time buyers of tax relief at the standard income tax rate (22 per cent in 2000/01, since reduced to 20 per cent) up to a maximum annual value of mortgage interest paid of IR£5,000 for married couples and IR£2,500 for single buyers<sup>7</sup>. A discussion paper prepared for the Ministry of Finance's Tax Strategy Group in advance

of the 2001 Irish budget reviewed the case for significantly reducing or abolishing MITR, but concluded that this would be, *"an unpopular move and would undoubtedly lead to demands for compensatory measures."*

There does not appear to be any political appetite at present in either the Netherlands or Ireland to reduce significantly or abolish MITR, but this does at least remain a possible future policy option for the governments concerned as a weapon against excessive house price inflation. Having already abolished MITR, which was generally regarded as having distorted the housing market, this policy lever would not be available to the UK government in the event of joining EMU.

#### *Stamp duty on residential property transactions*

In recent years, stamp duty rates have been increased significantly in the UK, particularly for larger properties. Whether this has had a material impact on house prices is not clear, but it has certainly proved a useful source of additional revenue for the Chancellor. In contrast, stamp duty was actually reduced in Ireland in 1998, which Memery (2000) describes as *"ill-conceived and demonstrates a lack of understanding of the operation of a booming housing market."*

Despite these recent changes, however, UK stamp duty rates remain lower than in Ireland and some other EU countries. This does give the UK government some scope to vary stamp duty to try to offset house price movements, though the

effectiveness of this is debatable. In booming conditions, any such increases in stamp duty would probably be covered by additional borrowing. This one off cost would therefore be spread across the lifetime of the mortgage and might be too small in any one year to have much impact on affordability and so on house prices. To the extent that stamp duty is only changed once a year in the budget, it is also, like other tax instruments, a relatively crude policy weapon as compared to interest rates that can be changed monthly by the MPC (or every two weeks in the case of the ECB).

#### *Council tax and other property-related taxes*

The other major UK tax on residential property at present is council tax, but this is not really an effective lever of macro-economic policy at present because it is set at local level (albeit influenced to a significant degree by the generosity of local government financial settlements from central government) and is based on house price valuations that are only revisited once every ten years.

It might be, however, that council tax could be reformed<sup>8</sup> so as to link payments more closely to property values<sup>9</sup> and to update these values more frequently (say, every five years rather than every ten years, with indexation to local house price indices in intermediate years). A boom in house prices would then lead to higher council taxes, which should have some dampening effect on the house price cycle, provided that the time lags between changes in actual house prices and consequent effects on council tax rates are not too long<sup>10</sup>.

In Ireland, there was a residential property tax (RPT) between 1983 and 1997, but this was then abolished. As discussed in Memery (2000), the old RPT was sub-optimal in terms of relatively low revenue yields and high administrative costs, but there was a strong case, as argued also by the OECD in its 1999 report on the Irish economy, to replace this with some other form of residential property tax that could be used as a means to calm down the housing market when necessary. In the event, however, there appears to have been no political will to introduce such a tax and no new measures were announced in the 2001 Irish budget in this area. I am also not aware of any major new initiatives in this area in the Netherlands in recent years, based on a review of Budget statements and reports by the Netherlands central bank.

Similarly, there appears to be little appetite at present for the UK government to attempt any significant reform of council tax on the lines discussed above, or to introduce other taxes related to residential property (e.g. capital gains tax on sales of main residences) that would probably be extremely unpopular.

#### *Policy regimes for the private rented sector*

UK governments have introduced a number of measures since the late 1980s in an attempt to boost the private rented sector (PRS), but the latter remains relatively small in the UK relative to several other EU countries (notably Germany). The PRS was boosted in the early-to-mid-1990s by owner-occupiers renting out properties that they could not

sell for acceptable prices, but the evidence for a sustained upward trend in the sector is not clear. Critically, large institutional investors appear to remain wary of allocating significant funds to residential property portfolios and there is a limited supply of high quality management companies active in the private rented sector.

In principle, an expanded, good quality private rented sector that was seen as a genuine alternative to owner-occupation, as in countries such as Germany and Switzerland, could have a dampening effect on house price booms by diverting some demand away from the owner-occupied sector. In practice, however, it is not clear how the UK government can achieve this given the absence of a strong 'renting culture' in the UK. This would certainly be a long-term task taking decades not years and could not be expected to change the situation materially in advance of possible EMU entry during the current parliament.

#### *Planning regimes and other policies related to housing supply*

As discussed above, the relative inflexibility of housing supply is a key driver of house price volatility. Relaxing restrictions on new housing supply from planning regimes and other regulations might be one way to counter this problem, but clearly this would have environmental consequences that might be considered undesirable in a relatively densely populated country such as the UK (the Netherlands faces similar problems). Even if ways could be found to minimise these environmental

concerns, however, any policy changes in this area would need to be part of a long-term strategy, rather than a tool of counter-cyclical macro-economic policy.

### *Credit controls*

Before the 1980s, restrictions on mortgage lending and other forms of credit control were a standard tool of monetary policy in the UK, but they have since fallen out of favour. The main reason for this is that such controls tended to distort the lending market without necessarily having much affect on overall borrowing levels. Either lenders developed new types of financial instrument to evade the controls, or business switched to institutions that fell outside the scope of the controls.

Even if the UK wished to introduce credit controls again it is not clear that this would be possible at national level within EMU, since it could potentially conflict with the ECB's overall control of Euroland monetary policy. I am not aware, for example, of any major new initiatives since 1 January 1999 to introduce direct quantitative controls on mortgage lending in either Ireland or the Netherlands.

### *Changes in the overall fiscal policy stance*

Members of EMU are constrained by the Stability and Growth Pact (SGP) to keep budget deficits below 3 per cent of GDP, except in severe recessions, or face fines. The SGP also states that member states should aim for medium term budgetary positions that are 'close to balance or in surplus', so as to allow for some degree of cyclical variation<sup>11</sup> without

breaching the 3 per cent limit. A balanced budget also implies a falling debt-to-GDP ratio (given positive nominal GDP growth), which might be considered appropriate given that many EMU members still have debt-to-GDP ratios well above the 60 per cent Maastricht reference value, as well as facing longer term pressures on their public finances from ageing populations. In practice, however, there are no financial penalties or other legally binding conditions of the SGP that force EMU members to run balanced budgets.

National governments within EMU therefore still have scope to use fiscal policy as a counter-cyclical weapon, subject to respecting the 3 per cent deficit limit. Countries such as Ireland and the Netherlands might therefore have been expected to tighten fiscal policy in recent years in an attempt to calm their booming economies. In practice, however, both the Irish and Dutch governments have been running budget surpluses due to their strong growth rates and have therefore not regarded it as either appropriate or politically feasible to add further to these surpluses through discretionary tax increases or spending cuts. The Irish government, in particular, was criticised by the European Commission for relaxing the fiscal policy stance in its 2001 budget.

The UK government has also been reluctant in recent years to use fiscal policy as a tool of counter-cyclical economic management, preferring to aim for a sustainable medium-term fiscal position and leave short-term adjustments to the MPC through changes in interest rates. It is possible that this strategy could

change if the UK joined EMU, but in any event such fiscal policy measures would be aimed at restoring the overall balance between UK aggregate supply and demand, rather than at micro-managing the housing market<sup>12</sup>.

### *Summary: alternative policy options within EMU*

There seems to be little evidence to date that EMU member states such as Ireland and the Netherlands have introduced significant new policy initiatives directed specifically at calming their booming housing markets, despite having given up control of domestic interest rates. There appear to be a variety of reasons for this, including doubts about the effectiveness of these alternative policies (e.g. credit controls), political sensitivity (e.g. reducing mortgage interest tax relief), and conflict with other objectives (e.g. with environmental objectives in the case of reducing planning restrictions on new building, or with a desire to improve the public services in the case of a general fiscal tightening).

This is not to say that these governments will never make significant use of any of these policy tools in the future, or that the UK government would not choose to do so in the event that the UK eventually decides to join EMU. Broadly the same reasons for not making use of these policy instruments would, however, be likely to apply to the UK if it joins EMU as have applied to the Irish and Netherlands governments. A reasonable conclusion to draw is that there is unlikely ever to be a perfect substitute for the interest rate weapon in controlling house price inflation<sup>13</sup>. The obvious next question is: does

this matter enough to be a significant consideration in the UK decision on whether or not to join EMU?

### How much does the potential loss of control of house prices under EMU matter?

The answer to this question depends, in particular, on the following factors:

- the importance of house prices to the UK economy, both in absolute terms and relative to the Euroland economy;
- the extent to which house price changes are correlated in the UK and Euroland;
- the effectiveness of interest rate changes in influencing house prices, both in the UK and Euroland; and
- the potential costs to the UK economy of increased house price volatility within EMU.

There is not space here to go into all of these issues in detail, but we can sketch out the broad outlines of the argument in each case.

First, it seems clear that the housing market has been critically important to the UK economic cycle over the past two decades, following the financial deregulation of the early 1980s. Rapid increases in house prices fed the consumer boom of the 1986-88 period, notably through equity withdrawal and general confidence effects. Conversely, falling house prices and the associated problem of negative equity were key causal factors in the 1990-92 recession and the subsequent absence of the feelgood factor during the early stages of the general economic recovery in 1993-95. Then, from 1997 onwards, a revival in the

housing market has once again been a key underpinning of the generally strong growth in consumer spending in recent years. House prices are certainly one of the key leading indicators monitored by the MPC and were instrumental in their decision to raise interest rates in mid-1997 and again in late 1999 and early 2000. The renewed strength of house prices in Spring 2001 has been an important factor in the MPC's decision to keep interest rates on hold since May of this year.

Second, while house prices have clearly had a significant influence on recent economic developments in countries such as Ireland and the Netherlands where housing markets share several of the characteristics of the UK, this is less true for Euroland as a whole. In some cases, such as Germany, this reflects a larger private rented sector, while in other cases, such as France and Italy, it reflects lower levels of mortgage debt (and thus less chance of the kind of negative equity problems emerging that were seen in the UK in the 1990s). It is notable that house prices seem to figure relatively little in the ECB's thinking on interest rates. For example, the June 2001 issue of the ECB monthly bulletin contained only a single paragraph (p.15) on housing market issues<sup>14</sup>, with the focus of this discussion being on trends in mortgage lending growth as an element in overall money and credit conditions in the euro area. It is rare in my experience to find house prices mentioned as a key factor in the statements of the ECB President following interest rate decisions, in contrast to the housing market's frequently more prominent role in

publications of the Bank of England. In part, this may reflect problems in getting consistent data on house prices across Euroland, making this a less reliable indicator for the ECB than it is for the MPC in the UK.

Third, although there have been periods when house prices have moved in broadly similar patterns across EU countries, this is not typical. (See Perry, Section 1.4 of the *Review*.) One example of relatively close correlation occurred in the second half of the 1980s, when house prices boomed in the UK, Germany, France and Italy, albeit to differing degrees and over somewhat different time periods. This was followed by more subdued market conditions in many EU countries in the early 1990s<sup>15</sup>. More generally, research (see De Nederlandsche Bank, 1999) suggests that the correlation between international house price trends is relatively weak. Over the period from 1995-99, for example, there was a cumulative nominal rise in house prices of 61 per cent in the Netherlands and 40 per cent in the UK, but prices rose by only 7 per cent in France over this period and actually fell by 10 per cent in Germany (De Nederlandsche Bank, 2000)<sup>16</sup>. This kind of divergence would make it very difficult for the ECB to select an interest rate that is appropriate for all these different housing markets, even if it considered control of house prices to be a significant factor in meeting its ultimate objective of maintaining consumer price stability<sup>17</sup>.

Fourth, there is evidence from ECB research<sup>18</sup> that interest rate changes do have a significant impact on

real house prices in the major EU countries. However, this effect is, as might be expected, significantly larger in the UK than in Germany or France<sup>19</sup>, where the stock of mortgage lending is much lower relative to GDP and longer term fixed rate mortgages are the norm.

On the other hand, other academic research<sup>20</sup> on the overall monetary transmission mechanism (i.e. the link between interest rates and output and prices) does not provide conclusive evidence of significant structural differences between the UK and other large EU economies, contrary to what would be expected based on looking at housing markets alone. The significance of these structural differences in housing markets for the overall decision on whether the UK should join EMU should therefore not be overstated. UK house price volatility could increase within EMU, with consequent detrimental effects on overall macro-economic stability, but this needs to be set against the longer term micro-economic benefits of EMU in terms of eliminating intra-EMU exchange rate uncertainty and transactions costs.

### Summary and conclusions

The recent experience of Ireland and the Netherlands shows that house price booms with major macro-economic consequences are far from being unique to the UK. This experience also shows that, having lost domestic control of interest rates as a result of joining EMU, alternative means of controlling house prices through fiscal policy and other methods may not be particularly effective or politically attractive. This reflects the general point that, apart from

automatic stabilisers, fiscal policy is a rather blunt instrument for managing short-term fluctuations in the economic cycle, even if it can sometimes be more effective in countering severe economic depressions.

My analysis suggests that, while a UK government within EMU would have a number of possible policies available to try to dampen house price cycles, none of these alternatives would provide a perfect substitute for interest rates. On the other hand, the experience of the last three decades demonstrates that, even with domestic control over interest rates, it has been difficult for UK governments and central banks to prevent relatively high levels of house price volatility emerging, given the fundamental characteristics of the housing market. The difference under EMU would be a matter of degree and would only be one of many different potential costs and benefits that need to be weighed up in order to determine whether the UK should join EMU.

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### Footnotes

- 1 Throughout this article, I have used 'EMU' as shorthand for the third stage of Economic and Monetary Union.
- 2 See Earley (1999) for a good survey of the differences between UK and other EU housing markets.
- 3 See, for example, Hendry (1984) for a more formal analysis of how these speculative bubbles inflate and deflate in conditions of inelastic housing supply.
- 4 See Miles (1995) for a good discussion of the links between the housing market and the wider economy.
- 5 Of course, the MPC is ultimately interested in meeting a target for underlying retail price inflation, not for house price inflation, but the MPC minutes make clear that house prices are often regarded as an important leading indicator of potential future general inflationary pressure. This is particularly true when house price inflation is especially strong, as in early 2000, for example.



- 6 As discussed in Boelhouwer (2000), this generous regime has encouraged the development in Holland of savings and investment mortgages that do not involve repayment of any of the principal until the end of the loan period, so maximising the value of MITR. Particularly for investment mortgages, however, this makes borrowers very vulnerable to falls in share prices near the repayment date, or to changes in interest rates if the funds invested are switched into fixed-interest securities as the maturity date approaches. This problem is somewhat similar to the problems encountered with endowment mortgages sold in the UK in the 1980s on the basis of what now appear to be over-optimistic projections for nominal rates of return to policy holders.
- 7 Corresponding figures for non-first-time buyers were IR£4,000 for married couples and IR£2,000 for singles.
- 8 As suggested, for example, by the Fabian Society (2000).
- 9 Through more council tax bands at the top and bottom of the income distribution and through a higher ratio between payments in the highest and lowest bands (the Fabian Society suggests increasing this ratio from 3:1 at present to 7:1 in reformed system, where the top band would be for properties above £500,000 and the bottom band for properties below £30,000). The aim of these reforms is primarily to make council tax more progressive, however, rather than to allow it to act as a macro-economic stabiliser.
- 10 Given automatic indexation, the lag should not be more than around a year, although this does rely on local house prices indices being used that are reasonably accurate, which is not a straightforward task.
- 11 In other words, the SGP is designed to allow automatic fiscal stabilisers to operate, with total tax revenues tending to fall relative to GDP in economic downturns and unemployment-related benefits to rise (and vice versa during economic booms).
- 12 A more stable housing market could be a by-product of counter-cyclical fiscal policy, but this would not be the primary objective of the policy, nor would it be guaranteed.
- 13 Although it should be noted that interest rates have themselves not always been successful in this task either, given the inherent tendency of the housing market to generate price volatility.
- 14 Although the ECB did publish a working paper last year (Iacoviello, 2000), which argued that house prices have played a significant role in European macro-economic developments over the last 25 years.
- 15 Germany was an exception due to the boost from reunification. For example, Frankfurt house prices rose by an estimated 44 per cent in 1990-91 according to a report in *The Economist* (20 June 1992) quoted in Iacoviello (2000). This was stimulated by an inflow of workers from the former East Germany and the general economic boom associated with reunification.
- 16 Figures for the UK quoted by De Nederlandsche Bank are consistent with the CML's mix-adjusted house price indices reported elsewhere in this *Review* (Table 43b). Definitions will vary somewhat across countries according to national practices.
- 17 Note that the ECB's target measure of inflation (HICP) currently excludes all housing costs, rather than just mortgage interest rates as in the RPIX target used by the MPC. It is possible, however, that the coverage of HICP will be expanded in the future to include some element of housing costs.
- 18 Iacoviello (2000), which uses a structural vector autoregressive model to identify the main macro-economic factors driving house price fluctuations in six European countries (France, Germany, Italy, Spain, Sweden and the UK).
- 19 The response in Italy is also relatively strong, perhaps because owner-occupation rates are high and, although mortgage lending is relatively low, around 75 per cent of this is at variable interest rates (Barran et al., 1996).
- 20 See, for example, the surveys of research findings in Britton and Whitley (1997) and OECD (1998).

# **Section 1      Contemporary issues 3**

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## **Housing allowances in other countries**

Steve Wilcox

The government included a renewed commitment to radical reform of the UK housing benefit scheme in its manifesto for the 2001 general election. It is therefore timely to look at recent evidence of developments in housing allowances around the world.

Indeed as part of that process the Department of Social Security (as it was then) commissioned an analysis of housing allowances in ten countries (including the UK), that is now due for publication by the (now) Department of Work and Pensions<sup>1</sup>. This updates an earlier comparative study undertaken by Peter Kemp<sup>2</sup>. The main findings of the new study are set out in Tables 1.3.1, 1.3.2, 1.3.3, 1.3.4 and 1.3.5.

A number of important points can be drawn out that are relevant to the current debates about the more radical reform of the UK housing benefit scheme. The first point is the recognition that the UK is not the only country grappling with a benefit scheme that leaves tenants with little interest in the level of rent being charged by landlords.

In the UK it is generally the case that tenants in the social rented sector are expected to pay the full amount of the rent fixed for their particular property. Exceptionally housing association rents are referred to rent officers, and have limits set on the rent eligible for benefit, but far less frequently than would be the case if the current regulations were more widely applied<sup>3</sup>. Similarly in a very small number of cases council and housing association rents are restricted because a household is occupying a dwelling that is far larger than they are deemed to reasonably require.

**Table 1.3.1 Subsidies and rents in the social housing sector**

Country	Subsidies for social housing	Social housing sector rents
Australia	Declining with a reduction in new build from 14,000 in 1989/90 to 4,000 in 1995/96.	Rents set at 20-25% of incomes or at market levels for higher income households. Average rents less than one-third of the cost of ownership.
Canada	Declining with a sharp cut in new build from 9,630 in 1989 to 1,370 in 1999. Subsidies on existing commitments capped at 1995/96 levels.	Rents set at 30% of incomes. For higher income households rents set at 'net cost' or 'low end of the market' levels.
France	A switch from bricks and mortar to personal subsidy from 1977. Reduced new build programme.	Rents in Paris are at about half market levels. In other areas, rents often similar to those for poor quality private housing.
Germany	The federal government withdrew from funding in 1985 – and there has been a sharp decline in new build. New federal programme from 1989 to meet identified shortfall in both west and east of reunified country.	Rents are scheme specific. No cross subsidy or cross sector rent policy. Usually below market levels.
Ireland	The decline in new build has been reversed in last few years.	Income based rents range from 6 to 10% of incomes. Maximum rents less than half market levels.
Netherlands	A switch away from bricks and mortar subsidies in 1990s as a result of policy changes in 1995.	Rents amount to 80-90% of the costs of ownership. Relatively flat rent structure.
New Zealand	Radical switch to market rents and complete reliance on housing allowances. Now being reversed following change of government.	'Housing New Zealand' switched to market rents. Now reverting to income related rents. Small council sector still has lower rents.
Sweden	A decline in new build and cut backs in subsidy formula.	Housing company rents amount to 45% of ownership costs for single people and some 60% for couples with children.
USA	Subsidies have been reduced since c1980.	Rents at 30% of incomes, or market levels.
UK	A decline in new build and cut backs in subsidy, as rents increased relative to earnings during early/mid 1990s.	Rents amount to half to two-thirds of market levels. Housing association rents generally higher than council rents. Marked regional and sector variations.

Table 1.3.2 Main characteristics of housing allowance schemes

Country	Social assistance	Tenure	Households
Australia	Rent addition. Differential rents.	Private tenants. Social tenants. No state scheme for home-owners	
Canada	Shelter addition. Differential rents.	Private tenants and owners. Social tenants.	Some provincial allowance schemes, mainly for elderly households.
France	Separate housing allowance schemes.	Three schemes, one for qualifying dwellings, and two for various household types	Two schemes, one for younger and one for older households.
Germany	Rent addition. Separate housing allowance scheme.	Tenant households only. Home-owners and tenants not on social assistance.	
Ireland	Housing cost addition. Differential rents.	Home-owners and private tenants. Social tenants.	
Netherlands	Social assistance covers minimum costs. Housing allowance for costs over minimum.	Social assistance for all tenures. Housing allowance for social and private sector tenants only.	
New Zealand	Separate housing allowance scheme.	All tenures. Differential rent scheme for social tenants due to be re-introduced.	
Sweden	Separate housing allowance for main part of costs.	All tenures, but capital as well as income conditions for home-buyers.	Households without children aged 29 to 65 ineligible.
USA	Differential rents. Social assistance expected to cover some housing costs.	Social tenants and voucher holders.	Cash limited budget for vouchers.
UK	Separate housing allowance scheme for all housing costs.	Covers all rented tenures. Home-owners' mortgage help as part of social assistance.	

Table 1.3.3 Size of social housing sectors, income limits and housing allowance schemes

Country	Size of social housing sector (% of total stock)	Income limits	Housing allowance(s) for social rented sector
Australia	6%	Yes	Welfare benefits / Differential rents
Canada	6%	Most lettings	Welfare benefits / Differential rents
France	18%	Most lettings	Housing allowance schemes
Germany	15%	Yes	Welfare benefits / Housing allowance
Ireland	10%	Most lettings	Differential rents
Netherlands	36%	No	Housing allowance scheme
New Zealand	5%	No	Switching to differential rents
Sweden	22%	No	Housing allowance scheme
USA	2%	Yes	Differential rents
UK	22%	No	Housing allowance scheme

Table 1.3.4 Housing allowance scheme eligibility criteria

Country	Housing allowance scheme eligibility criteria
Australia	Social housing differential rent scheme. 'Rent assistance' scheme only for private tenants eligible for other income support payments. No mainstream scheme for home-owners: some limited state schemes.
Canada	Social housing differential rent scheme. National housing allowances only for social assistance beneficiaries. Four provinces with additional housing allowance schemes; of which three are restricted to older people.
France	Three schemes. APL – for households occupying dwellings supported by public loans; ALF – for households receiving family allowances, younger, childless, married couples, and those supporting people with disabilities; ALS – for older people, people with disabilities, and long-term unemployed. All schemes subject to income criteria, rather than (generally) employment status, or any direct link to wider social security system, and cover home owner as well as rented tenures.
Germany	One scheme for tenant households receiving basic social assistance ( <i>Sozialhilfe</i> ). Second scheme for home-owner households, and tenant households not receiving basic social assistance ( <i>Wohngeld</i> ).
Ireland	Differential rent scheme for social housing sector tenants. Rent and mortgage supplements paid only to households receiving 'Supplementary Welfare Allowances'.
Netherlands	Single housing allowance scheme for households in all tenures.
New Zealand	Differential rent scheme for social rented sector being re-introduced. Single scheme – 'Accommodation Supplement' – for all other tenures.
Sweden	Single housing allowance scheme for households in all tenures. Childless households aged from 29 to 65 are not eligible.
USA	Differential rent scheme for public sector tenants. Limited welfare support for shelter costs. Vouchers available for limited numbers of low-income households.
UK	Single scheme for tenant households, whether or not receiving basic social security assistance. Help for home-owners' mortgage costs limited to households receiving basic social security assistance.

Table 1.3.5 Eligible rents for housing allowances

Country	Eligible rents for housing allowances
Australia	Social housing rents based on earnings. Private sector rent assistance is a cost gap scheme. Above minimum threshold allowance covers 75% of the rent up to level of maximum thresholds. Overall provides maximum of 35%-45% of rent depending on household composition.
Canada	Social housing rents based on earnings, or social assistance limit for welfare claimants. Private sector rent assistance meets rent in full, but is subject to tight maximum limits. Varies between provinces but mainly set at around 65-70% of market averages.
France	Housing allowance formulas link rents, earnings and the composition of the household so that the proportion of the rent covered varies widely.
Germany	Households receiving welfare benefits ( <i>Sozialhilfe</i> ) receive full rent subject to maximum limits. Housing allowance formulas link rents, earnings and the size of the household. Never covers full rent, and is subject to maximum limits. Two-fifths of households pay rents above the level of the maximum limits.
Ireland	Social housing rents based on earnings. Welfare benefit rent supplement guarantees minimum income. Standard £6 per week contribution required irrespective of rent level.
Netherlands	Cost gap housing allowance scheme. Above the minimum threshold the proportion of eligible rents is set within a series of bands. Initial band is set at 100%, a second band is set at 75%, and a final third band is set at 50%. Most households have rents within the 75% band.
New Zealand	Re-introducing social housing rents based on earnings. Accommodation Supplement covers 70% of net rent, above a level equal to 25% of household net income, subject to regional maximum limits.
Sweden	Cost gap housing allowance scheme; but basic welfare benefit may cover whole gap.
USA	Social housing rents based on earnings. Households on welfare benefits get limited shelter allowances.
UK	Housing benefit may meet rent in full, but private rents are subject to complex and extensive rules on maximum levels. High proportions of private sector rents exceed limits.

However, in the private rented sector, while in formal terms tenants may receive benefit based on 100 per cent of the actual rent, in practice the majority of private tenants receive housing benefit based on substantially less than the current rent. The UK rent limit rules are complex, confusing and administratively cumbersome, and these rules are one of the main areas where radical reforms are now under consideration.

### Differential rent schemes

The study of nine other countries includes five where tenants in the social rented sectors receive benefits that are not directly related to the property rent paid by tenant households with higher incomes and do not qualify for assistance. Those countries – Australia, Canada, Ireland, New Zealand and the USA – have what are termed ‘differential rents’ for low-income households, that are entirely derived from an assessment of the tenants income. They essentially pay a net rent that is calculated as a percentage of their income, without any reference to the property rent. Only the minority of tenants who can pay the full property rent without calling on more than the set percentage of their income do not pay differential rents.

While the structure of the differential rents schemes is rather different to the UK housing benefit scheme, it has the same effect of completely breaking the link between the low-income tenant and the rent of the property in the social rented sector. The UK shares similar difficulties with the countries operating differential rent schemes, who report similar issues

to those that are the focus of debates in the UK. These include concerns about the work disincentive effects of differential rents, and the lack of incentives for tenant households to consider moving to less expensive dwellings.

### Wider social security systems

A further point that arises from an examination of other countries’ housing allowance schemes is that they frequently form part of a wider social security system that is more generous than the UK scheme.

This is illustrated in Table 1.3.6. Even after taking account of the UK housing benefit scheme, with its capacity to pay up to 100 per cent of the rent for households receiving income support, the net incomes of benefit households after housing costs is lower as a percentage of average earnings than in most other European countries, and particularly of countries like Sweden and the Netherlands that have housing allowance schemes that only contribute towards a proportion of household housing costs.

**Table 1.3.6 European social security systems**

Country	Ranked by ratio of benefits to average incomes		After housing costs				Average
	Single	Couple	Category of Claimant				
			Couple 1 child	Couple + 2 child	Lone Parent + 1 child	Lone Parent + 2 child	
	%	%	%	%	%	%	%
Switzerland	51	91	94	113	71	97	86.2
Finland	42	81	84	96	107	60	78.3
Sweden	45	89	96	118	59	56	77.2
Austria	40	68	84	125	61	61	73.2
Netherlands	53	81	83	86	68	68	73.2
Denmark	41	64	77	80	72	63	66.2
Italy	43	58	71	72	60	57	60.2
Norway	34	54	65	82	57	51	57.2
Ireland	28	46	55	68	54	41	48.7
Germany	23	39	49	63	46	41	43.5
Luxembourg	36	44	51	55	37	37	43.3
France	30	40	49	56	41	41	42.8
UK	23	37	49	60	45	37	41.8
Belgium	28	35	42	44	46	47	40.3
Spain	19	22	27	31	29	24	25.3
Portugal	28	10	4	9	30	30	18.5
Greece	7	15	14	31	16	15	16.3

Source: T. Eardley, J. Bradshaw, J. Ditch, I. Gough and P. Whiteford, Social Assistance in OECD Countries, DSS 1996

Moreover, other European countries, such as Germany, also have social insurance schemes based on contributions that pay unemployment and related benefits at rates significantly above basic social welfare levels. This is in marked contrast to the UK system, where unemployment and other benefits based on national insurance contributions were from their inception only ever paid at levels a little above the prevailing basic social welfare levels. Thus those countries have, in overall terms, combined social insurance and social welfare systems that are even more generous compared to the UK than is indicated by the analysis in Table 1.3.6 which relates solely to the social welfare system.

The European model of housing allowance schemes is thus linked to this different approach to social welfare systems, and in particular to the role of social insurance schemes. In Germany, for example, there is a housing allowance scheme (*Wohngeld*) and a separate scheme (*Sozialhilfe*) that provides up to 100 per cent of housing costs for those households with incomes from the basic social welfare system.

The central point to be drawn from this analysis is that if the UK is to move towards the European model, with a housing allowance scheme contributing towards only a proportion of household housing costs, then it also logically requires a substantial increase in the level of basic welfare benefits.

### Netherlands and Sweden

In this context it is useful to consider in rather more detail the characteristics of some of the European housing allowance schemes which could provide some inspiration for the UK reform debates. This chapter therefore concludes with a slightly more detailed account of the systems that currently operate in the Netherlands and Sweden<sup>4</sup>.

#### Netherlands

Housing allowances are available to tenants with low incomes to help them to pay their rents. From 1 January 2001, help has been available for those with low incomes to meet their mortgage costs if they choose to buy housing association properties.

The housing allowance system subsidises rents for those with low incomes. Households qualify for an allowance when their incomes fall below the maximum levels for their household types, as set out in the policy. All households pay some part of their rent; where the rent exceeds this 'standard rent' level, then a one hundred per cent subsidy is available up to the next rent threshold. A 75 per cent subsidy is payable for the amount by which the rent exceeds the second threshold, up to the third threshold. Where the rent exceeds the third threshold, then a subsidy of 50 per cent is payable on the excess, up to the 'maximum rent limit' – the fourth and final threshold. No subsidy is paid on that part of the rent that exceeds the final threshold (see Table N.1). The levels of the thresholds are regularly reviewed, and are set at different levels depending on the size of the household.

**Table N.1 Subsidy levels at different thresholds**

Rent up to the 'standard rent' threshold	No subsidy
Rent above standard rent, up to the second threshold	100% subsidy
Rent between second and third thresholds	75% subsidy
Rent between third threshold and the maximum rent limit	50% subsidy
Above maximum rent limit	No subsidy

If an application for housing allowance is made for a property with a rent above the maximum rent limit, then no allowance at all is granted – because the property is deemed to be over expensive. But if a rent, originally below the limit, is increased above it, then allowances on the rent up to the limit are still paid.

The phasing out of subsidy for higher rents is regarded as a 'quality cut'. It is assumed that those in more expensive dwellings enjoy a higher level of quality, for which they should pay – at least in part. (Different rules apply for older people, whose homes may provide more expensive facilities such as lifts and care services.)

The housing allowance system is the key instrument in Dutch housing policy, enabling subsidy to be directed to those most in need – as part of the shift from 'object' to 'subject' subsidies. The policies are

intended to make housing affordable, while promoting housing quality and choice for low-income tenants, and also promoting home-ownership for low-income households. Housing allowances are seen as an instrument to combat poverty.

For those without paid work, 12 per cent of total rent is provided by housing allowances in the social rented sector and 5 per cent of total rent in the private rented sector.

As can be seen from Table N.2, many more tenants in the social rented sector receive housing allowances than in the private sector. No home-owners receive housing allowances.

Tenants receiving housing allowances have only a small interest in their gross rent levels. The system of rent thresholds means that where a rent increase fails to exceed the maximum rent limit but is above the 'standard rent' then 100, 75 or 50 per cent of the increase will be met by the housing allowance. Typically, households pay only 25 per cent of any rent increase.

One impact of the housing allowance scheme, is that it serves to encourage landlords (especially housing associations) to upgrade their dwellings and increase their rents. Housing allowances are an important stimulating factor in current urban renewal policies. Broadly, tenants accept higher rents (for higher quality). This allows the creation of vacancies in the cheap, low quality, rented sector.

There are large differences in housing choice between municipalities. In many parts of the country (Randstad and central parts of the Netherlands) there are shortages of housing and households have few choices. While in the northern and eastern parts and in Zeeland there is equilibrium in the housing market; especially in the high-rise estates and other multi-family housing there is considerable choice available.

Housing allowances increase the poverty trap considerably. The amount of housing allowance is based on the annual income of the year before. When a household earns more money, the impact on housing allowances is effective after one year (as

partial decrease) and two years (a full decrease). Although there is a feeling that housing allowances do not create a significant disincentive to work, empirical evidence is lacking.

### *Sweden*

There are two main housing allowance schemes in Sweden: housing benefit for families and young people without children, and a housing supplement for pensioners. The allowances are available to both tenants and home-buyers.

The rationale for the housing allowance for households with children is partly to enable households with children to secure good quality and spacious housing, and partly to be a special support to low-income families with children. The rationale for housing allowances for pensioners is to enable low-income households to be able to afford reasonable housing, and to be able to stay for as long as possible in the housing and environment they are used to, rather than them being forced to move into institutional accommodation.

Housing benefit is available for families with children, and for childless households where all members are under 29 years old. The housing cost allowance is based on the constitution of the household, and the amounts of housing costs and household income. There is also an additional special allowance based on the number of children in the household. For families with one child the allowance is SEK 600 per month, for those with two children the amount is SEK 900, and for those with

**Table N.2 Numbers of tenants receiving housing allowances, by tenure**

Type of tenure	Number of households (000s)	Percentage within tenure type
Social rented	745	33
Private rented	94	13
All rented	839	28



three or more children it is SEK 1,300. The system is intended to help families with children, and young people, to live in adequate accommodation.

Major changes were made in January 1996 and January 1997, reducing the scope and generosity of the scheme.

The maximum amount of housing benefit payable relates to the household's type and size – for example, the maximum for a family with two children is SEK 3,175. Maxima are also imposed on the size of the accommodation for which housing benefit may be claimed (e.g. 100 square metres for a family with two children). The amount of benefit payable is reduced from the maximum according to how the claimants' incomes exceed certain limits.

The maximum allowances are constructed from three elements :

- (1) special allowance for children
- (2) 75% of housing costs between specified levels
- (3) 50% of housing costs between (higher) specified levels.

The housing cost levels which qualify for housing allowance vary by household type and size as shown in Table S.1.

The maximum allowance for a family with two children (3,175 SEK) is thus made up of the special allowance for two children (900 SEK), plus 75 per cent of any housing costs between 2,000-3,300 SEK

(975 SEK), plus 50 per cent of any housing costs between 3,300-5,900 SEK (1,300 SEK).

For a single parent, the annual income limit is SEK 117,000, but if the income of either member of a couple with children exceeds SEK 58,500 per annum, then benefit is reduced. (See Table S.2 for more detail.) For households with children the allowance is reduced by 20 per cent of the income above the income limit. For households without children the allowance is reduced by a third of the income above the limit.

Benefit is calculated, initially, from the household's own assessment of the household's earnings over the forthcoming year, including 15 per cent of the wealth held above threshold levels). For home-buyers a deduction is also made for levels of housing wealth held above specified threshold level. Later, tax records are examined and where the household's estimate was above actual earnings an adjustment, including interest, is paid to the household, and where earnings were underestimated, then a demand is made for the excess benefit paid, plus an administrative fee. (National Social Insurance Board, 1999)

**Table S.1 Housing costs eligible for allowance**

Household type & size	75% of housing costs between	50% of housing costs between
Young people without children	1,800 – 2,600 SEK	2,600 – 3,600 SEK
Household with 1 child	2,000 – 3,000 SEK	3,000 – 5,000 SEK
Household with 2 children	2,000 – 3,300 SEK	3,300 – 5,900 SEK
Household with 3+ children	2,000 – 3,600 SEK	3,600 – 6,600 SEK

**Table S.2 Maximum housing allowances, living areas and income limits**

	Maximum housing allowance (SEK/month)	Maximum living area (square metres)	Income limit – single people (SEK/annum)	Income limit – couples (SEK/annum)
<i>Families with children</i>				
1 child	2,500	80	117,000	58,500 / applicant
2 children	3,175	100	117,000	58,500 / applicant
3 children	3,900	120	117,000	58,500 / applicant
4 children	4,200	140	117,000	58,500 / applicant
5 or more	4,500	160	117,000	58,500 / applicant
<i>Households without children</i>				
Aged 18-29	1,100	60	41,000	58,000

The housing supplement for pensioners is available to people in receipt of old-age pensions (over 65 years of age) and certain other benefits, including widows' pensions and disability pensions. It is intended to give pensioner households access to good-quality accommodation without prohibitively high housing costs. An additional special housing supplement for pensioners is also available, with the intention of bringing income up to a minimum level. (National Social Insurance Board, 1999)

Housing allowance ceilings apply according to the size of the dwelling and the constitution of the household. It is estimated that a third of all tenant households receive housing allowances; 16 per cent of tenant owners, and just 7 per cent of owner-occupiers.

Average levels of incomes, housing costs and allowance payments, for family households receiving allowances, are set out in Table S.3.

The housing allowance ceilings mean that tenants would not be compensated for rents in excess of

these. However, the uniformity of rents for similar properties, created by the Swedish 'use value' rent-setting system, means that there would be little scope for 'shopping around' for cheaper accommodation without sacrificing space or amenity.

The housing benefit system imposes maxima on the size of accommodation, according to household type, discouraging households from occupying unnecessarily large properties.

Since January 1997, the incomes of the parents in two-parent families have been taken into account separately. The individual income limits are set at half the former combined limit. This has reduced the eligibility for housing benefit of married and cohabiting couples, compared with lone parents. Whether this will have any effects on household formation has yet to be seen.

### Concluding remarks

The systems in the Netherlands and Sweden are also under review, partly because of political budgetary

constraints. It remains to be seen whether the proposed UK reforms will come to bear the hallmarks of either the Netherlands or Swedish schemes.

### References

1. J. Ditch, A. Lewis and S. Wilcox, *Social housing, tenure and housing allowances: An International Review*, Department of Work and Pensions, 2001.
2. P. Kemp, *A comparative study of housing allowances*, Department of Social Security, The Stationery Office, 1997.
3. J. Rugg and S. Wilcox, *Taking the strain?*, Centre for Housing Policy, University of York, 1997
4. The accounts of the systems in Sweden and the Netherlands is also largely drawn from the Ditch, Lewis and Wilcox report at (1) above.

**Table S.3 Average housing costs and allowances, 2000**

*SEK per month*

Household type & tenure	Housing costs	Housing allowance	Household income
Rented: single parents	4,840	1,810	10,450
Rented: couples with children	5,140	1,750	9,920
Tenant owners: single parents	4,930	1,570	12,890

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## **International comparisons**

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Given that there is not yet a database of housing statistics which enables world-wide comparisons to be made, in this *Review* we have attempted to present such comparisons as are possible within the European Union or between OECD countries. Section 1.3 of the *Review's* Contemporary issues concentrates on housing allowances. This chapter offers some broader

comparisons of housing performance and housing markets to set Britain's position in an international context.

### Housing conditions

The first point of interest is to look at how economic performance relates to housing conditions. Tables 9 and 10 in the main Compendium show changes in

Gross Domestic Product and deficits in general government financial balances in selected countries. Table 1.4.1 shows some more general economic indicators, including GDP per head, unemployment and a breakdown of the main categories of employment.

Table 8 in the Compendium has long been seen as significant, because it expresses gross investment in housing (both public and private) as a percentage of GDP. It is generally viewed as a good indicator of housing investment relative to the size of the economies of OECD countries. Tellingly, the UK has the lowest average investment level of the thirteen industrialised countries, measured over a twelve year period.

**Table 1.4.1 Economic statistics – EU countries**

	Gross Domestic Product <sup>1</sup> per head of population (EUR 15=100) 1997	Persons in employment (thousands) 1999 <sup>2</sup>	Unemployment rate (%) 1998	Employment sectors		
				Agriculture (% of work force in sector) 1999 <sup>2</sup>	Industry	Services
United Kingdom	102	27,107	6.2	1.6	26.0	72.3
Wales	84	1,216	7.0	2.7	29.5	67.6
Scotland	97	2,273	7.3	2.0	25.3	72.5
Northern Ireland	82	676	8.8	5.0	26.5	68.5
Austria	112	3,678	4.8	6.2	29.8	64.0
Belgium	111	3,987	9.3	2.4	25.8	71.8
Denmark	120	2,708	5.4	3.3	26.8	69.5
Finland	100	2,333	12.7	6.4	27.6	65.7
France	99	22,755	11.4	4.3	26.3	69.4
Germany	108	36,089	9.8	2.9	33.8	63.3
Greece	66	3,967	10.8	17.8	23.0	59.2
Ireland	102	1,593	7.9	8.5	28.3	62.5
Italy	102	20,618	12.3	5.4	32.4	62.2
Netherlands	113	7,605	4.0	–	–	–
Portugal	73	4,830	4.7	12.6	35.3	52.1
Spain	80	13,773	19.1	7.4	30.6	62.0
Sweden	102	4,054	8.9	3.0	25.0	72.0

Source: Regional Trends 35, Office for National Statistics.

Notes: 1. Gross Domestic Product per head of population is measured in terms of standardised purchasing power, which expresses an identical volume of goods and services in each country, taking account of differences in price levels. The EUR 15 index of 100 is the average for European Union countries.

2. 1998 for Greece and 1997 for Ireland; sector split not available for the Netherlands.

#### Figure 1.4.1 Tables in the main Compendium which include international data

Table 8:	Gross fixed investment in residential buildings as a percentage of Gross Domestic Product
Table 9:	Growth of real Gross Domestic Product
Table 10:	General Government Financial Balances as a percentage of Gross National Product

Although data on housing conditions are notoriously difficult to compare reliably (because of differences in standards and methods of measurement), Table 1.4.2 shows, for various years in the 1990s, what percentage of dwellings in the main EU countries were in good condition, or were

lacking basic amenities, unfit or in disrepair. Perhaps surprisingly, for those countries where a comparison between the indicators just mentioned is possible, there is no evidence of any correlation between (say) high investment levels in housing and better housing conditions. Whereas the UK has low investment levels, it is in the top half of the table in terms of housing conditions. Germany, with relatively poor conditions (mainly because of the inheritance from reunification) has had high investment levels. Italy, with worse conditions even

than its poorer EU partners such as Spain and Portugal, also has relatively high investment levels. Sweden, probably the best housed nation in Europe, has low housing investment. Paradoxically Belgium, with relatively poor housing, also has low levels of housing investment.

Whilst there is no interpretation of these findings which can be applied consistently across Europe, two hypotheses can be put forward. First, countries which historically have had better conditions have

down-graded housing investment within their economies in recent years. Countries with historically poorer conditions have generally been attempting to catch up. Second, with exceptions such as Germany and Ireland, housing investment as a proportion of GDP has been in general decline.

### House building, stock and tenure

Another perspective is provided by Table 1.4.3, which shows housing starts and completions (public and private) for EU countries in 1999. It also shows

**Table 1.4.2 House condition – EU countries**

	Year of survey	Percentage of dwellings			
		In good condition	Lacking basic amenities	Unfit	In serious disrepair
United Kingdom	1991	86	1	8	3
Austria	1995	94	6	0	0
Belgium	1991	57	28	14	0
Denmark	1995	89	11	0	0
Finland	1995	85	15	0	0
France	1992	*	9	*	*
Germany	1995	62	25		19
Ireland	1991	86	9	6	0
Italy	1991	52	49	0	0
Netherlands	1995	81	13	4	2
Portugal	1991	77	16	1	6
Spain	1991	90	8	2	0
Sweden	1995	99	1	0	0

Sources: Housing Statistics in the European Union 1998.

Notes: \* Figures not available.

**Table 1.4.3 Housing starts and completions 1999– EU countries**

	Number of starts	Starts per thousand units of housing stock	Starts per thousand population	Number of completions	Completions per thousand units of housing stock	Completions per thousand population	Stock	
							Stock	Population
United Kingdom	179,100	7.1	3.0	170,800	6.8	2.9	25,131	59,009
England							20,960	49,271
Wales							1,265	2,929
Scotland							2,305	5,131
Northern Ireland							601	1,678
Austria	46,000	13.5	5.7	54,220	15.9	6.7	3,413	8,072
Belgium	26,117	7.0	2.6				3,748	10,181
Denmark	16,037	6.5	3.0	17,102	6.9	3.2	2,476	5,285
Finland	34,980	14.3	6.8	27,760	11.3	5.4	2,449	5,140
France	309,700	10.7	5.3				28,945	58,609
Germany				472,805	12.6	5.8	37,529	81,979
Greece							4,690	10,499
Ireland				46,512	41.7	12.7	1,115	3,661
Italy	155,626	5.9	2.7	259,252	9.9	4.5	26,300	57,512
Netherlands	83,400	12.7	5.3	78,625	11.9	5.0	6,588	15,611
Portugal				84,520	20.2	8.5	4,181	9,946
Spain	510,640	27.2	13.0	316,740	16.9	8.1	18,775	39,323
Sweden	14,300	3.4	1.6	11,700	2.8	1.3	4,200	8,846

Sources: Hypostat 1989-1999, European Mortgage Federation; Department of Transport, Local Government and the Regions.

Notes: 1. 1997 for Italy.

2. 1994 for Italy; 1998 for Portugal.

total housing stocks. Some of the most prosperous EU countries (Finland, Austria, the Netherlands and Germany) have high levels of house building. But the exceptional performances come from three poorer countries – Ireland (which has only recently caught up in economic terms), and Spain and Portugal (with Greece – for which few housing statistics are available – the poorest EU countries).

Comparing these figures with the general housing statistics in Table 1.4.4 suggests some reasons for

these variations. Ireland has had by far the lowest number of dwellings per head of population of any EU country. Its recent building effort has been designed to catch up with its EU partners. Spain and Portugal are relatively well-endowed with dwellings in relation to their populations, however. Their building effort is almost certainly related to demand for second and holiday homes. The fact that data for Greece (in Table 1.4.4) show high rates of dwelling completions for an earlier date (1993) perhaps bears this out.

A forthcoming comparison of the social rented sector in seven northern European countries (Stephens et al.) will look at the detail of building of social rented housing and sizes of social rented sectors. It shows that there is no consistent pattern amongst these countries. Since 1980, in five of the countries (Denmark, Finland, France, the Netherlands and – up to 1990 – Sweden) the social sector has been stable or slowly expanding. Britain and Germany are unusual in having shrinking social sectors – Germany because of social housing built by private landlords passing into the private rented sector once subsidised loans are repaid, Britain because of the Right to Buy. Figures on recent new building in the social sector per 1,000 inhabitants (also Stephens et al.) show that Britain has had unusually low levels of new building in this sector in the last decade compared with the six other countries. Only Sweden shares a marked recent decline, but from a higher starting point.

### Incomes and demography

Although the statistics enable few comparisons about the types of housing in different EU countries, those in Table 1.4.4 show the percentage of flats in housing stocks, and allow comparisons with percentages of owner-occupation. Three countries, the UK, Belgium and Ireland, show high levels of home-ownership associated with houses rather than flats. Ireland, even more than Britain, has had a long-term policy of sales of public sector stock into home-ownership.

The more general European pattern, however, is for one-third or half the stock to be flats (even more in Spain), but with diverse levels of home-ownership

**Table 1.4.4 Housing stocks – EU countries**

	Total dwelling stock (thousands) 1999 <sup>1</sup>	Dwelling stock per thousand inhabitants 1995 <sup>2</sup>	Flats as % of total dwelling stock 1995 <sup>3</sup>	Owner-occupied dwellings as % of total stock	Completions per thousand population
United Kingdom	25,131	417	19	68	3.4
England	20,960			68	
Wales	1,265			72	
Scotland	2,305			62	
Northern Ireland	601			72	
Austria	3,413	424	36	55	6.6
Belgium	3,748	401	27	65	3.8
Denmark	2,476	465	39	51	2.5
Finland	2,449	472	43	61	4.9
France	28,945	479	44	54	4.9
Germany	37,529	430	51	41	7.5
Greece	4,690	454	57	78	7.6
Ireland	1,115	303	7	80	8.5
Italy	26,300	440	–	78	2.9
Netherlands	6,588	402	29	52	6.1
Portugal	4,181	424	36	66	6.9
Spain	18,775	465	63	78	5.6
Sweden	4,200	478	54	60	1.5

Sources: Hypostat 1989-1999, European Mortgage Federation; Department of Transport, Local Government and the Regions.

Notes: 1. 1998 for Finland, 1997 for France, 1996 for Ireland, 1995 for Italy, 1991 for Belgium, Greece and Portugal.

2. 1991 for Belgium, Greece, Italy, Portugal and Sweden.

3. 1993 for Greece.

from Germany's 41 per cent up to Spain's 78 per cent. Scotland, for which separate figures are not available here, nevertheless fits this broader European pattern rather than the English-Irish one.

Stephens et al. (forthcoming) provide another perspective on ownership as compared with renting. Again looking only at seven north European countries, they show that owners consistently have incomes 16-32 per cent above the average. Britain, where owners' incomes are 20 per cent above average incomes, fits into this pattern. Again, private renters have incomes spanning a fairly narrow range in the seven countries, with incomes ranging from 31 per cent below average (Finland) to 12 per cent below average (Germany). Britain's figure is 25 per cent below average. It is amongst renters in the social sector that Britain stands out. In the six other countries the range is similar to that for private renting, and in three countries (France, Germany and Sweden) incomes of social renters are only 25 per cent below average. In contrast social renters in Britain have incomes typically of only half the average level.

Provision of housing, in terms of dwellings per thousand inhabitants, is surprisingly consistent across EU countries, with Ireland the exception (Table 1.4.4). All other countries have 400+ units per thousand inhabitants. The lowest levels of provision are in the Low Countries – probably a reflection of population density and land availability. The highest levels are in Scandinavia and also France and Spain.

The conclusions about population density are borne out by the population figures in Table 1.4.5: the Netherlands and Belgium are by far the most densely populated. High levels of housing provision coincide in most cases with low population densities (notably Finland, Sweden, Spain, Greece), the exception once again being Ireland. Its recent house-building efforts reflect both the 'catching up' we have mentioned, but also its exceptionally young population and high birth rate (Table 1.4.5).

Looking at the other end of the age spectrum, Table 1.4.5 shows that the UK is by no means the worst-off EU country in terms of the size of its economically non-active population in relation to the rest (its dependency rate). Countries such as France, Italy and Spain all have much higher rates and Britain's is amongst the lowest (though within that figure Wales and Northern Ireland have rather higher rates). Interestingly, this table also shows that the UK's performance in providing education to

**Table 1.4.5 Population and social statistics – EU countries**

	Area (sq km)	Population (thousands)	Persons per sq km	Population under 15 %	Population 65 or over %	Birth rate per 1000	Dependency rate 1999 <sup>1</sup>	16-18 year olds in education (%) 1995/96
United Kingdom	243,820	59,009	242	19.8	15.2	12	108	71
Wales	20,768	2,929	141	19.7	16.9	11	130	64
Scotland	78,132	5,131	66	19.3	14.8	11	114	82
Northern Ireland	14,160	1,678	119	23.5	12.3	14	134	77
Austria	83,859	8,072	96	17.7	15.1	10	110	82
Belgium	30,518	10,181	334	17.8	16.2	11	147	97
Denmark	43,094	5,285	123	17.5	15.5	12	90	83
Finland	304,529	5,140	17	18.9	14.6	11	107	90
France	543,965	58,609	108	19.5	15.2	12	139	91
Germany	357,021	81,979	230	15.7	16.1	9	114	92
Greece	131,626	10,499	80	15.0	18.8	9	147	69
Ireland	70,273	3,661	52	23.5	10.5	14	129	83
Italy	301,316	57,512	191	15.4	15.6	9	163	–
Netherlands	41,526	15,611	461	18.6	12.6	12	101	91
Portugal	91,906	9,946	108	14.6	17.1	11	102	70
Spain	504,790	39,323	78	15.9	16.6	8	165	74
Sweden	410,934	8,846	22	18.7	17.4	10	110	96

Source: Regional Trends 35, Office for National Statistics.

Notes: Population statistics are for 1997.

1. Dependency rates are calculated as the number of non-active persons expressed as a percentage of those economically active. 1998 for Greece.

16-18 year olds was (at least in 1995/96) amongst Europe's poorest, better only than that of Greece and Portugal.

### House prices

Finally, Table 1.4.6 provides some comparisons of trends in house prices within most EU countries. It shows that price rises in the UK are by no means exceptional, but also that price rises are not universal. Amongst higher rates of increase, the Netherlands and Belgium feature because of the factors already mentioned – relatively low levels of provision of dwellings because of high population densities. Ireland's high levels reflect its booming economic circumstances as well as housing shortages. Its GDP is not included in the table in the main Compendium, but has grown at an average rate of over 8 per cent per annum in the last five years,

much the best performance in the EU. The figures from these countries serve as a warning that house prices, as well as responding to general economic circumstances, are also driven by shortages of supply.

The lowest rates of increase are found in Sweden and Finland (which already have high rates of provision). In Finland's case, dramatic price rises in the late 80s were followed by equally dramatic falls in the early 90s due to the decline of the Russian economy, followed by recovery in recent years. Germany was the only EU country to experience falls in house prices in the last two years, as it experienced low economic growth and increasing unemployment. It has also experienced relatively low population and household growth. Once again, prices respond not just to the state of the economy but also to the balance between housing supply and demand.

### Reference

M. Stephens, N. Burns and L. Mackay, *Social Market or Safety Net: British Social Rented Housing in a European Context*. University of Glasgow, 2001, forthcoming.

**Table 1.4.6 Trends in the prices of dwellings – EU countries**

*National averages (1990=100)*

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
United Kingdom	84	101	100	99	95	96	95	96	99	108	120	134
Belgium	83	93	100	106	115	123	132	138	144	146	150	169
Denmark	109	109	100	101	95	101	108	108	118	128	134	142
Finland	87	106	100	86	90	65	69	67	70	82	91	106
Germany		99	100	109	115	123	136	133	133	133	137	115
Ireland	80	89	100	102	105	106	111	118	133	156	191	227
Italy	61	80	100	112	119	120	116	118	118			
Netherlands	92	98	100	103	112	122	131	137	151	163	181	216
Spain	70	87	100	114	113	112	113	117	120	121	127	140
Sweden	76	89	100	107	97	86	90	91	91	98	107	117

Sources: Hypostat 1989-1999, European Mortgage Federation.





# Section 2 Commentary

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## Chapter 1 Economic prospects and public expenditure

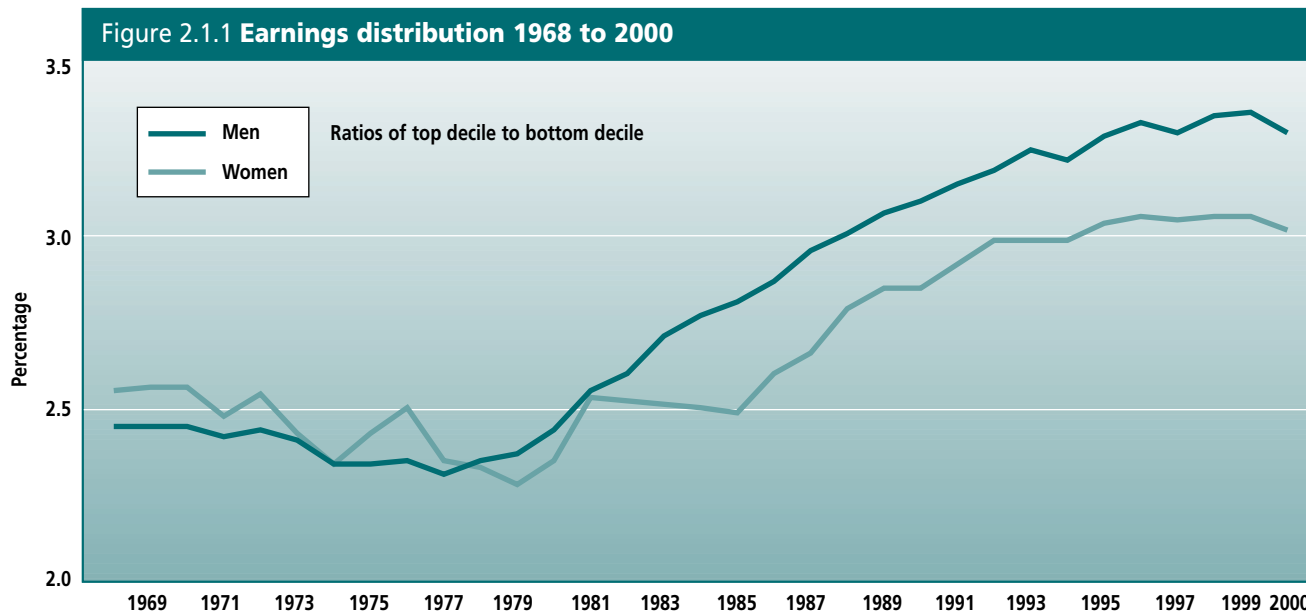
The budget forecast of UK economic growth at the annual rate of 2.5 per cent over the three years to 2003 (Compendium Table 11) is now looking unrealistically optimistic, although at the time it was in line with the bulk of independent forecasts. However forecasts of the rate of growth of the US economy have now been sharply cut back, with sharply lower expectations of growth for the new 'dot.com' industries. With lower growth forecasts for Germany and Europe, and economic crises in Japan and Argentina, the overall world economic forecasts are now more pessimistic than the OECD December 2000 forecasts set out in Compendium Table 9.

If future forecasts have now taken on a rather more gloomy hue, 3 per cent economic growth in 2000 saw a 1.3 per cent increase in the numbers of people in employment in the UK, and both claimant and ILO measures of unemployment fell sharply during the year (by 7.5 per cent and 13.7 per cent respectively) (Compendium Table 4, percentage section). The UK claimant unemployment rate fell to just 3.3 per cent by the first quarter of 2001 – the lowest rate for more than two decades. Nonetheless claimant unemployment remained far higher in regions experiencing the continuing long term decline of traditional manufacturing industries. Claimant unemployment rates in Merseyside at

6.9 per cent, and in the North East at 5.7 per cent, were nonetheless also far lower than in previous years, and less than half the levels experienced in the early 1990s (Compendium Table 5).

The strong economic growth in 2000 saw inflation rise to 3.0 per cent (Compendium Table 1), but this was not driven by earnings growth, as this slowed from 1999, and averaged only 2.6 per cent for the year. Earnings for women continued to slowly reduce the differential with earnings for men, with women as a whole seeing a 3.4 per cent rise in earnings over the year compared to just 2.5 per cent for men (Compendium Table 2). The year was also notable for seeing a small reduction in the gap between the highest (top decile) and lowest (bottom decile) earners (Figure 2.1.1), which might be attributed to the combined impact of low unemployment and the recent advent of the minimum wage (although this did not stop the earnings gap widening in 1999).

Another useful earnings indicator for lower paid households are the figures for what are called 'entry level' wages. These are the earnings levels for unemployed and economically inactive people entering the labour market, and exclude the typically higher earnings for people who change jobs once they have already been employed. These figures thus have a particular salience for the prospects for 'welfare to work' policies. Figures for the years from 1996 to 2000 are set out in Table 2.1.1.



Source: New Earnings Surveys.

**Table 2.1.1 Entry level wages**

£ per hour

	1996	1997	1998	1999	2000
Men	4.35	4.60	4.91	5.19	5.72
Women	3.82	3.97	4.12	4.45	4.96

Source: Analysis of Labour Force Survey datasets by Paul Gregg, University of Bristol

### Equity withdrawal

The continuing strong rise in house prices in 2000 (Compendium Table 43) contributed to a further small increase in the cash level of net equity withdrawal in 2000, to £11.4 billion (Compendium Table 7). However, as a proportion of total consumer spending it fell back slightly to just 1.93 per cent, compared to 2.0 per cent in 1999 (and 6.98 per cent in 1988 at the peak of the last housing market boom). In part the levels of net equity withdrawal were constrained by a substantial rise in the levels of deposits made by first time buyers newly entering the market (see Section 2.3 on Private housing).

Nonetheless the 4.7 per cent growth in consumer spending over the last year cannot be directly attributed to an increase in net equity withdrawal, even if house price growth may have contributed to an overall 'feel good' factor underlying the wider fall in savings levels (Compendium Table 3), and the growth in levels of consumer credit. While in the late 1990s the volatility of equity withdrawal was a

major factor impacting on overall levels of household savings and consumer credit, this time the direct process of equity withdrawal is far less apparent.

Moreover, given that MITR has now been abolished, and that without relatively strong consumer spending the immediate prospects for economic growth would be even more pessimistic, equity withdrawal does not now raise quite the same issues as it did a decade ago. Equally, a slow down in the housing market over the next year, with a consequential downturn in levels of equity withdrawal, will only have a limited impact on consumer spending. It is nonetheless another factor that will add to concerns about the impact of the world wide economic slow down on the UK economy.

### Public spending

There were few surprises in the last budget before the late spring general election. The 10p starting income tax band was extended by £300 more than the level required to keep pace with inflation, so that it now covers the first £1,880 of annual taxable income. The new childrens' tax credit introduced in April 2001, to replace the married man's allowance abolished a year earlier, was introduced at the rate of £10 per week (£1.50 higher than previously planned).

The emphasis on child poverty in the budget was reinforced by increases to the planned rates of the working families tax credit (from June 2001) and the income support child premiums (from October

2001). Altogether, these and related measures were estimated to cost £1.27 billion in 2001/02, and £1.99 billion in 2002/03. Provision for cuts in fuel taxes and vehicle excise duties, in response to the anti-fuel tax campaign, was on a similar scale costing an estimated £1.69 billion in 2001/02, and £1.78 billion in 2002/03.

The budget also announced further increases in the resources to be made available to priority public services, with both the education and health services provided with an extra £1 billion over the three year period from 2001/02. In practice, however, those service specific increases will be more than offset by reductions in the 'margin' provided for possible overspend in total 'Annually Managed Expenditure'. The more substantive increases in public spending were those announced in the second tri-annual Spending Review, which were detailed in Section 2.7 in last year's edition of the *Housing Finance Review*.

In cash terms, public spending is planned to rise by almost 30 per cent over the four years to 2003/04. This is a substantial increase in real terms, and the budget report estimated that this would represent a rise in public spending from 37.9 per cent of GDP in 1999/00 to 40.8 per cent in 2003/04 (Compendium Table 12a). Given that economic forecasts are now less optimistic, the government's future spending plans must now be anticipated to require a rather more rapid growth as a proportion of GDP.

Similarly the government's current expenditure plans now imply a more rapid and substantial movement

into deficit, after three years in which the government has achieved a surplus – even after taking account of public sector capital investment. Indeed such is the measure of ‘prudence’ built into the current expenditure plans, even taking account of the levels of expenditure growth, that there is a substantial comfort margin before any downward revisions of growth and tax receipts would result in a conflict between the planned levels of expenditure and the Chancellor’s stated guidelines on fiscal deficits.

The Chancellor’s guidelines provide for a fiscal balance to be achieved ‘over the economic cycle’, before taking account of public sector capital investment. The budget expenditure plans show a continuing, if declining, current budget surplus over the years to 2005/06. The Chancellor’s guidelines will only be breached if those forecasts or surpluses turn into deficits that more than outweigh the current budget surpluses achieved over the last three years.

Similarly, while public sector capital investment is planned to rise in the years ahead, the overall level of gross government debt is forecast to fall to just 36 per cent of GDP. This is some way below the 40 per cent maximum guideline set by the Chancellor (and very much further below the 60 per cent guideline that was set by the Maastricht Treaty for the purposes of European Monetary Union).

While no doubt the movement into current account deficit will raise some concerns, in the prevailing

economic conditions the planned rises in public spending will also serve in the short run to offset the slow down in other sectors of the economy. It is only if the current slow down in the US and European economies persist and worsens that the Chancellor’s expenditure plans will come under serious threat.

### Key Reading

*Budget 2001*, HM Treasury, House of Commons 279, The Stationery Office, 2001.

*Public Expenditure, Statistical Analyses 2001-02*, HM Treasury Cm 5101, The Stationery Office, 2000.

*Economic Outlook 68*, OECD, December 2000.

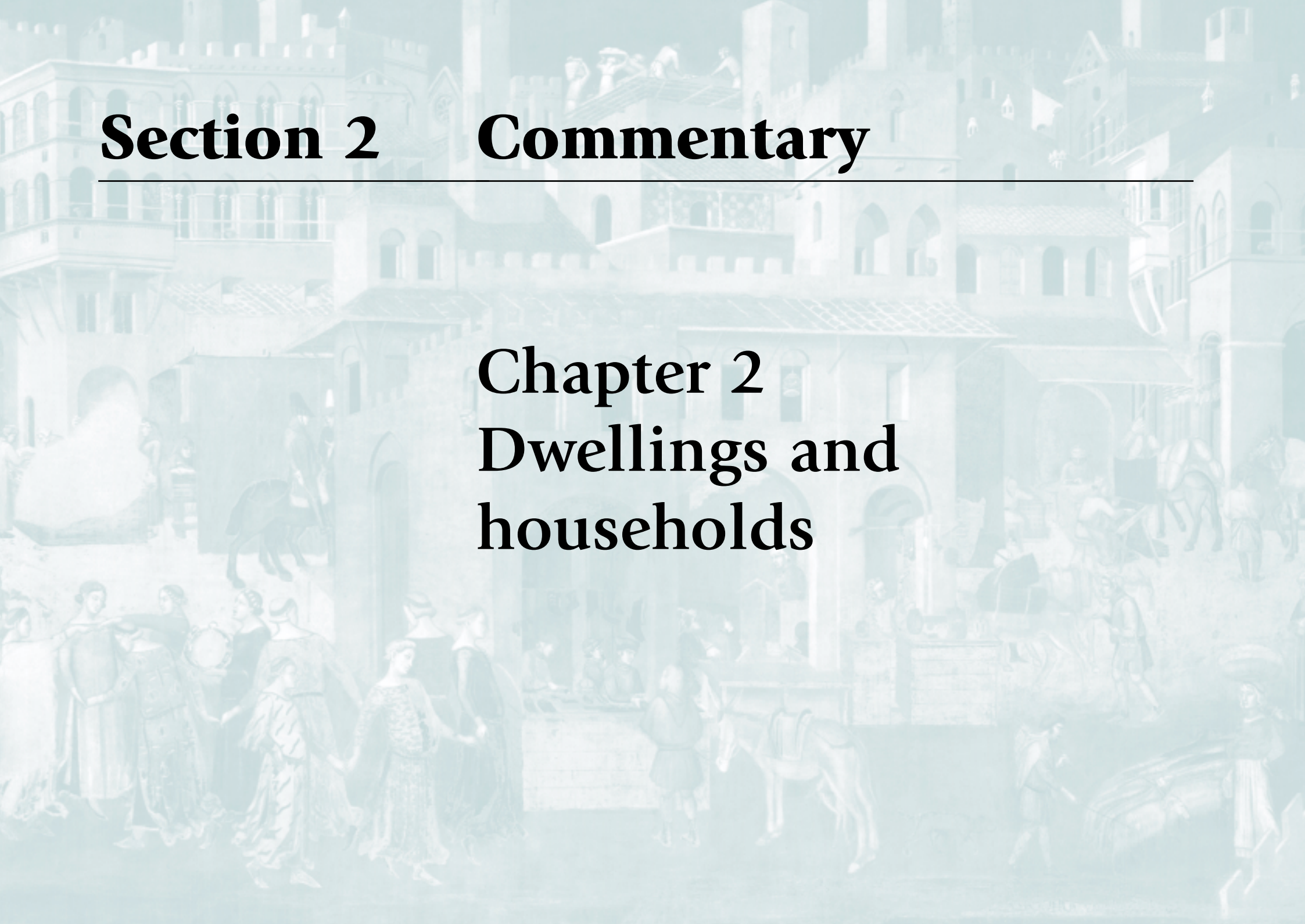
*Economic Trends*, Office for National Statistics (monthly and annual volumes), The Stationery Office.

*Financial Statistics*, Office for National Statistics (monthly volumes), The Stationery Office.

# **Section 2      Commentary**

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## **Chapter 2 Dwellings and households**



### Net fall in social housing stock

The overall proportion of home-owner households in the UK continues to slowly inch towards the 70 per cent level, reaching 67.8 per cent by the end of 1999. Home-ownership rates are already over 70 per cent in Wales (71.8 per cent) and Northern Ireland (71.5 per cent), but remain much lower at 62.3 per cent in Scotland (Compendium Table 17).

In part the continuing rise in home-ownership has been boosted by a rise in levels of Right to Buy (RTB) sales following the upswing in the housing market. RTB sales in Great Britain rose by some 10,000 to 67,374 in 1999 compared to a year earlier, and sales levels in England rose again the following year (Compendium Table 20).

With rising levels of RTB sales, and a declining level of investment in new social housing, the total

numbers of dwellings are declining both in absolute terms, and as a proportion of the total stock (Compendium Tables 17 and 21). The year on year changes in the level of stock in the social housing sector are shown in Figure 2.2.1. With the concentration of new social housing in the housing association/RSL sector, and the continuing process of large scale stock transfers from councils to RSLs (at least in England), housing associations/RSLs now account for 27 per cent of the combined social housing sector in the UK as a whole.

### Renovations

The sharp decline in levels of renovation grant activity since the abolition of mandatory grants in England and Wales in 1996 (and in the same year the ending of a separate block of capital provision for renovation grants in Scotland) have not continued (Compendium Tables 26a, 26b & 26c).

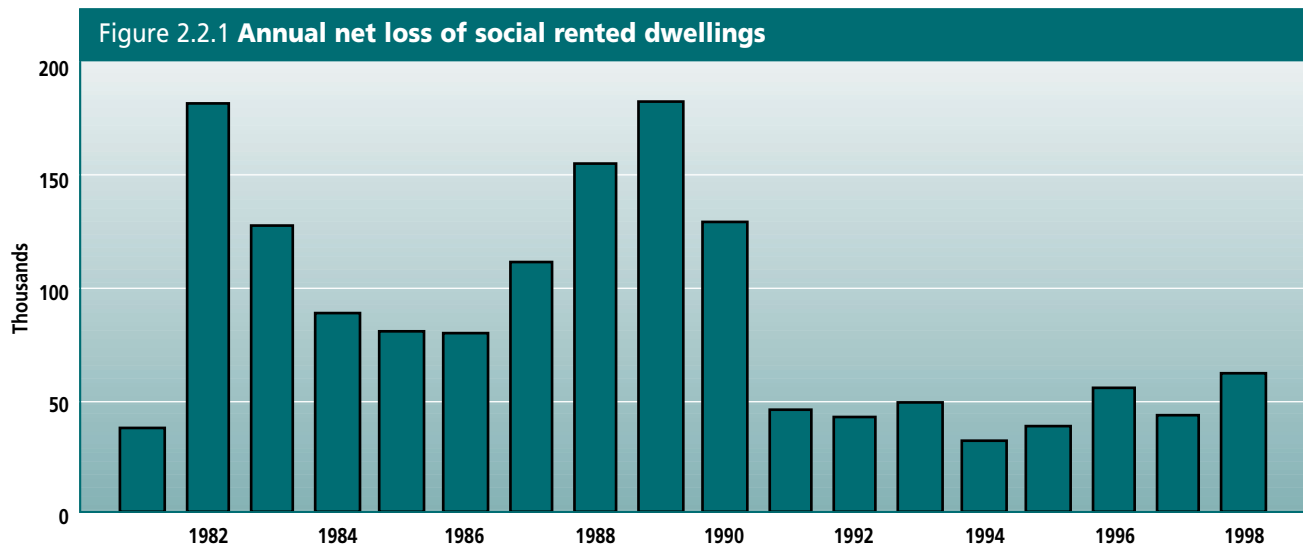
Indeed the numbers of grants in England under the new 1996 Act regime picked up strongly in 1999, and held steady in 2000.

Nonetheless, despite the slight recovery in English grant expenditure levels in 1999, spending on private renovation grants remains well below pre-1996 levels. Moreover, renovation grant spending continued to fall in Scotland and Wales (Table 2.2.1).

Last year's *Review* was critical of the Housing Green Paper proposals to dismantle the national means tested scheme for home renovation grants, and to devolve yet further discretion to authorities, without any firm commitment or targets for improving the standard of private dwellings occupied by low-income households.

That lack of ambition is in stark contrast to the firm commitment to improve the condition of the stock in the social rented sector, especially given that more than three-fifths of the low income households in England living in poor housing conditions reside in the private sector.<sup>1</sup>

The failure of more positive policies to improve the condition of the private housing stock also threatens to undermine the objective of a range of useful initiatives designed to improve energy efficiency, and reduce levels both of fuel poverty and greenhouse gas emissions. Recent energy efficiency programmes, such as the Scottish 'warm deal', have also focused very largely on the social housing sector stock.



Source: Compendium Table 17 (UK).

**Table 2.2.1 Private sector improvement grants**

£ million

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
England	316.7	281.6	349.9	361.3	385.6	336.7	316.5	232.1	172.5	237.1
Scotland	117.2	107.1	109.5	99.2	87.4	78.5	66.0	49.3	46.2	32.9
Wales	85.0	93.4	139.6	152.6	132.5	144.7	142.8	128.2	107.5	86.6
Total	518.9	482.1	599.0	613.1	605.5	559.9	525.3	409.6	326.2	356.6

Source: Housing and Construction Statistics, Welsh Housing Statistics, Scottish Housing Statistics Bulletins.

Note: Includes grants under 1985, 1989 and 1996 Acts for repairs and improvements, excluding disabled facilities grants.

Overall, domestic usage accounts for almost 30 per cent of UK greenhouse gas emissions, and an analysis of data from the 1996 English House Condition Survey shows that owner-occupied dwellings account for three quarters of all carbon dioxide emissions resulting from domestic fuel consumption.<sup>2</sup>

Some 55 per cent of the 5.2 million English dwellings with low energy efficiency ratings (SAP ratings below 30) are in the owner-occupied sector, and three-fifths of the lowest income households living in dwellings with low energy efficiency ratings live in either owner-occupied or private rented dwellings. Neither fuel poverty policies, or environmental policies to reduce greenhouse gases from domestic energy consumption, will succeed unless stock renovation and energy efficiency policies are more actively focused on the owner-occupied and private rented sector stocks.

### Working tenants

Despite concerns about the 'residualisation' of social housing there has been a rise in the proportion of new working households moving into the sector over the last decade (see Compendium Table 33). At the same time, despite the impact of Right to Buy sales and other low cost home-ownership initiatives targeted on existing social sector tenants, there has also been a very small rise in the overall proportion of households with working heads in the sector (Compendium Table 32).

In contrast, two-thirds of all home-owner households have working household heads, and less than 10 per cent of all working household heads reside in the social rented sector. Of the working household heads in the social rented sector almost a quarter work part time, compared to just 8 per cent in the private sector.

### Survey developments

The General Household Survey (GHS) took a break in 1999 for a survey redesign, and as a result it has not been possible to update the several tables in the section of the Compendium that are drawn from that source (Compendium Tables 28, 29, 30 & 34). The GHS will return with the results of the 2000 survey, which will be included in next year's edition of the *Review*.

### References

1. R. Burrows and S. Wilcox, *Half the poor*, Council of Mortgage Lenders, 2001.
2. *English House Condition Survey 1996*, Energy Report, Department of the Environment, Transport and the Regions, 2000.

### Key Reading

*General Household Survey 1998*, Office for National Statistics, 2000.

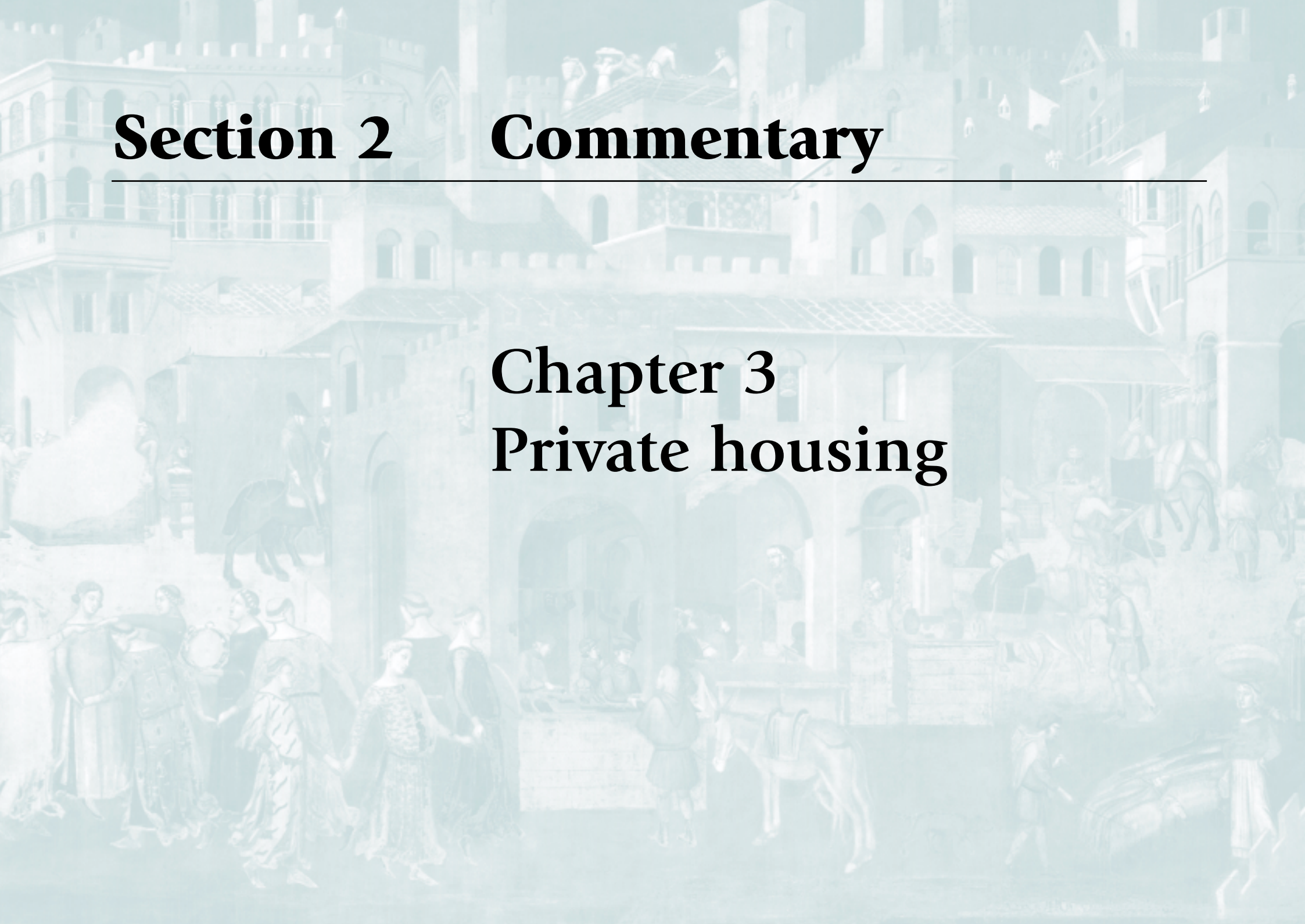
*Family Spending: A report on the 1999-00 Family Expenditure Survey*, Office for National Statistics, 2000.

*Housing in England 1999/00*, Office for National Statistics, 2001.

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## **Chapter 3 Private housing**





UK house prices rose by 14 per cent in 2000 (Compendium Table 43b). Those rises came about despite the abolition of mortgage interest tax relief during the course of the year, and a small increase in average gross mortgage rates to 6.7 per cent. Despite that combination of factors there was only a modest increase in the mortgage to income ratios for first time buyers in all parts of the UK (Table 2.3.1). There was a similar modest rise in the ratios for purchases by existing home owners (Table 2.3.2).

Even in London, where house prices rose by 18 per cent over the year, the ratio for first-time buyers only rose to 21.6 per cent – nowhere near the peak ratio of 31 per cent experienced in 1989 at the height of

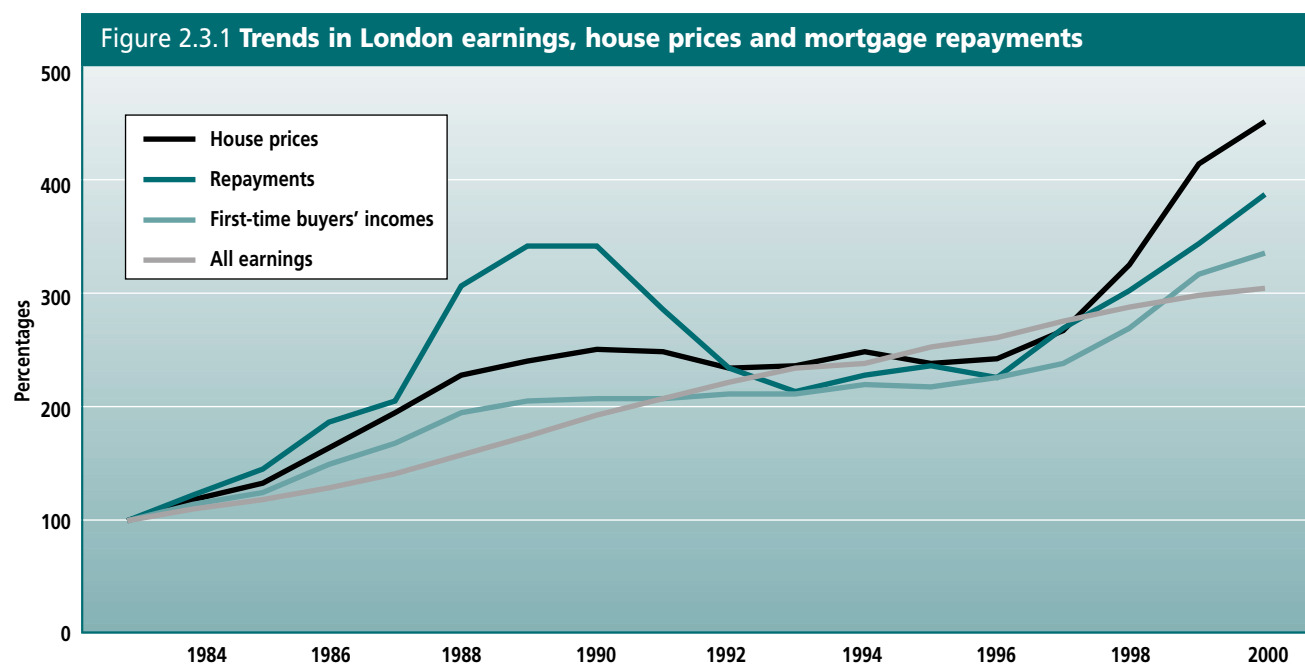
the last housing market boom. In part, the affordability ratio only rose slightly because the incomes of first time buyers rose more rapidly than average earnings in London. The implication of this is that a smaller proportion of Londoners were able to obtain a mortgage to enter home-ownership.

The different characteristics of the current upswing in the housing market cycle, and the disastrous boom and bust of the late 1980s and early 1990s, can be seen in the movements in the key housing market and income trends for London over the last thirty years (Figure 2.3.1). In particular this shows that in the late 1980s affordability worsened partly because of the upswing in house prices, but far more fundamentally because of the sharp rise in mortgage

repayment costs, as interest rates were sharply raised to tackle inflation.

In the run up to the millennium house prices have risen more sharply, but this has been offset by lower interest rates, and repayment costs have risen far less sharply. The figure also shows how the incomes of first-time buyers lagged behind the growth in average earnings during the housing market 'downswing' in the mid 1990s, but has now risen above the trend to a similar extent as that experienced a decade earlier.

Hence, this time round, the central 'affordability crisis' in London relates to the households that can no longer afford to access the market, rather than the households that purchased in an upswing only then to see a sharp rise in interest rates. Another key feature of the current difficulties in gaining access to the market is the sharp rise in the level of first-time buyer deposits over the last five years. The average first-time buyer deposit in 2000 was over £15,000 for the UK as a whole (Compendium Table 40a), compared to less than £5,000 in 1996. Average deposits, at just over 20 per cent of house prices, are now at their highest level for two decades. In London the average deposit in 2000 was almost £28,000. This combined income and capital asset squeeze on access to the private housing market has had a critical impact on housing needs, and has raised particular concerns about the inability of 'key workers' to obtain housing in London and other 'high rise' localities (see Section 2.5).



Source: CML/DETR Survey of Mortgage Lenders, New Earnings Survey.

**Table 2.3.1 Mortgage cost to income ratios for first-time buyers**

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Northern	14.2	16.8	17.2	17.0	15.6	18.8	20.6	22.2	19.6	17.0	15.9	16.0	16.3	15.8	16.7	16.7	15.5	16.6
Yorkshire & Humberside	15.6	17.9	18.2	18.1	16.1	20.0	22.7	23.6	21.6	18.2	16.9	17.5	17.8	15.9	17.8	17.6	16.9	17.7
North West	16.5	17.8	18.5	18.2	16.3	19.3	22.9	23.6	21.9	19.0	18.0	17.6	18.1	16.9	18.4	17.8	16.6	17.8
West Midlands	16.6	18.4	19.0	18.8	16.9	21.2	24.6	25.8	23.6	19.0	17.6	18.1	18.2	16.4	18.6	18.4	17.1	18.4
East Midlands	16.3	18.0	19.0	18.6	17.1	21.8	25.7	27.1	22.7	18.6	17.0	17.6	17.8	16.2	17.6	17.8	16.5	17.6
East Anglia	17.5	19.2	20.6	20.7	19.5	26.1	29.8	28.9	23.3	18.9	17.9	18.2	17.8	16.7	18.1	18.8	17.2	18.9
Greater London	18.7	20.1	21.7	23.3	22.7	29.1	31.0	30.9	25.8	20.7	18.7	19.4	20.2	18.7	21.0	20.9	20.2	21.6
South East	18.6	20.0	21.6	22.3	21.4	28.3	32.3	31.3	25.4	20.3	18.4	19.2	19.7	17.8	19.9	20.0	19.2	20.7
South West	18.4	20.2	21.2	21.4	19.9	26.2	31.3	30.0	24.1	19.4	18.3	18.7	19.4	17.6	19.6	19.9	18.6	19.6
Wales	16.5	17.7	19.1	18.7	16.7	21.0	23.6	23.7	20.3	17.5	16.8	17.2	17.5	16.2	17.6	18.1	16.6	17.5
Scotland	15.3	18.2	18.1	18.1	15.0	17.3	18.1	18.0	17.3	14.7	14.2	15.0	15.6	15.1	16.2	16.9	16.5	16.6
Northern Ireland	14.9	16.2	17.4	16.9	15.8	19.5	18.8	18.9	16.0	13.8	13.2	14.6	15.1	13.9	16.4	17.4	16.9	18.2
United Kingdom	17.0	18.8	19.9	20.1	18.4	23.0	25.3	25.5	21.8	18.1	16.7	17.4	18.5	17.1	18.9	19.0	18.1	19.1

Source & Notes: As for table 40, except that data up to 1991 only is from the BSA 5 per cent sample survey, with data for later years from the DTLR/CML Survey of Mortgage Lenders.

**Table 2.3.2 Mortgage cost to income ratios for former owner-occupiers**

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Northern	15.3	15.8	17.1	17.3	15.5	19.1	22.0	22.0	19.9	17.2	15.9	15.9	15.5	14.9	16.3	15.5	15.2	15.8
Yorkshire & Humberside	15.3	17.0	17.6	17.6	16.0	20.2	24.2	22.7	21.0	17.9	16.6	17.0	16.4	15.3	16.5	16.7	15.9	16.7
North West	15.8	18.1	17.6	17.6	16.0	20.2	23.8	24.0	21.6	18.5	16.7	17.3	16.5	15.0	16.9	16.5	16.2	17.2
West Midlands	16.2	18.5	18.5	18.3	16.8	22.6	25.8	25.3	22.0	18.2	17.0	17.4	16.8	15.1	17.6	17.3	16.8	18.3
East Midlands	15.7	17.4	18.4	17.8	16.9	22.2	26.0	24.6	21.7	18.1	16.1	17.2	15.8	14.8	16.9	16.9	15.5	17.7
East Anglia	16.7	17.5	18.8	19.1	18.5	24.9	28.1	24.9	21.7	17.8	15.8	16.3	15.9	15.1	16.5	16.9	16.3	17.8
Greater London	17.0	19.0	19.9	21.6	21.2	27.2	31.3	27.4	23.6	18.9	17.1	17.9	17.1	16.2	18.5	18.8	18.1	20.4
South East	17.1	18.7	20.0	20.7	20.1	26.7	30.4	28.7	23.9	19.4	17.8	18.4	18.2	16.0	18.5	18.3	17.8	19.9
South West	17.1	19.7	19.2	19.8	18.2	25.5	29.1	25.6	22.1	18.5	16.9	17.6	16.8	15.5	17.4	17.8	17.3	18.9
Wales	15.6	17.7	18.7	18.1	16.4	21.3	24.1	23.7	20.6	17.8	16.2	16.6	16.8	14.5	16.6	16.2	15.4	17.0
Scotland	16.0	18.0	18.6	18.1	16.5	19.4	22.6	23.0	19.6	16.0	16.6	16.3	16.4	15.1	16.4	16.5	15.4	16.4
Northern Ireland	15.4	17.3	17.7	17.4	15.0	19.1	20.1	20.1	16.3	14.1	14.5	15.6	15.0	14.3	15.6	15.3	15.2	17.2
United Kingdom	16.4	18.0	18.8	19.0	17.6	23.5	26.7	25.5	22.1	18.3	16.9	17.5	17.0	15.5	17.6	17.6	16.9	18.6

Source & Notes: As for table 40, except that data up to 1991 only is from the BSA 5 per cent sample survey, with data for later years from the DTLR/CML Survey of Mortgage Lenders.

The very different characteristics of the current housing market upswing raise a number of issues. One obvious question is about the role of the inheritance of housing wealth in financing house purchase deposits. Past research has found only a very limited connection between housing market inheritance and new housing investment, and predicted a slow but long-term rise in the levels of wealth derived from housing market inheritances. However, the greater potential availability of inherited housing wealth may be a far more critical factor in determining the capacity of households to enter the market during the peak years of the housing market cycle.

And one obvious conclusion is that, at least this time around, there is no basis for any concerns that the rising house prices have been brought about in any part by imprudent lending as the major banks and building societies fight for larger market share. Indeed, the modest rises in the levels of mortgage advances and repayments, relative to incomes, and the rise in levels of deposits, all suggest that lenders have remained very mindful of the hard-learned lessons from a decade ago.

### Endowment mortgages

Last year the *Review* included some figures on levels of endowment payments by home-buyers, derived from the Family Expenditure Survey and kindly made available by the Association of British Insurers. This year a more comprehensive analysis of the Family Expenditure Survey database has been undertaken for the *Review*, and the results are set out

**Table 2.3.3 Average endowment payments for households with endowment policies***£ per week*

Country	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England	16.12	15.95	16.84	18.64	18.98	19.59
Scotland	13.77	14.72	15.40	17.06	14.28	17.56
Wales	11.62	14.37	14.46	15.15	16.54	16.59
Northern Ireland	8.32	12.09	11.42	11.98	13.46	12.81
United Kingdom	15.54	15.42	16.21	18.22	18.15	19.27

**Table 2.3.4 Percentage of home-buying households with endowment policies**

%

Country	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England	66.6	67.8	65.2	63.9	63.8	61.5
Scotland	76.9	81.7	72.8	76.7	75.0	73.2
Wales	61.2	67.2	68.4	66.4	71.7	67.8
Northern Ireland	79.1	78.8	77.6	76.0	87.2	58.5
United Kingdom	67.4	69.1	66.2	65.3	65.4	62.9

**Table 2.3.5 Average endowment payment per household with mortgage***£ per week*

Country	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
England	10.73	10.81	10.99	11.90	12.11	12.05
Scotland	10.59	12.03	11.20	13.09	10.71	12.86
Wales	7.11	9.65	9.89	10.06	11.85	11.25
Northern Ireland	6.58	9.53	8.86	9.10	11.73	7.50
United Kingdom	10.47	10.66	10.73	11.90	11.87	12.12

Source: Original analysis of Family Expenditure Survey database; supplied by Office for National Statistics.

in Tables 2.3.3, 2.3.4 and 2.3.5. These show, respectively, the average endowment payments made by each household with an endowment policy, the percentage of home-buying households with endowment mortgages, and the average endowment payment per home-buying household.

The figures are provided for each year from 1994/95, which was the first year that a specific question about endowment policies linked to house purchase was included in the Family Expenditure Survey. While the data shows the decline in the proportion of home-buying households with endowment mortgages, as they have fallen out of favour with new purchasers following the concerns about some endowment policies failing to realise a sufficient capital sum to fully redeem mortgages at the end of their term, it is still the case that three in five home-buying households currently have endowment mortgages.

Consequently, levels of endowment policy payments add significantly to the average mortgage costs of all home-buyers, and not only those that have endowment policies. Total average mortgage costs for all home-buying households can be arrived at by adding the figures in Table 2.3.5 to those in Compendium Table 45. Thus in 1999/00, the average UK home-buyer's weekly mortgage costs were £82.58, made up of £70.53 for interest and capital payments, and £12.05 for endowment payments.

It is important to note that the figures in Tables 2.3.3 to 2.3.5, and Compendium Table 45, relate to all home-buying households with a mortgage. In

contrast, the figures in Compendium Table 40, and Tables 2.3.1 and 2.3.2 above, all relate to first-time buyers and new advances to former owners *in their first year of purchase*. Next year the endowment payment tables will be incorporated into the main Compendium of tables, and will provide data for all regions. They will, however, be kept separate from Compendium Table 45 given that the information on endowment payments is only available for the last six years.

### Historic low for interest rates

In the early months of 2001 house prices have continued to rise, but nonetheless by the summer the Bank of England had reduced the base rate to 5 per cent amid mounting concerns about the world wide slow down in economic growth (see Section 2.1). The result is that interest rates for mortgages have fallen to their lowest level for more than thirty years (Compendium Table 40a).

While the economic slow down should in time see the rate of house price rises ease back to sustainable levels, the fall in interest rates could well see one last flurry of house price rises before the housing market peaks. However, if record low levels of interest rates are, in the short term, a boon to would-be first-time buyers they are also a potential danger in the years ahead, especially if the current economic down turn proves to be short lived.

Economic recovery would almost certainly bring about a return to higher interest rates, and a hike in the repayment costs for home-buying households

that purchased while interest rates were at historic low levels. The potential for such a delayed affordability crisis for first-time buyers is all the greater in the context of a low inflation economy, in which mortgage costs are only very gradually eroded as a proportion of household incomes over the lifetime of a mortgage.

Conversely, a continued or worsening economic situation would confront home-buying households with a far less effective safety net than was the case a decade ago. The proportions of households with post-October 1995 mortgages, and thus potentially excluded from any income support (or jobseeker's allowance) help with their mortgages for nine months after qualifying for the basic welfare benefit, has progressively grown. At the same time there has been only a modest rise in the numbers of households taking out private mortgage policy protection insurance (MPPI) policies.

Thus, while in the relatively benign economic and housing market conditions in 2000 levels of mortgage arrears and possessions fell to their lowest levels for more than a decade (Compendium Tables 46, 47 & 48), the potential remains for a damaging resurgence in the years ahead.

### Key Reading

*Housing Finance*, Quarterly Journal of the Council of Mortgage Lenders.

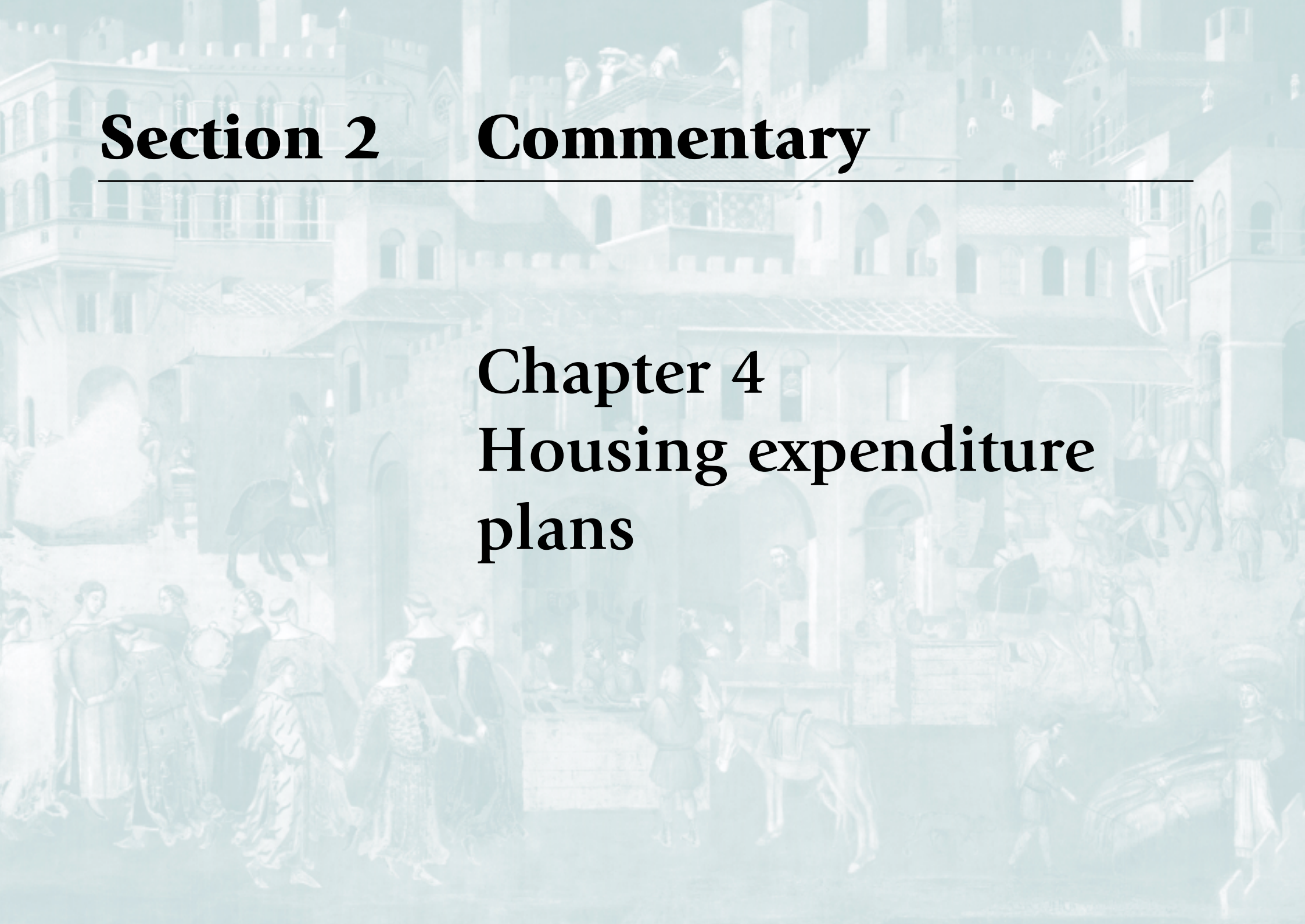
*Compendium of Housing Finance Statistics*, Council of Mortgage Lenders, 1997.

D. Rhodes and P. Kemp, *The University of York Index of Private Rents and Yields*, Centre for Housing Policy, University of York.

# **Section 2      Commentary**

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## **Chapter 4 Housing expenditure plans**



### Varying capital fortunes

The prospects for public housing investment improved markedly with the second tri-annual Spending Review, reported in last year's *Review*. However, following devolution, the decisions on the balance between capital and revenue spending are a matter for the devolved administrations, and this year the *Review* can set out the housing investment plans that have now been made for Wales (Compendium Table 70), Scotland (Compendium Table 75) and Northern Ireland (Compendium Table 82). This year's commentary focuses on the marked contrast in fortunes between England and Wales.

### On the up in England

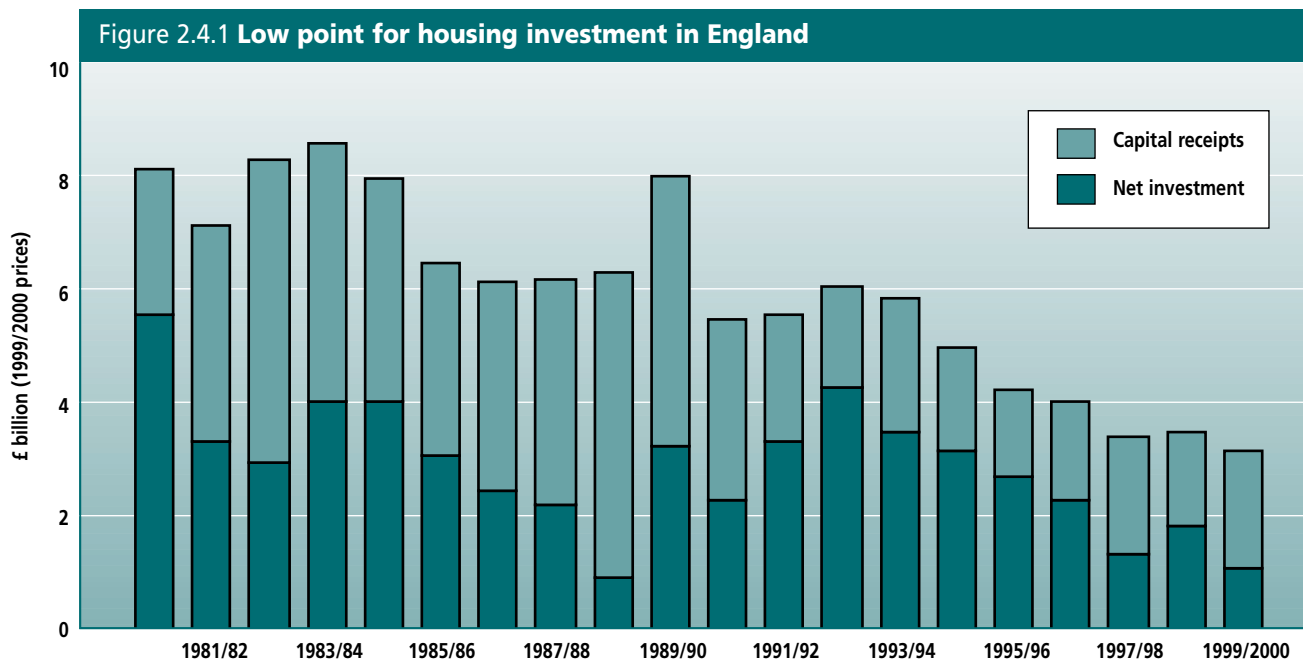
The previous Comprehensive Spending Review (CSR) had already seen the plans for future housing investment reverse the downward trend inherited from the last government. The most substantial increases from those plans have only just begun to be felt, with substantial increases in central government provision for local authority investment in 2000/01 and 2001/02. Indeed outturn investment in 1999/00 fell to a low point of just £2.42 billion (Compendium Table 57), despite the impact of the capital receipts initiative, and a sharp increase in levels of council capital receipts. In real terms gross investment in 1999/00 fell to less than two-fifths of

that achieved in the first year of the Thatcher government (Figure 2.4.1).

Last year's Spending Review (SRII) has built on the previously planned increases in provision, with further modest rises for council investment in the years to 2003/04. The main increase in capital provision, however, is a boost to the Housing Corporation capital budget, which increases by over 60 per cent in the three years to 2003/04 (Compendium Table 58). However, those increases will be required to respond to the increased costs of new house building following the recent rises in land and house prices, and the higher grant rates required as a result of rent restructuring (on which subject more below). There is not any significant increase in the planned output from the Housing Corporation (Compendium Table 94). The only substantial increase in new social housing provision will come from the £250 million to be provided over the three years to 2003/04.

### Resource accounting

With the advent of resource accounting for council housing revenue accounts in England, 2001/02 sees a switch of funding from the capital programme to finance the new major repairs allowance. Although this forms part of a revised housing subsidy provision, the major repairs allowance is shown together with the capital programmes in Compendium Table 58, to provide a more consistent presentation of the support for housing investment before and after the programme change.



Source: Compendium Table 57b.

The impact of the new revenue major repairs allowance on the overall subsidy system is shown in Compendium Table 65. As a result of the new allowances, the levels of rent surpluses from council rents applied to offset the cost of housing benefit is reduced by almost £1 billion. When parliamentary time can be found the government now plans to break the link between housing subsidy and housing benefit costs introduced under 1989 legislation. That move is, however, planned to be financially neutral, as the rent surpluses that currently continue to be applied to meet the cost of housing benefit will be collected through a form of national rent pooling and applied instead to contribute towards the national costs of the new major repairs allowances.

For the time being the resource accounting reforms only apply to England. The 1989 Act arrangements do not in any event apply in Scotland, and in both Scotland and Wales the development of proposals for council stock transfer has effectively been given a higher priority than developing firm proposals for resource accounting.

### Welsh woe

The 1998 Comprehensive Spending Review provided Wales with a similar opportunity to boost public sector capital spending. However, the then Secretary of State for Wales decided (just ahead of the establishment of the Welsh Assembly) to use most of the additional resources provided by the CSR to supplement revenue budgets. The result was a very small overall increase in public sector capital

spending, and a decline in levels of provision for housing investment, for both councils and housing associations.

The 2000 Spending review (SR11) provided the National Assembly for Wales with a second chance to boost public sector capital investment. The SR11 made provision for a 56 per cent increase in capital spending in Wales, and a 23 per cent increase in the revenue budget (now called the resource budget), over the three years to 2003/04. Once again the opportunity to make a substantial increase in levels of housing investment was rejected. Instead, central government provision will rise by just 8 per cent in cash terms over the three years to 2003/04. In other words, investment will simply move along with inflation. The increase is concentrated on local authority investment; the budget for housing association investment remains unchanged in cash terms over the three years (Compendium Table 70).

In the meantime, the last two years have seen a further fall in the levels of outturn council housing investment. On top of the cut backs in central government capital provision, local authorities in Wales collectively failed to make any net supplement to housing investment from local resources in the years 1999/00 and 2000/01. Indeed, the outturn investment figures suggest that not only did they not make any net contributions from usable receipts or local revenues, but they switched central government capital provision away from housing towards other services.

It should be stressed that this is a net collective picture for local authorities in Wales as a whole; it does not necessarily apply to every individual Welsh council. Nonetheless it is a startling outcome in a context where council house sales in Wales are generating around £14 million per annum in usable receipts, and when housing revenue accounts (Compendium Table 71b) show Welsh councils using £32 million each year from rental incomes to finance capital spending. Clearly Welsh councils, as a whole, are currently as unwilling as the National Assembly for Wales to give any priority to housing investment.

In the forecasts for future expenditure Compendium Table 70 assumes that Welsh councils will resume net contributions to housing capital investment; albeit at modest levels. If they made full use of all the resources available to them they *could* increase investment by another £30 million or so each year. However, given their recent priorities and performance this does not seem likely.

To round off this tale of Welsh woe, housing associations in Wales have backed away from a commitment, made following the 1997 election, to supplement the provision for new housing association investment in Wales with £10 million from their own resources, spread over the years 1998/99 and 1999/00. This was to be in addition to the private finance they would raise to match the public sector grants towards the cost of new housing, which was also planned to rise over those years. In practice that housing association investment failed to materialise.

In previous years the *Review* has been able to record how housing investment in Wales, under the auspices of the Welsh Office, managed to avoid the worst of the cutbacks experienced in England. Sadly, devolution in Wales has reversed that process, with the National Assembly, local authorities and housing associations all making their own contribution to prevent any recovery in levels of housing investment over the last five years (Figure 2.4.2).

### Stock transfers

In part the National Assembly refusal to prioritise additional investment for council housing investment is linked to the view that stock transfer

provides a ready mechanism for securing the necessary investment resources for major repairs and improvements to the council stock, without making any major call on the Welsh Assembly budget.

The Assembly would also like to see the system of capital controls on council housing relaxed, as could happen in England as part of the move to resource accounting budgets. Direct capital controls could be replaced by a set of 'prudential rules' under which councils can borrow – within their means – against their future revenue income. This option would be a change in the *form* of capital controls; it would not take council borrowing outside public sector

spending totals. In effect the controls on capital spending would be exercised through the levels of revenue support provided to councils, together with the 'prudential rules'.

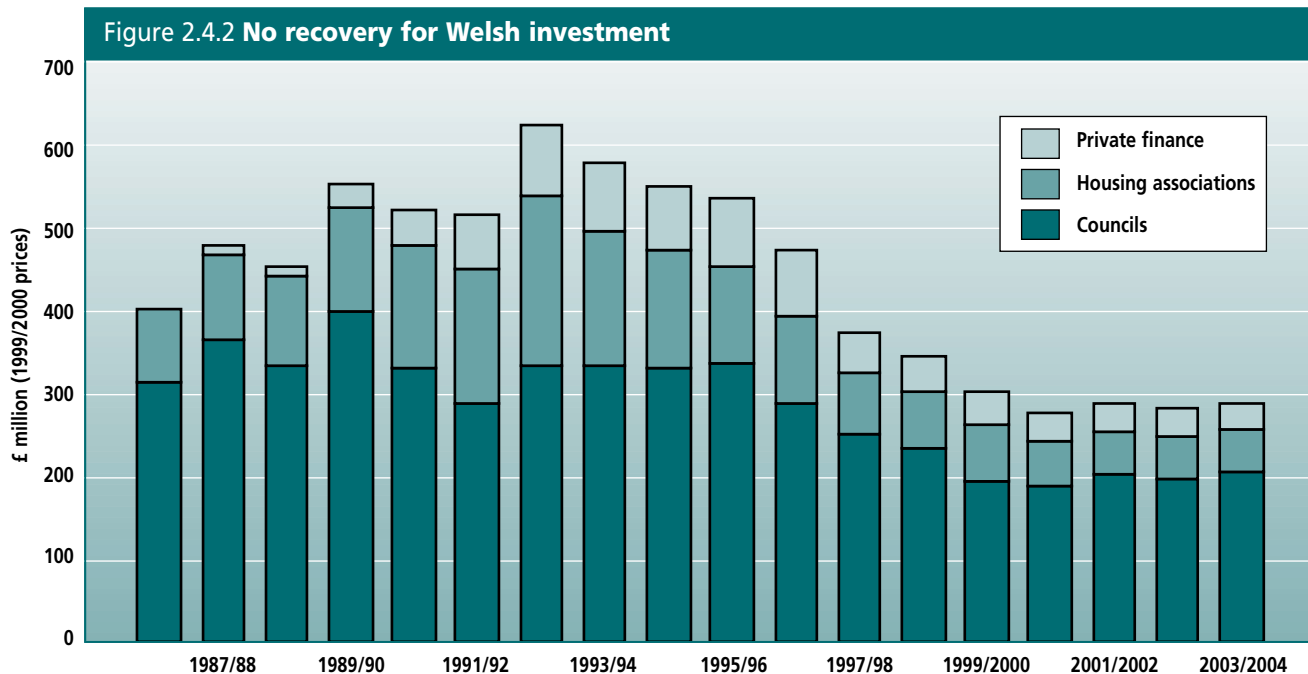
Logically under this approach an increase in capital borrowing would require an increase in revenue funding to support that borrowing. In other words it does not avoid the need for the Welsh Assembly to increase its budgetary provision if there is to be an increase in council housing investment. Recent priorities suggest that this is not likely.

If large scale council stock transfers are on the future agenda in Wales, and even more so in Scotland, in the meantime the stock transfer programme continues apace in England. Last year saw another 132,000 dwellings transferred to new landlords by seventeen councils. The largest transfer was the 20,125 dwellings transferred by Coventry council; the smallest transfer in the programme was the selective transfer of just 659 dwellings by Manchester City Council (Compendium Table 63b).

It remains to be seen whether large scale stock transfers will gain sufficient local political and tenant support in Scotland and Wales to proceed on anything like the same scale as in England.

### Rent restructuring

Following the Green Paper consultations a new framework for rent policy will apply to both local authorities and RSLs in England from April 2002.



Source: Compendium Table 70.



Rent policy in Scotland and Wales is not directly affected by this new policy, which will apply within England only.

The key features of the new English rent policy are:

- Council rents, in aggregate to rise at rate of RPI plus 1.5 per cent.
- RSL rents, in aggregate, to rise at rate of RPI plus 0.5 per cent.
- Guideline rents to be based on a 70 per cent earnings and 30 per cent capital values formula.
- The earnings element in the formula is varied in relation to the size of the dwelling.
- The new policy is to be phased in over a ten year period, with a £2 per week annual maximum rent rise (after adding the annual RPI related increase).
- Landlords are to be given 5 per cent discretion on compliance with guideline rents.
- RSL conformity with the new rent policy framework is also subject to an overriding concern that they should continue to meet contractual obligations to lenders.
- New rent policy framework to be reviewed after 3 years.

The new policy is intended to bring some consistency into the rent policies of different social landlords, in a context where sharp local differences have emerged over the last decade, particularly between individual housing associations. However, the elements of discretion in the new framework, and long phasing period mean that it will be some time before the new rent policy has any major

impact. There are also a number of questions about the final shape of the new policy, and how far it will eradicate the inconsistencies between different social sector landlords.

The choice of a rent policy formula linked to both earnings and capital values reflects the dual concerns of rent policy with the issues of the value of dwellings, and the affordability of rents. The balance between the factors is important in practice because the 'north-south' variations in property values are both more volatile and far greater than the north-south variations in earnings. The new policy, based on 70 per cent earnings and 30 per cent capital values for both sectors, together with the different RPI formulas, should over time bring council and RSL rents closer together, both locally and nationally. There are, however, some concerns about how the new rent policy will work in practice. Those concerns focus not on the basic policy stance, but rather on some of the more 'technical' aspects of the way in which the policy is to be implemented.

#### *Uncertain values*

The intended movement towards more consistent rents, both between and within the council and RSL sectors will only occur if the stock valuations undertaken by individual councils and RSLs are consistent. 'Valuation' is a far from precise science, and the relatively relaxed approach being taken to valuation methodologies, and monitoring landlords' valuations, mean that the outcome of this exercise could generate some quite marked discrepancies.

The capital values formula is also based on average 1999 valuations undertaken for DETR on the sample of council and RSL dwellings that were surveyed as part of the 1996 English House Condition Survey. It is far from likely that the average valuations now to be undertaken by a range of methodologies for individual landlords will precisely correspond with those derived from the DETR survey.

#### *Earnings measures*

The earnings element of rents is to be calculated from a formula based on average county manual earnings: the same indicator that is currently applied in the rent subsidy formula for councils. While, on average, this will account for 70 per cent of rents, because of the far greater north-south variation in capital values in northern regions, the earnings component will, in practice, tend to constitute an even greater element of the overall target rents.

Unlike the capital values element, the earnings component of the rent formula does have the merits of certainty, as it is based on specified New Earnings Survey data. There still remain a number of concerns about the use of average *manual* earnings as the indicator. Full-time manual jobs account for just one-third of all full-time jobs, and they are disproportionately male jobs – excluding the very substantial numbers of low paid female jobs in the non-manual sector.

The mix of male/female, manual/non-manual, high pay/low pay jobs also varies significantly from county to county, reflecting the structure of the local

economy. There are consequently some major anomalies between the county level profile of average manual earnings, and measures of lower paid jobs within the overall full-time labour market. These can be seen in Table 2.4.1. This shows that the selection of average manual earnings as the indicator will mean far higher rents in the areas of the counties of Cleveland, Cumbria, Humberside and Merseyside, and some other northern areas, than

would have been the case if a more consistent low pay measure was utilised.

At the same time, an earnings measure based on the whole labour market would create a major anomaly for London. This is because of the very substantial numbers of inward commuters (some 30 per cent of all London workers) including many for high paid non-manual jobs such as those in the City. These

imperfections in the current earnings data sets could have been minimised by using an all earnings measure (i.e. covering both the manual and non manual sectors) for the country as a whole, but with the London figures discounted to reflect the impact of commuting. As it is the London problem has been 'solved' by using the manual earnings measure, but at the cost of sundry anomalies in many northern counties.

The government has also subsequently agreed to limit rent levels in areas with exceptionally high levels of capital values. While at the time of writing the details have yet to be announced, this relaxation of the formula is likely to apply only to some very expensive parts of inner London. However, in some northern areas the new rent policy will compound existing problems of low demand for council and RSL stock. This is because the earnings dominated formula will generate rents above levels prevailing in the private sector. These difficulties will be most acute for the lettings of smaller dwellings, where rents will be required to increase most under the new policy.

**Impact on landlords**

The changes in rent levels will also have a marked impact on RSL and council business plans. RSLs are not, at least initially, being offered any similar financial assistance to adjust to the new rent policy. Instead they are being offered the option of exemptions from the requirements of the rent policy, if they can show that this is essential for their viability and to permit them to continue

**Table 2.4.1 DTLR and alternative rent policy earnings measures**

County	DTLR measure		Alternative measure		Difference between Indexes
	Average Manual £pw	Index	All lower earnings £pw	Index	
Cleveland	338.40	107.0	177.95	88.4	18.5
Cumbria	323.70	102.3	177.80	88.4	14.0
Humberside	318.40	100.6	180.22	89.6	11.1
Derbyshire	321.10	101.5	182.30	90.6	10.9
Merseyside	324.90	102.7	186.50	92.7	10.0
Cheshire	322.00	101.8	185.30	92.1	9.7
Nottinghamshire	298.00	94.2	171.40	85.2	9.0
Shropshire	295.40	93.4	169.90	84.4	8.9
Wiltshire	313.90	99.2	183.00	90.9	8.3
Isle of Wight	288.50	91.2	167.00	83.0	8.2
Northamptonshire	328.50	103.8	193.80	96.3	7.5
Dorset	293.90	92.9	171.80	85.4	7.5
Tyne & Wear	307.90	97.3	180.90	89.9	7.4
Bedfordshire	343.70	108.6	203.80	101.3	7.4
North Yorkshire	299.60	94.7	176.26	87.6	7.1
Warwickshire	326.10	103.1	193.70	96.3	6.8
South Yorkshire	299.10	94.5	176.90	87.9	6.6
Greater London	354.10	111.9	244.90	121.7	- 9.8
England	316.40	100.0	201.23	100.0	0.0

Source: New Earnings Survey. 'All lower earnings' figures are the average of the lowest and second lowest decile earnings. The table only shows those counties with more than a 6% difference between the indexes.

to meet their financial obligations to private lenders.

For councils, the new rent policy will operate through the rent formulas and regulations that are part of the housing subsidy system. In broad terms this means if the new policy leads to an increase in the levels of local target rents, then there would be an offsetting reduction in subsidy. Conversely, if local target rents are reduced, then there would be an offsetting increase in subsidy.

Currently, average council rents are more than £6 per week higher than the subsidy guidelines (Compendium Table 66), and the additional rental income is used both to supplement management and maintenance budgets, and to fund additional investment in stock refurbishment. The new target rent regime for councils is proposed to be more tightly linked with limits on housing benefit subsidy, and over time this will gradually squeeze revenue and capital budgets. The councils most affected will be those that had rents well above target levels before limits were introduced on annual rent increases eligible for subsidy in 1996/97.

In overall terms the proposed new rent policy will not, thus, be financially neutral. It remains to be seen whether the proposals are modified following the completion of the consultation period for these proposals in October 2001. In either case there will be plenty of work for the planned review of the new rent regime in three years' time.

### Scotland and Northern Ireland

There have been some important developments in housing policy in Scotland over the last year, particularly associated with the passage of new housing legislation through the Scottish Parliament. However, rather less has changed on the financial front.

Following the Spending Review, increased provisions for housing investment have again been channelled through new initiatives, rather than adding to the levels of general provision for council housing investment (Compendium Table 76), or very much to the current budget for housing association investment (Compendium Table 77). There is a marked increase in the budget for the revamped 'warm deal' initiative, to combat fuel poverty (and indirectly to reduce levels of greenhouse emissions through improved energy efficiency), from £13 million in 2000/01 to £58 million in 2003/04.

There remains a big question mark hanging over the substantial budget for the 'community ownership' programme (formerly known as 'new housing partnerships'). Provision for this runs at over £100 million per annum, as compared to the £180 million for borrowing by councils for investment on their existing housing stock. That level of budgetary provision presumes that Glasgow and many other Scottish councils will successfully undertake large scale stock transfers in the next few years. The outcome of the forthcoming tenant ballot on the proposed 84,000 dwelling Glasgow stock transfer will consequently have major implications for

national housing policy and budgetary provisions in Scotland.

A fuller account of developments in the expenditure plans and housing finance policies in Scotland and Northern Ireland will be included in next year's edition of the *Review*.

### Key Reading

*Annual Report 2001*, Cm 5105, Department of the Environment, Transport and the Regions, The Stationery Office, 2001.

*Making a Difference for Scotland: Spending Plans for Scotland 2001-02 to 2003-04*, Scottish Executive, 2001.

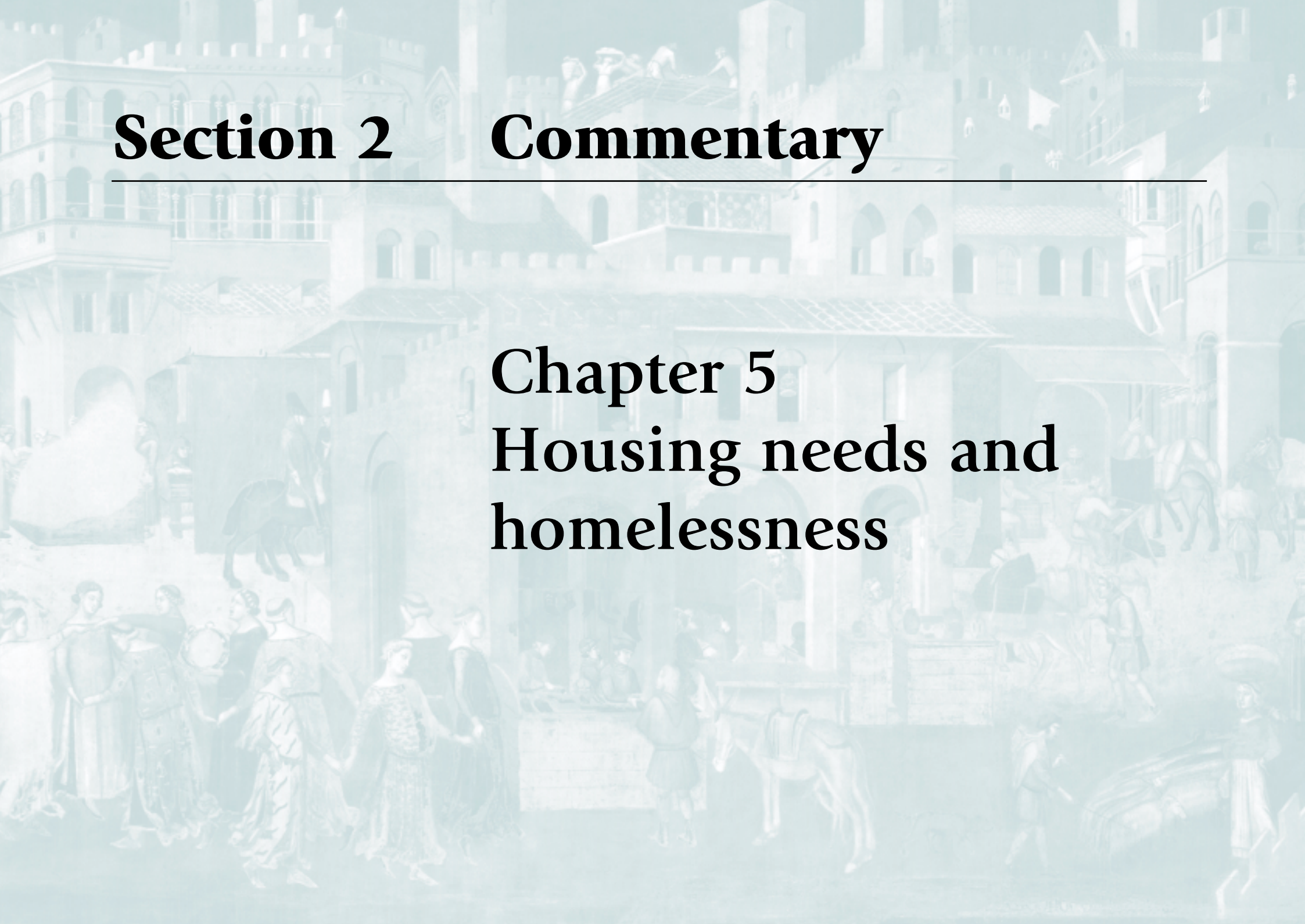
*Guidelines to Social Rent Reforms*, DETR, December 2000.

*HRA subsidy and rent restructuring: A Consultation paper*, DTLR, July 2001.

# **Section 2      Commentary**

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## **Chapter 5 Housing needs and homelessness**



Last year saw a further sharp rise in the numbers of homeless households in temporary accommodation, to record levels (Figure 2.5.1). As in the previous year the main increase was in London, but there was also an appreciable rise in the south-east (Compendium Table 88).

The key to much of the rise in households in temporary accommodation was the continuing fall in the numbers of council lettings available for new tenants in London, down from 40,400 in 1996/97, to 37,300 in 1997/98, 32,000 in 1998/99 and just 28,100 in 1999/00 (Compendium Table 91). While there was a 5 per cent increase in the level of

homeless acceptances in England in 2000 the largest increases were in the south-east and the south-west; there was only a marginal increase in the level of homeless acceptances in London (Compendium Table 88).

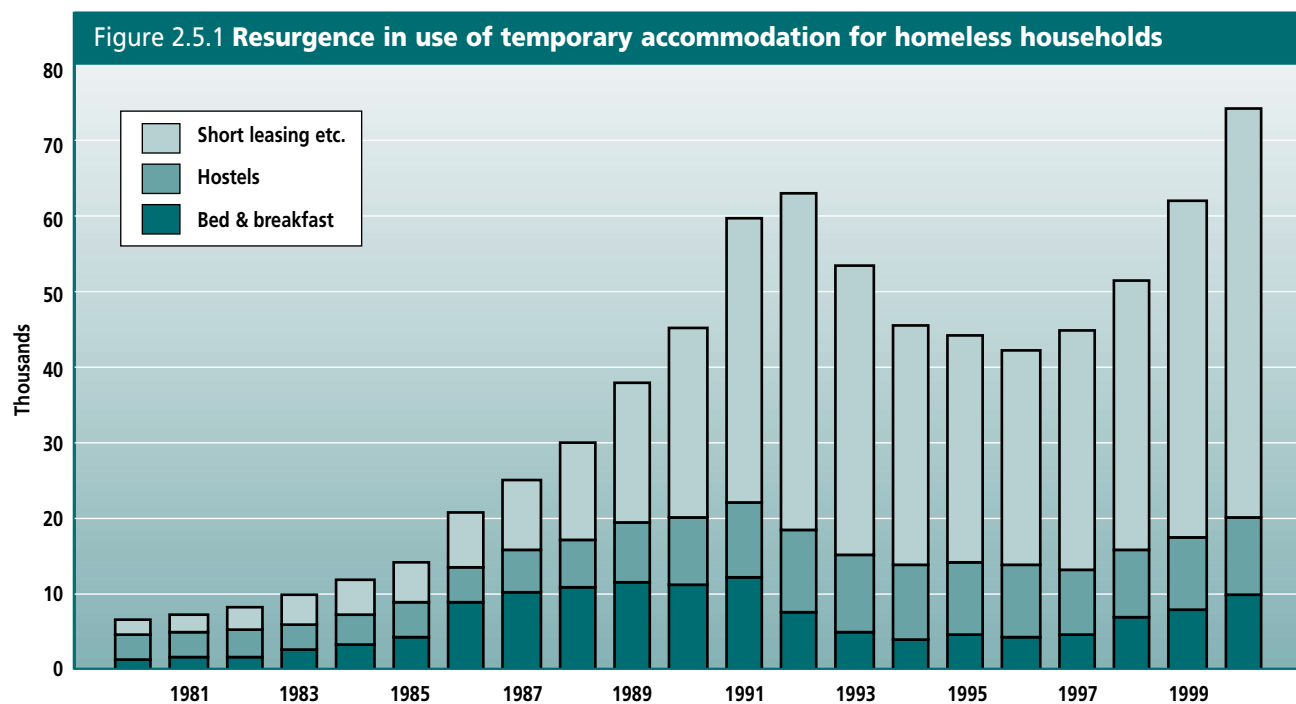
Similarly, despite the continuing growth of the sector, there was no increase in national RSL lettings to new tenants in the year (Compendium Table 93). Within London the numbers of RSL lettings made available to local authority nominees rose by just 2 per cent to 10,800, and a rather higher percentage of the nominees rehoused were homeless households compared to the previous year.

Nonetheless, RSLs in London made lettings to just over 4,400 homeless nominees, while councils in London rehoused some 9,000 homeless households. In other words, between them, councils and RSLs in London managed to make lettings to less than a half of the homeless households accepted during the course of the year.

The immediate cause of the rise in the numbers of homeless households in temporary accommodation in London is clearly the continuing rise in house prices (see Commentary 2.3), which have progressively reduced the opportunities for council and RSL tenants to move into home-ownership, while at the same time making it more difficult for all households with modest incomes to secure private accommodation in the capital.

### Limited supply

A further contributory factor to the unprecedented levels of homeless households in temporary accommodation has been the continuing decline in the building of new social rented dwellings. In England as a whole the output of rented dwellings from the Housing Corporation's development programme has been halved over the last four years, with just under 21,000 rented dwellings provided in 1999/00 (Compendium Table 94b). In London the numbers of newly built RSL dwellings fell to some 2,850 in 1999/00; compared to just over 5,000 four years earlier. Moreover, it is estimated that the output from the Housing Corporation fell again in 2000/01, and will continue at similar low levels for the foreseeable future.



Source: Compendium Table 85.

As argued in last year’s *Review*, the government has failed to ensure an adequate supply of affordable housing, partly because of the uncertainties caused by the emergence of low demand for social housing, and partly as a result of giving undue credence to econometric modelling based on unrealistic assumptions.

That case is made, with the usual detail and rigour, in the latest analysis of housing demand and need undertaken by Alan Holmans<sup>1</sup>. Working from the 1996 household projections (and the more recent 1998 population projections) Alan concludes that over the twenty year period to 2016 there is an annual requirement for some 83,000 new affordable dwellings, to meet the housing needs of households unable to secure unassisted accommodation in the

private sector (Table 2.5.1). Of that, he concludes that some 50,000 dwellings are required each year in the southern regions of England.

While Alan’s fundamentally demographic modelling (projecting forward current household and housing market relationships) cannot provide a guide to the year on year cyclical fluctuations in homelessness and housing need, his robust conclusions are a reminder that current policies are simply insufficient to cope with housing needs over the medium term, and thus inherently prone to crisis in the peak years of housing market cycles.

### Regional variations

A number of useful analyses of housing needs dealing with different parts of the country have been

undertaken and published during the last year. The new Greater London Assembly produced two reports<sup>2</sup> that in slightly different ways emphasised the need to take a broader view of both the assessment of housing needs, and the policy measures used to respond to those needs.

### London

The GLA reports argued for the creation of an ‘intermediate housing market’, in particular to make it easier to recruit and retain ‘key workers’ such as teachers and nurses for London’s essential public services, and for more extensive use of the planning system to require new developments in London to provide a higher proportion of affordable dwellings. They also effectively made a strong case for a substantial share of the government’s new starter home initiative funding (see Commentary 2.4) to be deployed in London.

At the same time the reports recognised that the solutions to these difficulties cannot be wholly met either by housing policy initiatives, or by policies solely related to London. At least a part of the problem in recruiting and retaining key workers in London is the inadequate levels of ‘London weighting’ payments added to nationally determined salary scales. It is many years since the levels of those payments were derived from an independent formula, and the nationally dominated negotiating machineries for public sector pay are not best suited to deal with regional variations in cost of living, and the associated recruitment problems for high cost areas.

**Table 2.5.1 Newly arising housing demand and need, 1996 to 2016**

*Totals over 20 years (Thousands)*

	<i>Total need</i>	<i>Effective demand</i>	<i>Net need</i>
	All housing	Owner-occupied & market rented	Affordable housing
Net increase in households	3,547	2,904	643
Increase in secondary residences	100	100	0
Net increase in vacant dwellings	165	124	41
Adjustment for sales to sitting tenants	0	- 785	785
Net increase in housing stock	3,812	2,343	1,469
New provision to offset demolitions and other losses	740	540	200
New provision demanded and needed	4,552	2,883	1,669
Annual average new provision demanded and needed	228	144	83

Source: Housing demand and need in England 1996-2016, A Holmans, NHF and TCPA, 2001.

## M 62

Outside London and the south there are continuing difficulties with declining levels of housing demand in a number of urban areas affected by long term economic decline. All too many local housing needs studies continue to fail to engage with a housing market analysis that takes account of the implications of long-term economic and demographic trends. And despite some useful recent guidance from the (then) DETR<sup>3</sup>, all too many housing needs studies have a relatively short-term focus.

In this context the study of changing housing markets and urban regeneration in the M62 corridor, undertaken by a team from the Centre for Urban and Regional Studies in Birmingham, deserves a special mention<sup>4</sup>. Drawing on a wide ranging socio-economic analysis it highlights those particular localities at risk of falling housing demand, predominantly as a result of the decentralisation of both employment and working households away from the older urban areas associated with declining traditional industries.

## Northern Ireland

A new study of affordable housing in Northern Ireland has also just been published<sup>5</sup>. While concluding that there is not a widespread problem of housing affordability in Northern Ireland, at least as compared to that in the south of England, the report goes on to identify some localised difficulties, and makes a number of useful recommendations to

improve the smooth functioning of the market, and to ensure the supply of affordable housing throughout Northern Ireland.

## References

1. Alan Holmans, *Housing demand and need in England 1996-2016*, National Housing Federation and Town and Country Planning Association, 2001.
2. *Homes for a World City: the Report of the Mayor's Housing Commission*, Greater London Authority, 2000; *Key issues for key workers*, Final report of the Affordable Housing Scrutiny Committee, Greater London Authority, 2001
3. *Local Housing Needs Assessment: a Guide to Good Practice*, Department of the Environment, Transport and the Regions, 2000.
4. B. Nevin, P. Lee, L. Goodson, A. Murie and J. Phillimore, *Changing Housing Markets and Urban Regeneration in the M62 Corridor*, Centre for Urban and region Studies, The University of Birmingham, 2001.
5. S. McGreal, J. Berry, L. Brown and A. Murie, *Affordable housing in the private sector in Northern Ireland*, Northern Ireland Housing Executive, 2001.

## Key Reading

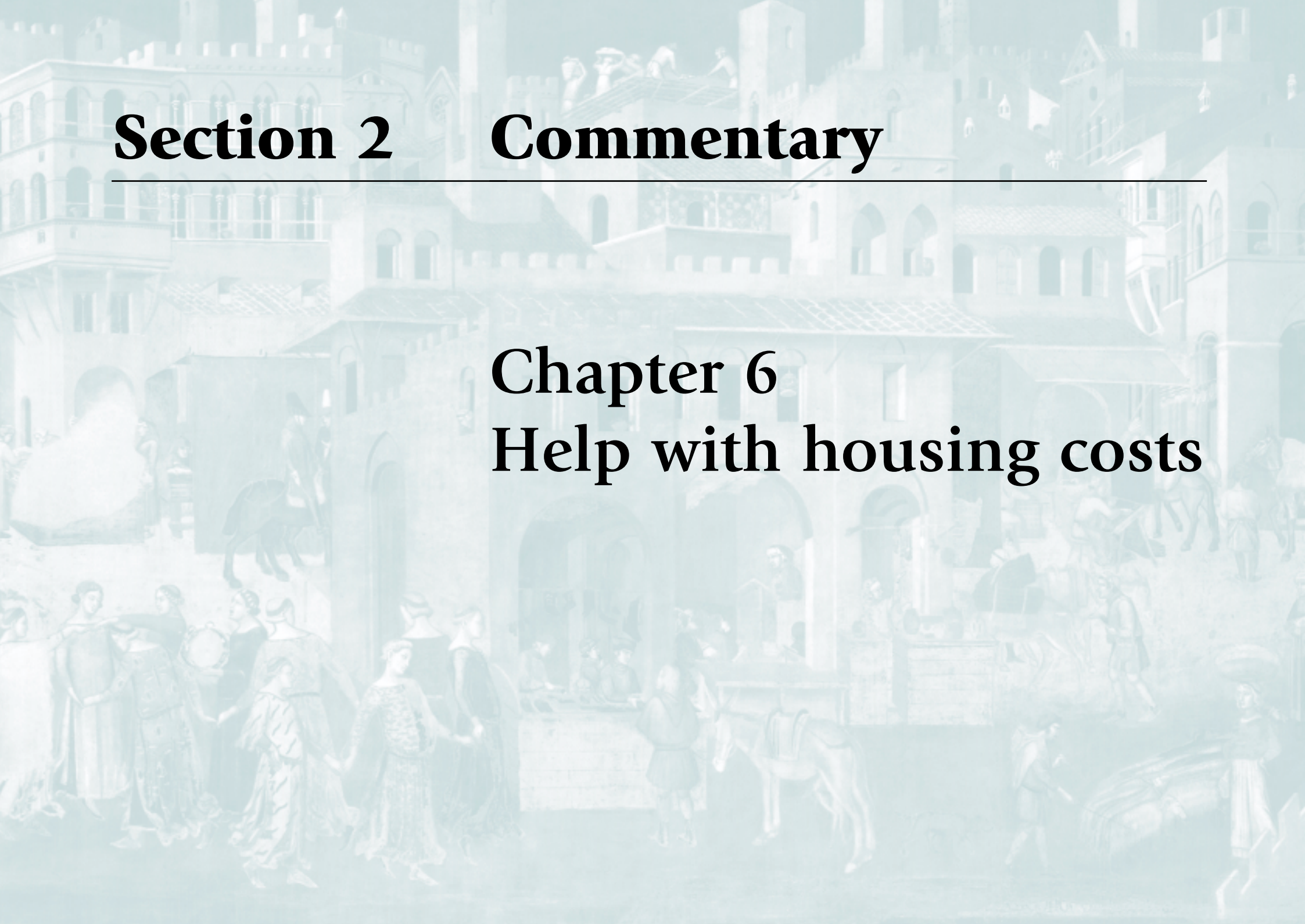
*Homeless Statistics*, Department of Transport, Local Government and the Regions

Also see the above references.

# **Section 2      Commentary**

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## **Chapter 6 Help with housing costs**





### Home-owner taxes

Following the abolition of mortgage interest tax relief in April 2000, a number of commentators have begun to press the case for the ending of the home-owners' exemption from capital gains tax, particularly in the light of the continuing sharp rises in house prices.

Indeed those rises have seen the estimated notional value of that relief rise to £3.3 billion in 2000/01. However, that estimate makes no provision for 'roll over relief', where the proceeds of a house sale are wholly applied towards the purchase of another dwelling. Such 'rollover' relief is typically applied in countries that do apply capital gains tax to home-owners. Moreover, the Inland Revenue also acknowledges that the abolition of the relief would impact on the market, and in practice this would further reduce the yield from that abolition.

Home-owners' residences are not, however, exempt from inheritance tax, although there is a relief covering the transfer of residences to surviving spouses. In the most recent year for which data is available (1997/98) the value of residential dwellings (£9.5 billion) represented 36 per cent of the total assets in the estates with net values above the threshold level subject to Inheritance Tax. Total receipts from inheritance (and capital transfer) tax in 1999/00 are estimated at £2 billion, and on the basis of the value of residential dwellings as a proportion of total assets, the level of inheritance tax attributable to the value of housing wealth can be crudely assessed at some £700 million.

Inheritance tax also clearly bears more strongly on higher income home-owners, and in particular those in the south of England, given the relatively high threshold for estate values before they become liable (£234,000 for 2000/01). For higher income home-owners inheritance tax thus serves to capture an element of the wealth held in residential dwellings that might otherwise be captured by capital gains tax.

### Stamp duty

Home-owners also make a substantial contribution to the Exchequer by way of stamp duty. Stamp duty is a transaction tax, levied every time a dwelling is bought or sold, and does not have any underlying

economic rationale. It is simply a well established and easily collected form of taxation. The recent rises in house prices, plus the successive hikes in the rates at which higher value dwellings are subject to the duty, have begun to see a sharp rise in the annual level of stamp duty collected by the Exchequer.

In 1999/00, for example, stamp duty on the sale of residential dwellings in the UK rose by almost two-thirds to £1,835 million (Table 2.6.1). This rise reflected partly the rise in house prices during the year, and partly the increase in the rate of duty payable on dwellings valued at over £250,000 (2.5 per cent) and £500,000 (3.5 per cent).

**Table 2.6.1 Stamp duty on residential dwellings**

*£ million*

Region	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
North	105	125	130	105	40	65	70	75	85	100	115	175
Midlands	115	100	100	80	35	40	50	50	75	85	100	150
London	250	165	145	120	60	110	120	115	165	235	320	600
South	530	335	325	260	110	205	230	185	285	370	460	745
Wales	25	25	20	15	10	10	10	10	15	20	20	30
Scotland & Northern Ireland	40	50	55	50	25	35	40	40	50	75	95	140
United Kingdom	1,065	820	770	630	280	465	520	465	675	875	1,110	1,835

Source: Inland Revenue Statistics 2000, and earlier volumes.

Note: The 'South' includes the south-east, south-west and east anglia regions; the 'Midlands' the west and east midlands, and the 'North' comprises all the English regions north of the midlands.

There will be a further marked rise in the yield from stamp duty in 2000/01, as from April 2000 the rates of stamp duty for higher value dwellings have been raised to 3 per cent and 4 per cent respectively. The March 2000 budget estimated that these changes, in themselves, would add a further £290 million to the yield from stamp duty.

However, the rise in house prices has a disproportionate impact on the yield from stamp duty. As dwellings increase in value a higher proportion of them become liable to the higher rate of duty, which is then payable on the whole value of the dwelling, not just the element of value above the higher level threshold. Similarly, at the other end of the housing market, more dwellings will become liable to pay the duty at the basic 1 per cent rate, as their values increasingly exceed £60,000. This lower level threshold has not been increased since 1993.

In a small concession at the lower end of the market the Chancellor announced in the March 2001 budget that stamp duty will be abolished for all property transactions in the most disadvantaged areas, to encourage urban renewal. The estimated value of that exemption is £60 million in 2001/02, rising to £100 million in 2002/03. However, those broad estimates were made in advance of any definition of 'disadvantaged areas', and in practice the value may be lower.

The yield to the Exchequer from stamp duty broadly balances (if not exceeds) any realistic estimate of the potential yield of capital gains tax on residential

dwellings relief in practice, once the market effects and the impact of 'roll over' relief have been applied.

### Private renting benefit decline

The number of households receiving housing benefit (HB) in the private rented sector continues to decline sharply. It has now fallen in every consecutive quarter since February 1996, following the introduction of the local reference rent limits on eligible rents. In February 1996 there were 1,155 thousand HB claimants in the private rented sector. Between May 1996 and May 2000 the numbers of claimants fell 30 per cent, from 1,141 thousand to 814 thousand (See Compendium Table 109a). By November 2001 the number of claimants had fallen to just 757 thousand.

While the local reference rent, and subsequently the single room rent limits, have been an important factor in the decline in the numbers of claimants in the private rented sector, other factors are also involved. In 1996 regulations were changed so that housing benefit became payable in arrears. There has also been a decline in unemployment over the period (although this dates from 1993 and did not prevent the numbers of HB claimants in the private sector rising until 1996).

The introduction of the more generous working families tax credit in October 1999 will also have contributed to the decline in HB claimant numbers since that date (see below), and it also seems likely that council and government anti-fraud measures have had some impact – both directly, and indirectly

by exacerbating problems with administrative delays for many councils.

Over the same period from May 1996 to May 2000 there was also a much smaller 10 per cent fall in the numbers of HB claimants in the council and RSL sectors, from 3,621 thousand to 3,257 thousand. This is a strong indication that the changes in the HB system particular to the private rented sector (i.e. rent limits and payment in arrears) have been the major factor in the decline in the numbers of HB claimants able to secure accommodation in that sector.

### Benefits spending

Largely as a result of the declining numbers of HB claimants, particularly in the private rented sector, levels of government expenditure on housing benefit have been significantly lower than projected in the Expenditure Plans inherited from the previous government (see Table 2.6.2).

The decline in rent rebate expenditure relative to earlier plans reflects in part the process of stock transfer, that has reduced the overall size of the council housing sector. At the same time this has contributed to the growth of the RSL sector, with a consequent rise in HB spending on RSL tenants that has offset the decline in spending on private sector tenants within the overall totals for rent allowance spending. The numbers of council HB claimants (rebates) fell from 2,898 thousand in May 1996 to 2,288 thousand in May 2000, while the numbers of RSL HB claimants rose from 723 thousand to 931 thousand.

Altogether, taking the four years from 1997/98 to 2000/01, comparisons between successive Expenditure Plans shows that the government has saved almost £5 billion against the projections it inherited from the previous government. However, the latest claimant figures show a further decline in HB claimant numbers, and the government will secure further substantial savings (of some £1.5 billion) against the estimates included in the 2000 expenditure plans, increasing the overall savings in government HB spending over the four year period to some £6.5 billion.

### Working families tax credit

The working families tax credit (WFTC) scheme introduced in October 1999 was more generous than the family credit scheme it replaced. The value

of WFTC has also been increased in real terms since it was first introduced, and the 2001 budget announced a further £5 per week increase in WFTC benefits to be introduced in June 2001.

By August 2000 the numbers of WFTC claimants had risen to 1,089 thousand, a 38 per cent increase on the numbers claiming family credit a year earlier. It is not yet clear whether that increase is wholly a result of the more generous scheme, or whether there has also been an increase in take up rates as a result of the publicity launching the new scheme, and its administrative transfer to the Inland Revenue.

In either case the increased generosity of the scheme will have removed some working families from housing benefit dependency. From April 2001 a lone

parent with one child earning just £124.50 per week (gross), with the additional substantial income from WFTC, could meet a £50 per week rent without needing to claim housing benefit. However, a couple with one child would need to earn £165 per week to meet the same rent level without resorting to HB.

This difference in HB dependency between lone parents and couples with children results from the restricted allowances for lone parents under the HB (and income support) schemes (Compendium Table 112), which contrast with the identical allowances for lone parents and couples that are a feature of WFTC.

### Key Reading

*Social Security Departmental Report*, The Government's Expenditure Plans 2001/02 – 2002/03, Cm 5115, The Stationery Office 2001.

*Social Security Statistics 2000*, Department of Social Security, The Stationery Office, 2000.

*Housing Benefit and Council Tax Benefit, Summary Statistics*, Quarterly Series, Department of Social Security.

*Inland Revenue Statistics 2000*, Inland Revenue, The Stationery Office, 2000.

*The Ready Reckoner: Housing Costs, Benefits and Measures of Affordability*, 2001/02 Edition, The Housing Corporation, 2001.

**Table 2.6.2 Housing benefit expenditure**

£ million

	1996/97	1997/98	1998/99	1999/2000	2000/01
<b>Rent rebates</b>					
Cm 3613	5,636	5,645	5,700	5,800	[5,800]
Cm 4614	5,569	5,498	5,405	5,405	5,372
<b>Rent allowances</b>					
Cm 3613	5,887	6,005	6,550	7,200	[7,200]
Cm 4614	5,810	5,682	5,667	5,842	6,108
<b>Total</b>					
Cm 3613	11,523	11,650	12,250	12,950	[12,950]
Cm 4614	11,380	11,180	11,072	11,247	11,480
Difference	- 143	- 470	- 1,178	- 1,703	- 1,470

Note: Cm3613 did not extend to 2001/02, so the projected expenditure for 1999/2000 is also used as a baseline for 2001/02.





# Section 3 Compendium of tables

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Housing, the economy  
and public expenditure

Table 1 Key economic trends

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Gross Domestic Product</b>															
£ billion (Cash)	51.4	105.5	230.5	355.3	556.2	584.5	608.2	639.4	677.6	714.0	756.1	805.4	851.7	891.0	934.4
£ billion (1995 prices)	417.4	462.4	505.7	560.6	659.5	649.8	650.3	665.4	694.6	714.0	732.2	757.9	777.9	795.7	819.9
% annual real growth	2.7	2.2	1.9	2.2	3.5	- 1.5	0.1	2.3	4.4	2.8	2.5	3.5	2.6	2.3	3.0
<b>Claimant unemployment</b>															
000s	–	796	1,364	3,028	1,661	2,286	2,765	2,901	2,619	2,306	2,103	1,585	1,348	1,248	1,089
%	2.5	3.1	5.1	10.9	5.8	8.0	9.7	10.3	9.3	8.0	7.3	5.5	4.7	4.3	3.7
<b>Inflation %</b>	6.4	24.2	18.0	6.1	9.5	5.9	3.7	1.6	2.4	3.5	2.4	3.1	3.4	1.5	3.0
<b>Interest rates %</b>	7.0	11.0	14.0	11.5	14.0	10.5	7.0	5.5	6.3	6.5	6.0	7.3	6.3	5.5	6.0

Sources: UK National Accounts, Economic Trends, Financial Statistics.

Notes: Gross Domestic Product is shown at current (YBHA) and 1995 market prices (ABMI). For the years to 1990 the annual real growth rates are averages for the preceding 5 year period. Claimant unemployment figures are seasonally adjusted (BCJD & BCJE). Inflation is the General Index of Retail Prices (CZBH). Interest rates are the year end base rates of selected retail banks, except for 1970 which is the bank rate.

Table 2 Average male and female earnings in Great Britain

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>£ per week</b>															
All full-time men	30.0	60.8	124.5	192.4	295.6	318.9	340.1	353.5	362.1	374.6	391.3	408.7	427.1	442.4	453.3
All full-time women	16.3	37.4	78.8	126.4	201.5	222.4	241.1	252.6	261.5	269.8	283.0	297.2	309.6	326.5	337.6
Full-time manual men	26.8	55.7	111.7	163.6	237.2	253.1	268.3	274.3	280.7	291.3	301.3	314.3	328.5	335.0	343.9
Full-time manual women	13.4	32.1	68.0	101.3	148.0	159.2	170.1	177.1	181.9	188.1	195.2	201.1	210.8	221.9	227.9
<b>Percentages</b>															
All women's earnings as a % of all men's earnings	54.3	61.5	63.3	65.7	68.2	69.7	70.9	71.5	72.2	72.0	72.3	72.7	72.5	73.8	74.5
All manual women's earnings as a % of all manual men's earnings	50.0	57.6	60.9	61.9	62.4	62.9	63.4	64.6	64.8	64.6	64.8	64.0	64.2	66.2	66.3

Sources: Regional Trends, New Earnings Surveys.

Note: Earnings figures are inclusive of overtime.

Table 3 Household disposable income, consumer spending and savings<sup>1</sup>

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
£ billion															
Household disposable income	32.1	67.7	146.2	222.5	357.3	391.3	424.8	452.8	468.9	495.3	522.1	555.5	569.5	599.2	622.0
– Consumer spending	31.2	64.4	135.8	212.4	347.9	368.9	388.0	413.1	434.5	454.9	486.2	517.9	551.8	585.5	611.7
= Savings	0.9	3.3	10.4	10.1	9.4	22.4	36.8	39.7	34.4	40.4	35.9	37.6	17.7	13.7	10.3
Savings ratio <sup>2</sup> (%)	2.8	4.9	7.1	4.5	2.6	5.7	8.7	8.8	7.3	8.2	6.9	6.8	3.1	2.3	1.7
Increases over previous years <sup>3</sup> :															
Household disposable income															
% (Cash)		22.2	23.2	10.4	9.9	9.5	8.6	6.6	3.6	5.6	5.4	6.4	2.5	5.2	3.8
% (Constant prices)		3.2	2.5	1.8	4.3	1.4	3.7	3.0	1.3	2.6	2.1	3.9	0.1	3.6	3.0
Consumer spending															
% (Cash)		21.3	22.2	11.3	10.4	6.0	5.2	6.5	5.2	4.7	6.9	6.5	6.5	6.1	4.5
% (Constant prices)		2.7	2.0	2.4	4.7	- 1.8	0.5	2.9	2.9	1.7	3.6	4.0	4.0	4.5	3.6

Sources: UK National Accounts; Economic Trends & Financial Statistics for latest data.

Notes: 1. Households include non-profit institutions serving households.

2. The 'Savings ratio' is the ratio of savings to household disposable income (unadjusted for changes in net equity of households in pension funds).

3. For the years to 1990 the increases are the average annual increase over the previous five years. 'Real' disposable income and consumer expenditure increases are calculated with reference to the deflator for household consumption expenditure (YBFS).

**Table 4 Measures of employment and unemployment***Thousands*

	1979	1984	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Employees	22,704	20,982	22,656	22,887	22,531	22,018	21,812	21,929	22,235	22,643	23,121	23,554	23,978	24,395
+ Self-employed	1,825	2,694	3,528	3,572	3,416	3,227	3,184	3,301	3,361	3,300	3,351	3,280	3,202	3,139
+ Training programmes	–	318	498	471	437	388	364	342	290	254	224	179	163	149
+ Unpaid family workers	–	–	–	–	–	181	151	146	140	127	118	102	101	108
= Total in employment	24,785	24,019	26,689	26,935	26,400	25,812	25,511	25,717	26,026	26,323	26,814	27,116	27,442	27,793
+ ILO unemployed	1,480	3,216	2,075	1,974	2,414	2,769	2,936	2,738	2,460	2,340	2,037	1,776	1,752	1,619
= Total economically active	26,258	27,235	28,764	28,909	28,813	28,581	28,447	28,455	28,486	28,663	28,852	28,892	29,194	29,412
Economically inactive	15,624	16,606	16,214	15,198	16,413	16,728	16,954	17,032	17,155	17,172	17,184	17,361	17,237	17,189
Claimant unemployed	1,087	2,874	1,835	1,594	2,164	2,695	2,949	2,690	2,335	2,186	1,670	1,360	1,288	1,112

Sources: Economic Trends, Labour Force Survey Historical Supplement, Office for National Statistics.

Notes: Claimant unemployment figures are for the second quarter of the year. All other figures are from the Labour Force Survey for the Spring of each year.

The Labour Force definitions of unemployment and inactivity apply for 1979. Thereafter, the ILO definition (based on a four week instead of a one week job search period) applies.



**Table 5 Regional claimant unemployment rates at 1st quarter in year***Percentages*

Region	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
North East	–	3.7	6.9	15.5	9.1	9.8	11.0	12.0	12.1	11.0	10.5	8.6	7.5	7.3	6.6	5.7
Yorkshire & The Humber	2.7	2.1	3.9	11.2	6.2	7.3	9.0	9.9	9.5	8.3	7.9	6.6	5.5	5.3	4.7	4.1
North West	–	2.6	4.4	11.1	5.8	6.7	8.5	9.1	8.7	7.3	6.7	5.4	4.3	4.0	3.3	3.0
Merseyside	–	4.0	6.9	18.4	12.1	12.7	14.0	14.5	14.6	13.2	12.7	11.3	9.4	8.4	7.9	6.9
West Midlands	1.8	2.0	3.9	12.1	5.4	6.7	9.4	10.6	10.0	8.0	7.3	5.8	4.6	4.6	4.2	3.9
East Midlands	2.1	1.9	3.2	9.3	4.6	5.9	8.1	9.2	8.6	7.3	6.9	5.3	4.0	3.8	3.6	3.3
East	–	1.6	2.4	7.5	2.9	4.8	7.4	9.1	8.2	6.4	6.1	4.5	3.3	3.0	2.7	2.2
London	–	1.4	2.5	8.1	4.4	6.3	9.2	11.0	10.5	9.1	8.7	7.0	5.2	4.7	4.0	3.4
South East	–	1.4	2.1	6.7	2.4	4.2	6.8	8.4	7.4	5.9	5.3	3.8	2.7	2.4	2.0	1.6
South West	2.7	2.4	3.4	8.5	3.6	5.4	8.1	9.3	8.2	6.7	6.3	4.8	3.5	3.3	2.7	2.1
Wales	3.9	3.0	5.1	12.9	6.3	9.2	9.9	10.4	9.4	8.2	8.0	6.8	5.5	5.3	4.5	4.2
Scotland	3.8	2.9	5.7	12.0	8.0	7.8	8.6	9.3	9.1	7.8	7.5	6.8	5.6	5.3	4.9	4.3
Great Britain	2.4	2.2	3.8	10.1	5.1	6.4	8.6	9.8	9.2	7.8	7.3	5.9	4.6	4.3	3.8	3.3
Northern Ireland	6.5	4.6	8.1	15.3	12.9	12.5	13.5	14.0	13.0	11.6	11.0	8.8	7.5	7.0	5.5	5.1
United Kingdom	2.5	2.2	3.9	10.2	5.3	6.6	8.7	9.9	9.3	7.9	7.4	5.9	4.6	4.3	3.8	3.3

Source: Economic Trends.

Notes: Figures are seasonally adjusted, consistent with current coverage. Figures from 1997 are affected by the introduction of the jobseeker's allowance. Figures for government office regions are unavailable for the years prior to 1974, except where they coincide with standard statistical regions.

**Table 6 Personal housing wealth, borrowing and net equity***£ billion*

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Net equity	37.1	105.9	262.5	430.3	864.6	837.6	751.4	758.3	737.3	721.3	811.1	895.4	1,075.3	1,233.3	1,502.1
+ House loans	11.5	25.0	52.5	127.4	294.1	319.9	339.9	357.6	375.8	390.3	409.6	431.6	456.6	493.8	534.4
= Gross assets	48.6	130.9	315.0	557.7	1,158.7	1,157.5	1,091.3	1,115.9	1,113.1	1,111.6	1,220.7	1,327.0	1,531.9	1,727.1	2,036.5
Index of growth of gross assets	15.4	41.6	100.0	177.0	367.8	367.5	346.4	354.3	353.4	352.9	387.5	421.3	486.3	548.3	646.5
Deflator for gross domestic capital formation	24.3	50.7	100.0	129.2	173.6	173.9	167.8	168.1	172.1	181.2	186.6	185.1	185.5	189.3	192.2
Index of real growth of gross assets	63.4	82.1	100.0	137.0	211.9	211.3	206.4	210.8	205.3	194.8	207.7	227.6	262.2	289.6	336.4

Sources: UK National Accounts, Economic Trends, Office for National Statistics; Financial Statistics Table 3.2c; author's estimate of 2000 gross assets.

Note: The personal sector includes housing association and non-corporate private landlords. See Table 41 for net equity estimates for home-owners.

**Table 7 Equity withdrawal***£ million*

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Net mortgage lending	3,613	7,368	19,118	33,287	25,973	18,415	16,647	19,213	15,165	19,105	23,834	25,228	38,385	40,444
+ Private housing grants	78	159	697	519	482	599	613	606	560	529	429	385	379	315
- Domestic capital formation	2,725	6,115	9,683	16,867	15,577	16,246	17,124	18,285	18,784	20,467	22,018	24,001	25,996	27,682
- Council house sales	24	786	1,240	2,215	1,447	1,229	1,227	1,088	991	936	1,183	1,160	1,530	1,700
= Equity withdrawal	942	626	8,892	14,724	9,431	1,539	- 1,091	446	- 4,050	- 1,769	1,062	452	11,238	11,377
Consumer spending £bn	62.9	132.7	206.6	336.5	357.8	377.1	399.1	419.3	438.5	467.8	498.3	530.8	562.9	589.2
Equity withdrawal as % of consumer spending	1.50	0.47	4.30	4.38	2.64	0.41	- 0.27	0.11	- 0.92	- 0.38	0.21	0.09	2.00	1.93

Sources: Mortgage lending – Financial Statistics (AAPR); Private housing grants – Housing and Construction Statistics; Domestic capital formation – Economic Trends (DFDF); Council house sales – UK National Accounts (CTCS); Consumer spending – Economic Trends (ABPB).

Notes: 2000 figures for private housing grants and council house sales are estimates based on data for the first three quarters of the year. Equity withdrawal peaked in 1988, when it was £19.8 billion and 6.98% of consumer spending.

Table 8 **Gross fixed investment in residential buildings as a percentage of Gross Domestic Product<sup>1</sup>**

Percentages

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Average 1985-98
Germany <sup>2</sup>	6.7	5.8	6.8	5.5	5.3	5.2	5.2	5.3	5.6	6.3	6.9	7.3	8.0	7.9	7.7	7.6	7.1	6.9	6.7
Canada	4.1	5.6	4.7	5.4	6.2	7.1	7.1	7.3	6.3	5.6	5.9	5.6	5.6	4.6	4.8	5.2	5.1	5.2	5.7
Japan	7.0	7.6	6.9	4.8	4.9	5.8	6.1	6.0	6.1	5.5	5.1	5.3	5.7	5.3	5.8	-	-	-	5.6
Netherlands	-	-	6.2	5.0	5.1	5.3	5.8	5.6	5.2	4.8	5.1	5.0	5.1	5.6	5.8	6.0	5.8	5.9	5.5
Australia	4.9	4.9	4.9	5.1	4.5	4.5	5.3	5.3	4.7	4.7	5.2	5.5	5.6	4.8	4.7	5.1	5.3		5.1
Italy	6.4	5.5	5.3	6.1	5.6	5.2	5.2	5.2	5.4	5.5	5.6	5.5	5.2	4.9	4.7	4.5	4.3	4.4	5.0
New Zealand	-	6.6	3.5	4.5	4.4	4.5	4.2	4.7	4.7	4.1	4.2	4.7	5.4	5.5	5.8	5.8	4.9	-	4.9
Ireland	3.8	5.6	6.5	4.7	4.7	4.3	3.9	4.1	4.3	4.4	4.8	4.2	5.1	5.3	6.1	6.7	7.3	8.0	4.8
France	6.7	7.3	6.2	5.5	5.3	5.3	5.0	4.9	4.7	4.5	4.3	4.2	4.3	4.3	4.1	4.0	4.0	-	4.5
USA	3.8	3.5	3.9	4.6	5.1	5.0	4.8	4.4	3.9	3.4	3.7	4.0	4.2	4.0	4.2	-	-	-	4.2
Belgium	5.6	6.3	6.5	3.1	3.0	3.2	3.9	4.4	4.7	4.1	4.3	4.3	4.7	4.4	4.6	4.7	4.7	0.0	4.2
Sweden	5.6	4.0	4.7	4.4	4.1	4.4	5.0	5.4	5.9	6.5	5.9	3.5	2.1	1.5	1.7	1.3	1.4	1.6	3.4
United Kingdom	3.2	3.9	2.8	3.4	3.7	3.9	4.5	4.4	3.8	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.1	3.3

Sources: National Accounts Vol II, OECD 1984, 1998 &amp; 2000.

Notes: 1. Gross fixed investment in dwellings and Gross Domestic Product are at market prices.

2. The Federal Republic as constituted before reunification for the years until 1990.

Table 9 **Growth of real Gross Domestic Product***Average annual percentage changes from previous period*

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Estimates and projections		
														2000	2001	2002
Japan	2.9	3.6	5.0	4.6	3.8	1.0	0.3	0.6	1.5	5.1	1.6	- 2.5	0.2	1.9	2.3	2.0
USA	- 1.3	- 0.5	3.2	3.3	- 0.5	3.1	2.7	4.0	2.7	3.6	4.4	4.4	4.2	5.2	3.5	3.3
Belgium	- 1.4	4.3	0.8	3.1	1.9	1.6	- 1.5	3.0	2.6	1.2	3.4	2.4	2.7	3.8	3.1	2.9
France	- 0.3	1.6	1.9	3.2	1.1	1.3	- 0.9	1.8	1.8	1.1	1.9	3.2	2.9	3.3	2.9	2.5
Germany	- 1.3	1.0	2.0	3.4	5.0	2.2	- 1.1	2.3	1.7	0.8	1.4	2.1	1.6	3.0	2.7	2.5
Italy	- 2.7	4.1	2.6	2.9	1.4	0.8	- 0.9	2.2	2.9	1.1	1.8	1.5	1.4	2.8	2.7	2.6
Netherlands	- 0.1	0.9	2.6	3.1	2.3	2.0	0.8	3.2	2.3	3.0	3.8	4.1	3.9	4.5	3.9	3.4
Spain	0.6	1.3	2.6	4.5	2.3	0.7	- 1.2	2.3	2.7	2.4	3.9	4.3	4.0	4.1	3.5	3.1
Sweden	2.7	1.7	1.9	2.3	- 1.1	- 1.6	- 2.4	4.1	3.7	1.1	2.0	3.0	3.8	4.0	3.2	2.4
UK	- 0.7	- 2.2	3.8	3.3	- 1.5	0.1	2.3	4.4	2.8	2.6	3.5	2.6	2.2	3.0	2.6	2.3
European Union	2.9	3.2	1.5	3.3	1.8	1.1	- 0.4	2.7	2.4	1.7	2.5	2.7	2.4	3.4	3.0	2.7

Source: Annex Table 1, OECD Economic Outlook, December 1991 and December 2000.

Note: The figures for 1975, 1980, 1985 and 1990 are the annual average percentage changes over the previous five years.

Table 10 **General Government Financial Balances as a percentage of Gross National Product***Surpluses (+) or Deficits (-)*

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Estimates and projections 2000 2001 2002			Difference and EMU Criteria
Japan	- 2.8	- 4.4	- 0.8	2.9	2.9	1.5	- 1.6	- 2.3	- 3.6	- 4.2	- 3.3	- 5.0	- 7.0	- 6.0	- 6.0	- 5.7	- 3.0
USA	- 4.1	- 1.3	- 5.0	- 4.3	- 5.0	- 5.9	- 5.0	- 3.6	- 3.1	- 2.2	- 0.9	0.3	1.0	2.3	2.6	2.7	5.3
Belgium	- 5.3	- 9.3	- 10.3	- 6.7	- 7.4	- 8.0	- 7.3	- 5.0	- 4.3	- 3.8	- 1.9	- 0.9	- 0.7	- 0.1	0.3	0.7	2.9
France	- 2.4	0.0	- 3.0	- 2.1	- 2.4	- 4.2	- 6.0	- 5.5	- 5.6	- 4.1	- 3.0	- 2.7	- 1.8	- 1.4	- 0.1	- 0.8	1.6
Germany	- 5.6	- 2.9	- 1.1	- 2.0	- 3.0	- 2.5	- 3.1	- 2.4	- 3.3	- 3.4	- 2.7	- 2.1	- 1.4	- 1.4	- 1.7	- 1.2	1.6
Italy	- 12.9	- 8.6	- 12.2	- 11.0	- 10.0	- 9.5	- 9.4	- 9.1	- 7.6	- 7.1	- 2.7	- 2.8	- 1.9	- 0.1	- 1.0	- 0.8	2.9
Netherlands	- 2.8	- 3.9	- 4.1	- 5.7	- 3.2	- 4.4	- 3.6	- 4.2	- 4.2	- 1.8	- 1.1	- 0.7	1.0	1.6	1.0	1.3	4.6
Spain	- 0.5	- 2.2	- 5.5	- 4.1	- 4.3	- 4.0	- 6.7	- 6.1	- 6.6	- 4.9	- 3.2	- 2.6	- 1.1	- 0.3	0.2	0.4	2.7
Sweden	2.8	- 4.0	- 3.7	4.0	- 1.1	- 7.4	- 11.9	- 10.8	- 7.9	- 3.4	- 2.0	1.9	1.9	3.4	3.3	3.8	6.4
UK	- 4.5	- 3.4	- 2.9	- 1.5	- 2.8	- 6.5	- 8.0	- 6.8	- 5.8	- 4.4	- 2.0	0.4	1.3	2.7	2.2	1.8	5.7

Source: Annex Table 30, OECD Economic Outlook, December 2000.

Note: The EMU Coverage Criteria is for General Government Financial Deficits of no more than 3% of Gross Domestic Product.

Table 11 **The Budget Economic Forecast<sup>1</sup>**

	Percentage changes on a year earlier unless otherwise stated					
	2000	Forecast <sup>2</sup>			Average errors from past forecasts <sup>3</sup>	
		2001	2002	2003	2001	2002
<b>Output at constant market prices</b>						
Gross domestic product (GDP)	3	2¼ to 2¾	2¼ to 2¾	2¼ to 2¾	½	¾
Manufacturing output	1½	1¾ to 2	1½ to 2	1½ to 2	¾	2¼
<b>Expenditure components of GDP at constant market prices</b>						
Domestic demand	3¾	3¾ to 3½	2¾ to 3¼	2¼ to 2¾	½	1¼
Household consumption <sup>4</sup>	3¾	3¾ to 3½	2½ to 3	2¼ to 2¾	½	1¼
General government consumption	2½	4¼	3¼	3	1	1¼
Fixed investment	2¼	5½ to 5¾	3 to 3½	3½ to 4	1½	2¼
Change in inventories <sup>5</sup>	½	- ½	¼	- ¼	¼	½
Export of goods and services	7½	5½ to 5¾	4¾ to 5¼	5½ to 6	1¾	2½
Imports of goods and services	8¾	7½ to 7¾	6¼ to 6¾	5½ to 6	2	3
<b>Balance of payments current account</b>						
£ billion	- 14	- 21¾	- 25¼	- 25	7	9
Per cent of GDP	- 1½	- 2¼	- 2½	- 2¼	¾	¾
<b>Inflation</b>						
RPIX (fourth quarter)	2	2	2½	2½	½	½
Producer output prices (fourth quarter) <sup>6</sup>	1¾	1¾	2	2	½	1¼
GDP deflator at market prices (financial year)	1¾	2¼	2½	2½	¾	1
<b>Money GDP at market prices (financial year)</b>						
£ billion	935	978 to 982	1,025 to 1,033	1,073 to 1,086	8	12
Percentage change	5	4¾ to 5	4¾ to 5¼	4¾ to 5¼	¾	1¼

Source: Budget 2001, HM Treasury, March 2001, HC279, The Stationery Office.

Notes: 1. The forecast is consistent with output, income and expenditure data to the fourth quarter of 2000, released by the Office for National Statistics on 23 February 2001.

2. The size of the growth ranges for GDP components may differ from those for total GDP growth because of rounding and the assumed invariance of the levels of public spending within the forecast ranges.

3. Average absolute errors for year-ahead projections made in Spring forecasts over the past ten years. The average errors for the current account are calculated as a per cent of GDP with £ billion figures calculated by scaling the errors by forecast money GDP in 2001 and 2002.

4. Includes households and non-profit institutions serving households.

5. Contribution to GDP growth, percentage points.

6. Excluding excise duties.

Table 12a **Total Managed Expenditure (TME)**

	£ billion					Percentages of Gross Domestic Product				
	Outturn	Estimate	Projections			Outturn	Estimate	Projections		
	1999/00	2000/01	2001/02	2002/03	2003/04	1999/00	2000/01	2001/02	2002/03	2003/04
Departmental Expenditure Limits	179.3	194.2	212.3	228.5	245.1	19.8	20.5	21.4	22.1	22.6
+ Annually Managed Expenditure	164.1	174.0	181.4	189.2	197.5	18.1	18.4	18.3	18.3	18.2
= Totally Managed Expenditure	343.5	368.3	393.7	417.8	442.6	37.9	38.9	39.8	40.3	40.8
Gross Domestic Product	907	946	990	1,036	1,085	100.0	100.0	100.0	100.0	100.0

Table 12b **General government receipts**

	£ billion					Percentages of Gross Domestic Product				
	Outturn	Estimate	Projections			Outturn	Estimate	Projections		
	1999/00	2000/01	2001/02	2002/03	2003/04	1999/00	2000/01	2001/02	2002/03	2003/04
Income Tax (net of tax credits)	92.5	101.8	104.1	-	-	10.3	10.8	10.6	10.4	10.7
+ Value Added Tax	56.4	59.0	61.3	-	-	6.2	6.2	6.2	6.2	6.1
+ Corporation Tax	34.4	32.1	37.8	-	-	3.6	3.2	3.4	3.4	3.2
+ Excise duties	45.2	48.3	49.1	-	-	3.8	3.9	3.7	3.7	3.6
+ Council tax and business rates	28.8	31.1	32.2	-	-	3.2	3.3	3.3	-	-
+ Other taxes and royalties	20.7	24.7	24.5	-	-	2.3	2.6	2.5	-	-
+ Social security contributions	56.4	60.1	62.6	-	-	6.2	6.4	6.3	6.2	6.2
+ Other receipts and accounting adjustments	23.8	26.2	26.8	-	-	2.6	2.8	2.7	2.8	2.8
= Current receipts	358.7	383.2	398.4	416	432	39.6	40.5	40.2	40.1	39.8

Table 12c **Public sector budgets and borrowing**

	£ billion							Percentages of Gross Domestic Product						
	Outturn	Estimate	Projections					Outturn	Estimate	Projections				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Current receipts <sup>1</sup>	358.7	383.2	398	416	432	453	473	39.6	40.5	40.2	40.1	39.8	39.9	39.8
– Current expenditure	325.3	346.0	367	386	407	426	446	35.9	36.6	37.1	37.3	37.5	37.5	37.5
– Depreciation	14.6	14.9	15	16	17	17	18	1.6	1.6	1.6	1.5	1.5	1.5	1.5
= Current budget surplus (deficit)	18.7	22.3	16	14	8	9	9	2.1	2.4	1.6	1.3	0.8	0.8	0.8
Gross capital investment	23.0	26.3	30	35	39	41	43	2.5	2.8	3.1	3.4	3.6	3.6	3.6
– Asset sales	4.8	4.1	4	4	4	4	4	0.5	0.4	0.4	0.4	0.3	0.3	0.3
– Depreciation	14.6	14.9	15	16	17	17	18	1.6	1.6	1.6	1.5	1.5	1.5	1.5
= Net capital investment	3.5	7.4	11	15	19	20	21	0.4	0.8	1.1	1.5	1.7	1.8	1.8
Public Sector Net Borrowing	- 15.2	- 15.0	- 5	2	10	11	12	- 1.7	- 1.6	- 0.5	0.2	0.9	1.0	1.0
General Government Net Borrowing <sup>2</sup>	- 15.8	- 15.6	- 5	1	10	11	12	- 1.7	- 1.7	- 0.5	0.1	0.9	0.9	1.0
General Government Gross Debt	396.7	383.7	372	375	388	405	423	43.7	40.6	37.6	36.1	35.7	35.6	35.6

Sources: Various tables, Financial Statement and Budget Report 2001, HC 279, HM Treasury, The Stationery Office 2001.

Notes: 1. Current receipts (and consequently the related measures) include windfall tax receipts and associated spending.

2. General Government Net Borrowing as defined by ESA 95 accounting conventions. This measure replaces the General Government Financial Deficit (GGFD).



Table 13 Government expenditure and borrowing in cash and real terms, and as a percentage of Gross Domestic Product

£ billion

	1970/71	1975/76	1980/81	1985/86	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
<b>Components of public expenditure</b>																	
Public sector current expenditure	17.1	44.2	96.9	148.8	202.5	227.7	247.4	261.7	274.8	286.8	298.1	305.6	312.7	325.3	346.0	367.0	386.4
+ Depreciation	2.1	5.2	11.1	12.5	14.7	13.2	12.7	12.7	13.3	14.0	13.8	13.9	14.3	14.6	14.9	15.5	16.0
+ Public Sector Net Investment	3.2	6.0	4.1	4.1	7.2	10.1	11.8	9.9	9.3	8.9	4.7	3.8	4.1	3.5	7.4	11.2	15.3
= Total Managed Expenditure (TME)	22.4	55.4	112.1	165.4	224.4	251.0	271.9	284.3	297.4	309.8	316.6	323.2	331.0	343.5	368.3	393.7	417.8
<b>Public expenditure at 1999/00 prices</b>																	
Public sector current expenditure	152.8	208.4	230.9	261.4	265.4	281.2	295.9	304.9	315.7	320.3	322.5	321.5	319.9	325.3	340.0	351.9	361.5
Public Sector Net Investment	28.6	28.3	9.8	7.2	9.4	12.5	14.1	11.5	10.7	9.9	5.1	4.0	4.2	3.5	7.3	10.7	14.3
Total Managed Expenditure	200.2	261.2	267.1	290.5	294.1	310.0	325.2	331.2	341.7	346.0	342.5	340.0	338.6	343.5	362.0	377.5	390.8
<b>Public sector borrowing and debt</b>																	
Public Sector Net Borrowing (PSNB)	- 0.3	7.8	10.9	8.4	4.0	21.3	47.5	50.8	43.3	35.1	27.7	7.4	- 4.9	- 15.2	- 15.0	- 5.0	2.0
General Government Net Borrowing (GGNB)	- 1.1	5.3	8.5	9.2	7.0	20.8	46.5	50.7	45.0	36.5	29.2	7.6	- 5.1	- 15.8	- 15.6	- 5.0	1.0
General Government Gross Debt (GGD)	40.9	67.6	127.5	189.2	189.7	205.3	249.3	299.3	340.4	377.3	399.8	404.5	403.2	396.7	383.7	372.0	375.0
<b>Gross Domestic Product (GDP)</b>																	
Cash GDP	52.6	110.3	235.6	361.4	562.7	589.8	612.6	647.2	685.9	722.4	766.4	814.5	856.7	907.0	946.0	990.0	1,036.0
GDP at 1999/00 prices	470.1	520.0	561.4	634.8	737.6	728.4	732.6	754.0	788.0	806.8	829.2	856.9	876.3	907.0	929.7	949.3	969.1
GDP deflator index	11.19	21.21	41.97	56.93	76.29	80.97	83.62	85.83	87.04	89.54	92.43	95.05	97.76	100.00	101.75	104.29	106.90
<b>Public spending measures as a percentage of Gross Domestic Product</b>																	
Total Managed Expenditure	42.5	49.5	47.0	45.7	39.9	42.4	44.2	43.9	43.2	42.9	41.2	39.6	38.6	37.9	38.9	39.8	40.3
Public Sector Net Borrowing	- 0.6	7.0	4.6	2.3	0.7	3.6	7.7	7.8	6.3	4.9	3.6	1.0	- 0.3	- 1.7	- 1.6	- 0.5	0.2
General Government Net Borrowing	- 2.0	4.8	3.6	2.5	1.2	3.5	7.6	7.8	6.5	5.1	3.8	0.7	- 0.7	- 1.7	- 1.7	- 0.5	0.1
General Government Gross Debt	77.7	58.7	52.9	49.5	33.3	34.4	40.4	46.3	49.6	52.4	52.4	49.6	46.8	43.7	40.6	37.6	36.1

Sources: Public Expenditure Cm 5101, HM Treasury March 2001, Economic and Fiscal Strategy Report and Financial Statement and Budget Report, HC 279, HM Treasury March 2001, HM Treasury.

Note: Estimated borrowing and forecasts for 2001/02 onwards are given to the nearest £ billion, as are the GDP estimates and forecasts from 1999/00.

Table 14 **Public sector capital expenditure**

£ billion

	1980/81	1985/86	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Central government	4.3	6.6	11.3	12.4	12.3	11.2	10.6	10.1	8.1	7.5	7.9	7.5	7.8
+ Local government	4.0	4.7	5.8	6.9	7.1	6.5	7.1	7.0	5.7	5.8	5.9	6.2	7.7
= General government	8.3	11.2	17.2	19.3	19.4	17.7	17.6	17.1	13.8	13.3	13.7	13.7	15.5
+ Public corporations	7.0	5.4	4.7	4.1	5.1	4.9	5.0	5.9	4.6	4.4	4.6	4.4	4.5
= Total public sector capital expenditure	15.2	16.7	21.9	23.4	24.5	22.6	22.6	22.9	18.5	17.7	18.4	18.1	20.0
Total public sector capital expenditure at 1999/00 prices	37.0	29.8	29.2	29.4	29.8	26.8	26.5	26.1	20.4	19.0	19.1	18.4	20.0
Total public sector capital expenditure as a % of GGE	13.6	10.1	9.8	9.3	9.0	7.9	7.6	7.4	5.8	5.5	5.5	5.3	5.5
Total public sector capital expenditure as a % of GDP	6.4	4.6	3.9	3.9	4.0	3.5	3.3	3.2	2.4	2.2	2.1	2.0	2.1

Source: National Accounts First release (26/6/01), Office for National Statistics, HM Treasury.

Notes: Capital expenditure is shown on a National Accounts basis. Capital spending figures are net of receipts from the sale of physical assets, but not depreciation.

Table 15a Total Managed Expenditure by function

£ billion

	1980/81 <sup>1</sup>	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimated	2000/01 % of total expenditure
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	
Social security	24.2	43.1	46.3	48.4	49.6	52.6	58.9	69.9	79.2	86.4	88.8	92.8	96.5	97.4	99.4	103.2	105.6	32.7
Health & personal social services	14.0	20.6	22.2	24.4	26.9	29.4	32.9	37.2	40.9	43.0	46.2	48.8	50.9	53.2	56.1	61.2	67.2	20.8
Education	12.8	16.8	18.5	20.3	21.9	24.4	26.3	29.1	31.4	33.1	34.7	35.6	36.1	37.2	38.8	40.9	45.9	14.2
Defence	11.5	18.0	18.2	18.7	19.0	20.6	21.5	22.7	22.7	22.6	22.4	21.6	21.3	20.9	22.6	22.5	23.6	7.3
Law, order & protective services	4.0	6.6	7.2	8.1	9.0	10.2	11.5	13.0	14.2	14.8	15.3	15.7	16.2	16.9	17.3	18.8	20.6	6.4
Trade, industry, energy & employment	4.8	8.0	8.0	6.6	8.0	7.6	8.8	9.2	9.7	10.1	9.5	9.2	8.8	8.6	8.9	9.3	11.4	3.5
Other environmental services	3.8	3.9	4.6	4.8	4.9	5.9	6.6	7.3	7.8	7.5	8.1	8.5	8.2	8.4	8.4	8.5	9.9	3.1
Transport	4.3	6.8	6.7	6.7	7.0	8.0	9.7	10.9	12.6	11.8	12.1	11.5	10.1	9.2	8.7	8.6	9.2	2.8
Culture, media & sport	1.0	1.7	1.8	2.0	2.2	2.6	2.8	2.9	3.0	3.0	3.3	3.5	3.7	4.2	4.7	5.3	5.5	1.7
Agriculture, fisheries, food & forestry	1.6	2.9	2.2	2.4	2.2	2.2	2.9	3.1	3.2	4.1	3.7	4.2	6.0	5.2	5.1	4.8	5.2	1.6
<b>HOUSING</b>	<b>5.6</b>	<b>4.2</b>	<b>4.1</b>	<b>4.2</b>	<b>3.2</b>	<b>5.2</b>	<b>4.9</b>	<b>5.8</b>	<b>6.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.0</b>	<b>4.6</b>	<b>3.7</b>	<b>3.7</b>	<b>3.0</b>	<b>3.5</b>	<b>1.1</b>
Overseas services & aid	1.3	1.6	1.7	1.7	2.0	2.2	2.4	2.7	3.0	3.1	3.2	3.3	3.0	2.9	3.2	3.5	3.8	1.2
Central administration etc. <sup>2</sup>	3.0	4.7	5.3	6.5	6.1	8.3	8.4	6.0	8.2	8.3	7.4	9.8	8.2	8.4	10.5	10.4	11.8	3.7
<b>Total expenditure on services</b>	<b>92.0</b>	<b>139.0</b>	<b>146.9</b>	<b>154.8</b>	<b>162.0</b>	<b>179.1</b>	<b>197.6</b>	<b>219.9</b>	<b>242.2</b>	<b>253.1</b>	<b>259.9</b>	<b>269.5</b>	<b>273.5</b>	<b>276.2</b>	<b>287.5</b>	<b>299.9</b>	<b>323.1</b>	<b>100.0</b>
+ General government net debt interest	–	19.2	19.1	20.0	20.4	21.0	20.5	18.5	19.1	20.8	23.6	26.8	28.4	30.4	29.9	25.9	26.9	–
+ Other accounting adjustments	–	7.3	5.4	6.5	6.1	7.7	6.3	12.6	10.7	10.4	13.9	13.4	14.7	16.7	13.8	17.9	21.7	–
+ Allowance for shortfall																- 0.1	- 3.4	–
<b>= Total Managed Expenditure</b>	<b>111.5</b>	<b>165.4</b>	<b>171.4</b>	<b>181.3</b>	<b>188.6</b>	<b>207.8</b>	<b>224.4</b>	<b>251.0</b>	<b>271.9</b>	<b>284.3</b>	<b>297.4</b>	<b>309.8</b>	<b>316.6</b>	<b>323.2</b>	<b>331.0</b>	<b>343.5</b>	<b>368.3</b>	<b>–</b>

Sources: Public Expenditure, Cm 5101, HM Treasury 2001, Tables 3.2 &amp; 3.3, additional data HM Treasury.

Notes: 1. The 1980/81 figures for expenditure on services are derived from earlier public expenditure plans, and figures for the adjustments between total expenditure on services and Total Managed Expenditure are not available.

2. Includes contributions to the European Communities and activities required for the general maintenance of government, such as tax collection and the registration of population.

Table 15b **Total Managed Expenditure by function in real terms<sup>2</sup>**

£ billion 1999/2000 prices

	1980/81 <sup>1</sup> outturn	1985/86 outturn	1986/87 outturn	1987/88 outturn	1988/89 outturn	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996-/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimated outturn	Real growth 1980/81 to 2000/01 %
Culture, media & sport	2.4	3.0	3.1	3.2	3.3	3.7	3.7	3.6	3.6	3.5	3.8	3.9	4.0	4.4	4.9	5.3	5.4	126.9
Law, order & protective services	9.5	11.6	12.2	13.1	13.6	14.4	15.0	16.0	16.9	17.2	17.6	17.6	17.5	17.8	17.7	18.8	20.2	97.3
Health & personal social services	33.4	36.2	37.8	39.5	40.8	41.6	43.2	46.0	48.9	50.1	53.1	54.6	55.1	56.0	57.4	61.2	66.0	83.5
Social security	57.7	75.8	79.0	78.3	75.2	74.4	77.2	86.4	94.8	100.8	102.0	103.6	104.4	102.5	101.8	103.2	103.8	79.0
Education	30.5	29.5	31.5	32.8	33.2	34.4	34.6	36.0	37.6	38.6	39.9	39.8	39.1	39.1	39.7	40.9	45.1	34.1
Agriculture, fisheries, food & forestry	3.8	5.1	3.8	3.9	3.3	3.1	3.8	3.8	3.8	4.8	4.3	4.7	6.5	5.4	5.2	4.8	5.1	25.9
Overseas services & aid	3.1	2.9	2.9	2.8	3.0	3.1	3.1	3.4	3.6	3.6	3.7	3.7	3.2	3.0	3.2	3.5	3.7	13.0
Other environmental services	9.1	6.9	7.9	7.8	7.4	8.3	8.6	9.0	9.3	8.8	9.4	9.5	8.8	8.9	8.6	8.5	9.7	- 6.1
Transport	10.2	12.0	11.5	10.9	10.5	11.4	12.7	13.5	15.1	13.7	13.9	12.9	10.9	9.7	8.9	8.6	9.0	- 16.1
Defence	27.4	31.7	31.1	30.3	28.9	29.2	28.2	28.1	27.2	26.3	25.8	24.2	23.0	22.0	23.1	22.5	23.2	- 17.9
Trade, industry, energy & employment	11.4	14.0	13.6	10.6	12.1	10.7	11.5	11.4	11.6	11.8	11.0	10.2	9.6	9.1	9.1	9.3	11.3	- 18.7
<b>HOUSING</b>	13.3	7.3	6.9	6.7	4.9	7.3	6.4	7.1	7.5	6.1	6.1	5.6	5.0	3.9	3.8	3.0	3.4	- 77.5
Central administration etc	7.1	8.2	9.1	10.5	9.3	11.8	11.1	7.4	9.8	9.7	8.5	11.0	8.9	8.8	10.7	10.4	11.6	45.5
<b>Total expenditure on services</b>	<b>219.2</b>	<b>244.3</b>	<b>250.4</b>	<b>250.6</b>	<b>245.6</b>	<b>253.3</b>	<b>259.2</b>	<b>271.7</b>	<b>289.8</b>	<b>295.0</b>	<b>298.7</b>	<b>301.1</b>	<b>296.1</b>	<b>290.7</b>	<b>294.1</b>	<b>299.9</b>	<b>317.6</b>	<b>36.8</b>
+ General government net debt interest	-	33.8	32.6	32.4	30.9	29.7	26.9	22.9	22.9	24.3	27.2	30.0	30.8	32.0	30.7	25.9	26.4	-
+ Other accounting adjustments	-	12.7	9.2	10.5	9.4	10.9	8.2	15.6	12.7	12.2	16.0	15.2	15.9	17.6	14.0	17.9	21.3	-
+ Allowance for shortfall																- 0.1	- 3.3	-
<b>= Total Managed Expenditure</b>	<b>265.7</b>	<b>290.8</b>	<b>292.2</b>	<b>293.5</b>	<b>285.9</b>	<b>293.9</b>	<b>294.3</b>	<b>310.2</b>	<b>325.4</b>	<b>331.5</b>	<b>341.9</b>	<b>346.2</b>	<b>342.8</b>	<b>340.3</b>	<b>338.8</b>	<b>343.5</b>	<b>361.9</b>	<b>29.3</b>

Sources: As Table 15a.

Note: 1. See Table 15a.

2. Cash figures adjusted to 1999/2000 price levels by excluding the effect of general inflation.

Table 16a Departmental Expenditure Limits (DEL)

£ million

Department	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimated outturn	2001/02 plans	2002/03 plans	2003/04 plans
Health	29,762	31,595	32,951	33,763	35,297	38,992	40,928	45,399	49,909	54,799	59,317
DETR – Local Government & Regional Policy 41,906		29,375	29,897	30,294	31,315	31,372	32,737	34,197	35,363	36,961	39,274
Defence	22,757	22,562	21,517	21,383	20,910	23,682	24,095	23,303	23,769	24,187	24,965
Education & employment	13,378	14,198	14,181	14,235	14,777	14,378	15,335	18,549	21,583	23,804	26,009
DETR – Main programmes	12,182	11,588	9,626	9,664	9,606	8,959	9,312	10,843	11,554	14,024	16,474
Home Office	5,862	6,161	6,382	6,436	6,730	7,358	7,594	8,969	9,736	10,221	10,565
Trade & industry	4,683	3,895	3,432	3,333	3,084	2,978	2,989	3,732	4,607	4,348	4,293
Social security (Administration)	3,409	3,188	3,289	3,401	3,229	2,911	3,249	3,690	3,958	4,264	4,186
Chancellor's departments	2,939	2,739	2,799	2,750	2,751	3,284	3,491	3,829	4,098	4,251	4,279
International development	2,081	2,237	2,197	2,096	1,999	2,238	2,547	2,798	3,115	3,347	3,560
Legal departments	2,370	2,542	2,638	2,627	2,641	2,818	2,748	3,137	3,280	3,269	3,290
Cabinet Office	1,054	1,219	1,475	1,424	1,210	1,281	1,352	1,471	1,475	1,456	1,508
Agriculture, fisheries & food	853	875	892	2,174	1,692	995	1,196	1,320	1,256	1,325	1,345
Foreign & Commonwealth	1,244	1,257	1,333	1,053	1,076	1,095	1,156	1,264	1,366	1,260	1,310
Culture, media & sport	976	968	1,014	955	903	977	1,002	998	1,123	1,170	1,240
Scotland	12,174	13,021	13,130	13,100	12,946	13,143	13,889	15,152	16,422	17,601	18,676
Wales	5,946	6,208	6,346	6,474	6,499	7,529	7,163	7,802	8,490	9,206	9,862
Northern Ireland	5,004	5,141	5,246	5,356	5,462	5,683	5,931	6,735	6,837	7,201	7,421
Employment Opportunities Fund <sup>1</sup>					144	533	759	1,493	875	854	1,371
Invest to save									21	42	68
Capital Modernisation Fund									455	880	1,175
Policy Innovation Fund									50	50	50
Reserve									1,400	1,700	2,200
Allowance for shortfall								- 1,600			
Departmental Expenditure Limits	156,033	159,293	158,744	161,538	162,329	171,569	178,933	194,200	212,300	228,500	245,100

Source and Notes: See Table 16b.

Table 16b **Annually Managed Expenditure (AME)**

£ million

Department	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimated outturn	2001/02 plans	2002/03 plans	2003/04 plans
Social security (benefits)	79,974	82,497	86,077	89,750	91,007	91,989	97,045	99,093	104,933	108,611	113,496
Housing Revenue Account Subsidies	4,359	4,356	4,238	4,184	3,980	3,486	3,285	3,175	4,555	4,326	4,105
Net payments to EC institutions <sup>2</sup>	1,877	1,253	3,355	1,802	2,153	3,590	2,871	3,520	2,688	2,596	2,912
Common agricultural policy	2,607	2,225	2,640	2,928	2,473	3,212	2,834	2,726	2,643	2,650	2,683
Export Credits Guarantee Department	65	- 42	- 22	71	94	- 154	925	1128	797	441	426
Locally financed expenditure	9,290	11,563	13,923	14,277	15,605	17,059	18,542	17,800	19,100	20,100	21,100
Self financing public corporations	- 722	- 673	- 243	60	- 294	709	1,379	1,429	1,128	1,229	1,012
Net public service pensions	3,829	3,886	4,271	4,979	5,353	5,185	5,165	5,448	5,588	5,570	5,919
National Lottery		20	170	520	1,090	1,830	1,949	2,004	2,337	2,223	1,823
Central government debt interest	20,336	23,083	26,452	27,987	29,975	29,512	25,297	26,560	23,144	24,173	23,997
Accounting & other adjustments	5,798	9,193	9,497	7,868	8,970	3,052	5,220	11,165	13,446	15,355	17,025
AME margin									1,000	2,000	3,000
<b>Total Annually Managed Expenditure</b>	<b>127,412</b>	<b>137,361</b>	<b>150,357</b>	<b>154,425</b>	<b>160,406</b>	<b>159,469</b>	<b>164,512</b>	<b>174,000</b>	<b>181,400</b>	<b>189,200</b>	<b>197,500</b>
+ Departmental Expenditure Limits	156,033	159,293	158,744	161,538	162,329	171,569	178,933	194,200	212,300	228,500	245,100
<b>= Total Managed Expenditure (TME)</b>	<b>283,445</b>	<b>296,654</b>	<b>309,100</b>	<b>315,963</b>	<b>322,735</b>	<b>331,038</b>	<b>343,446</b>	<b>368,300</b>	<b>393,700</b>	<b>417,800</b>	<b>442,600</b>

Sources: Public Expenditure, Cm 4201 (1993/4 figures), Cm 4601 (1994/5 to 1997/8) &amp; Cm 5101 (1998/9 and later), HM Treasury; additional figures from HM Treasury.

Notes: 1. Formally *Welfare to Work*. Expenditure financed by the Windfall Tax.

2. Excludes cost of EC aid to non-member states, which is included in the aid programme.

# **Section 3      Compendium of tables**

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**Dwellings, stock  
condition and  
households**

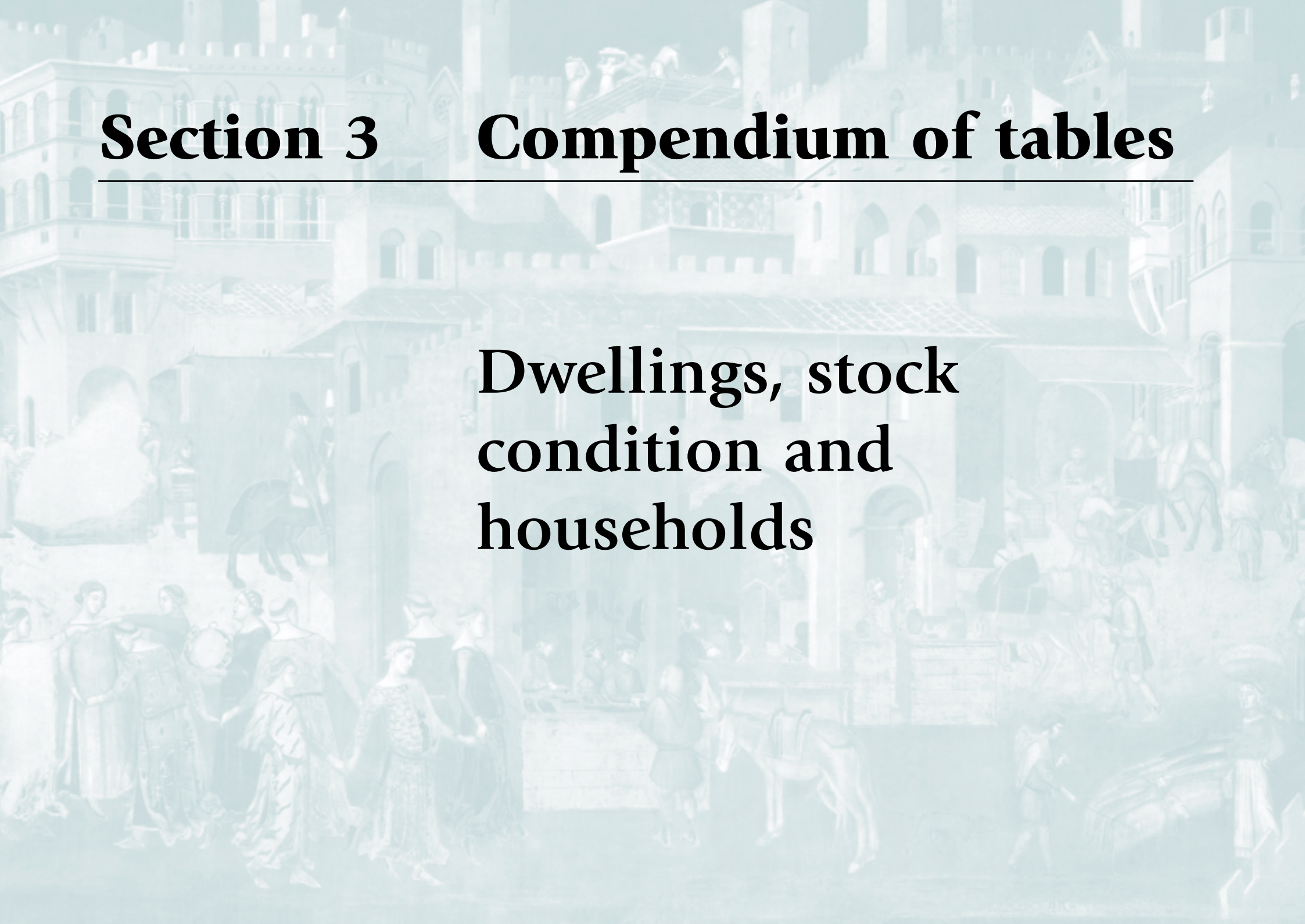


Table 17a **Dwellings by tenure in England, Scotland and Wales***Thousands*

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>England</b>																	
Owner-occupiers	8,489	9,568	10,499	11,929	12,264	12,648	12,971	13,171	13,380	13,502	13,599	13,732	13,839	13,929	14,046	14,182	14,266
+ Privately rented			2,044	1,953	1,899	1,848	1,849	1,906	1,925	1,967	2,032	2,078	2,137	2,218	2,276	2,305	2,396
	3,128	2,619															
+ Housing association			422	495	512	534	567	613	627	688	760	836	920	974	1,029	1,127	1,244
+ Local authority	4,593	4,990	5,061	4,504	4,403	4,254	4,081	3,944	3,858	3,781	3,690	3,590	3,493	3,418	3,332	3,210	3,053
= All dwellings	16,210	17,177	18,025	18,882	19,078	19,284	19,468	19,634	19,789	19,937	20,080	20,236	20,389	20,538	20,683	20,825	20,960
<b>Wales</b>																	
Owner-occupiers	540	603	682	752	782	804	828	840	845	855	862	868	878	885	892	899	908
+ Privately rented			103	98	93	90	87	91	98	99	100	102	103	105	106	107	109
	151	131															
+ Housing association			12	19	20	21	23	24	30	33	37	41	43	46	49	50	51
+ Local authority	276	295	293	258	253	244	232	226	219	215	212	210	207	205	202	201	197
= All dwellings	967	1,029	1,089	1,127	1,148	1,159	1,170	1,181	1,192	1,202	1,211	1,221	1,231	1,241	1,249	1,257	1,265
<b>Scotland</b>																	
Owner-occupiers	569	645	718	884	922	972	1,033	1,088	1,132	1,176	1,217	1,258	1,293	1,327	1,367	1,402	1,435
+ Privately rented			191	154	147	139	133	126	154	154	154	155	155	154	154	154	155
	305	234															
+ Housing association			36	50	54	59	62	65	57	62	67	77	91	99	115	121	130
+ Local authority	948	1,042	1,027	962	943	914	877	845	816	783	755	721	691	668	631	608	584
= All dwellings	1,822	1,921	1,970	2,050	2,067	2,084	2,104	2,124	2,160	2,175	2,193	2,211	2,230	2,248	2,268	2,285	2,305





Table 17c **Dwellings by tenure in Great Britain, Northern Ireland and the United Kingdom***Thousands*

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Great Britain</b>																	
Owner-occupiers	9,598	10,816	11,898	13,565	13,968	14,424	14,832	15,099	15,357	15,533	15,678	15,858	16,010	16,141	16,305	16,483	16,609
+ Privately rented			2,337	2,205	2,139	2,077	2,069	2,123	2,177	2,220	2,286	2,335	2,395	2,477	2,536	2,566	2,660
	3,584	2,984															
+ Housing association			469	564	586	614	652	702	714	783	864	954	1,054	1,119	1,193	1,298	1,425
+ Local authority	5,817	6,327	6,380	5,724	5,599	5,412	5,190	5,015	4,893	4,779	4,657	4,521	4,391	4,291	4,165	4,019	3,834
= All dwellings	18,999	20,127	21,085	22,058	22,293	22,527	22,742	22,939	23,141	23,314	23,484	23,668	23,850	24,027	24,200	24,367	24,530
<b>Northern Ireland</b>																	
Owner-occupiers	-	-	271	328	316	323	336	348	354	364	375	390	389	399	412	425	430
+ Privately rented	-	-	38	26	21	20	20	20	19	20	20	20	21	22	25	26	31
+ Housing association	-	-	3	6	7	8	9	9	10	11	12	12	13	14	15	15	17
+ Local authority	-	-	190	180	169	169	166	160	158	156	153	148	145	140	135	131	124
= All dwellings	-	-	502	540	512	519	530	537	540	549	559	570	567	575	586	596	601
<b>United Kingdom</b>																	
Owner-occupiers	-	-	12,169	13,893	14,284	14,747	15,168	15,447	15,711	15,897	16,053	16,248	16,399	16,540	16,717	16,908	17,039
+ Privately rented	-	-	2,375	2,231	2,160	2,097	2,089	2,143	2,196	2,240	2,306	2,355	2,416	2,499	2,561	2,592	2,691
+ Housing association	-	-	472	570	593	622	661	711	724	794	876	966	1,067	1,133	1,208	1,313	1,442
+ Local authority	-	-	6,570	5,904	5,768	5,581	5,356	5,175	5,051	4,935	4,810	4,669	4,536	4,431	4,300	4,150	3,958
= All dwellings	-	-	21,586	22,598	22,805	23,046	23,272	23,476	23,681	23,863	24,043	24,238	24,417	24,602	24,786	24,963	25,131

Table 17d Dwellings by tenure in Great Britain, Northern Ireland and the United Kingdom

Percentages

	1971	1976	1981	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Great Britain</b>																	
Owner-occupiers	50.5	53.7	56.4	61.5	62.7	64.0	65.2	65.8	66.4	66.6	66.8	67.0	67.1	67.2	67.4	67.6	67.7
+ Privately rented			11.1	10.0	9.6	9.2	9.1	9.3	9.4	9.5	9.7	9.9	10.0	10.3	10.5	10.5	10.8
	18.9	14.8															
+ Housing association			2.2	2.6	2.6	2.7	2.9	3.1	3.1	3.4	3.7	4.0	4.4	4.7	4.9	5.3	5.8
+ Local authority	30.6	31.4	30.3	25.9	25.1	24.0	22.8	21.9	21.1	20.5	19.8	19.1	18.4	17.9	17.2	16.5	15.6
= All dwellings	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Northern Ireland</b>																	
Owner-occupiers	-	-	54.0	60.7	62.1	62.8	64.0	64.8	65.6	66.8	67.1	68.4	68.6	69.4	70.3	71.3	71.5
+ Privately rented	-	-	7.6	4.8	4.3	4.1	4.0	3.9	3.5	3.6	3.6	3.5	3.7	3.8	4.3	4.4	5.2
+ Housing association	-	-	0.5	1.1	1.4	1.5	1.5	1.7	1.9	1.8	2.1	2.1	2.3	2.4	2.6	2.5	2.8
+ Local authority	-	-	37.9	33.4	33.0	32.6	30.5	29.8	29.3	28.4	27.4	26.0	25.6	24.3	23.0	22.0	20.6
= All dwellings	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>United Kingdom</b>																	
Owner-occupiers	-	-	56.4	61.5	62.6	64.0	65.2	65.8	66.3	66.6	66.8	67.0	67.2	67.2	67.4	67.7	67.8
+ Privately rented	-	-	11.0	9.9	9.5	9.1	9.0	9.1	9.3	9.4	9.6	9.7	9.9	10.2	10.3	10.4	10.7
+ Housing association	-	-	2.2	2.5	2.6	2.7	2.8	3.0	3.1	3.3	3.6	4.0	4.4	4.6	4.9	5.3	5.7
+ Local authority	-	-	30.4	26.1	25.3	24.2	23.0	22.0	21.4	20.7	20.0	19.3	18.6	18.0	17.3	16.6	15.8
= All dwellings	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Housing and Construction Statistics (various editions), Scottish Office, Welsh Office.

Notes: All figures are for the December of the year shown. Owner-occupiers includes shared owners and long leaseholders. Private renting includes renting with a job or business. Local authority tenants includes new town tenants.

Table 18 **Gross fixed capital formation in dwellings***£ million*

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Private sector	841	2,182	6,115	9,683	16,867	15,577	16,246	17,124	18,285	18,784	20,467	22,018	24,001	25,751	–
+ Public sector	802	1,964	2,559	2,536	4,181	2,762	2,579	2,768	2,948	2,804	2,299	1,909	1,830	1,603	–
= Whole economy	1,643	4,146	8,674	12,219	21,048	18,339	18,825	19,892	21,233	21,588	22,766	23,927	25,831	27,354	29,580
Gross Domestic Product (£ billion)	51.4	105.5	230.5	355.3	556.2	584.5	608.2	639.4	677.6	714.0	756.1	805.4	851.7	891.0	934.4
Gross fixed capital formation in dwellings as a percentage of Gross Domestic Product	3.2	3.9	3.8	3.4	3.8	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.1	3.2

Sources: UK National Accounts, Economic Trends and Office for National Statistics.

Notes: All figures at current market prices. Separate private and public sector figures for 2000 were not available at time of preparation.

Table 19a Housing starts in England

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	100,709	110,335	27,869	18,076	16,199	15,326	12,704	12,489	6,533	2,798	1,470	1,156	447	579	492	310	113	203	155
+ New towns	9,065	14,968	5,541	567	472	137	-	-	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	2,461	654	224	175	305	517	443	392	108	260	131	42	3	13	-	-	-	-	-
= Total public sector	112,235	125,957	33,634	18,818	16,976	15,980	13,147	12,881	6,641	3,058	1,601	1,198	450	592	492	310	113	203	155
+ Housing associations	8,111	18,768	13,154	10,362	11,234	9,922	10,829	11,600	14,111	16,437	28,111	33,574	33,585	25,232	22,629	21,207	17,615	16,770	12,615
+ Private sector	148,318	129,777	84,123	144,301	158,894	174,888	195,972	141,902	112,717	114,305	99,586	116,458	131,401	110,409	121,590	135,519	130,980	129,735	131,173
= All dwellings	268,664	274,502	130,911	173,481	187,104	200,790	219,948	166,383	133,469	133,800	129,298	151,230	165,436	136,233	144,711	157,036	148,708	146,708	143,943

Table 19b Housing completions in England

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	118,943	103,403	67,337	22,483	18,773	15,591	15,731	14,012	13,873	8,051	3,274	1,402	1,094	782	511	290	259	84	493
+ New towns	9,245	11,487	6,973	703	660	435	163	-	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	1,993	1,435	525	98	232	597	233	690	142	75	235	20	-	5	-	-	-	-	-
= Total public sector	130,181	116,325	74,835	23,284	19,665	16,623	16,127	14,702	14,015	8,126	3,509	1,422	1,094	787	511	290	259	84	493
+ Housing associations	8,176	13,652	19,299	11,298	10,624	10,935	10,784	10,651	13,821	15,295	20,789	29,779	30,848	30,888	27,025	20,871	19,942	17,581	17,564
+ Private sector	153,436	131,481	110,232	135,457	148,896	161,738	176,018	154,003	136,063	131,174	119,533	116,634	122,699	125,466	121,550	127,943	121,777	122,570	120,211
= All dwellings	291,793	261,458	204,366	170,039	179,185	189,296	202,929	179,356	163,899	154,595	143,831	147,835	154,641	157,141	149,086	149,104	141,378	140,235	138,268

Table 19c **Housing starts in Wales**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	4,849	8,294	2,343	770	742	909	658	501	338	174	261	75	180	45	25	3	58	-	62
+ New towns	155	705	96	121	-	-	58	-	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	24	74	7	2	1	2	6	-	-	1	-	-	-	-	-	-	-	-	-
= Total public sector	5,028	9,073	2,446	893	743	911	722	501	338	175	261	75	180	45	25	3	58	-	62
+ Housing associations	105	279	384	579	507	1,014	1,583	1,612	2,216	2,496	2,658	3,210	2,964	2,416	2,124	1,575	1,022	876	976
+ Private sector	8,612	7,386	5,033	7,232	7,151	8,782	10,727	9,951	7,654	6,724	5,998	7,312	7,514	6,762	6,699	7,498	7,397	8,435	8,314
= All dwellings	13,745	16,738	7,863	8,704	8,401	10,707	13,032	12,064	10,208	9,395	8,917	10,597	10,658	9,223	8,848	9,076	8,477	9,311	9,352

Table 19d **Housing completions in Wales**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	6,513	7,332	3,493	992	744	810	793	566	610	418	133	172	227	176	59	1	30	-	17
+ New towns	173	635	209	81	126	-	-	58	-	-	-	-	-	-	-	-	-	-	-
+ Government departments	66	94	2	2	-	2	1	6	-	-	1	-	-	-	-	-	-	-	-
= Total public sector	6,752	8,061	3,704	1,075	870	812	794	630	610	418	134	172	227	176	59	1	30	-	17
+ Housing associations	73	275	917	607	534	467	719	1,663	1,685	2,463	2,460	2,955	2,975	2,542	2,557	2,124	1,472	823	913
+ Private sector	8,648	8,900	5,932	6,563	7,169	8,119	9,679	9,303	8,111	7,262	7,055	6,621	7,367	7,083	7,728	6,766	6,381	7,177	7,644
= All dwellings	15,473	17,236	10,553	8,245	8,573	9,398	11,192	11,596	10,406	10,143	9,649	9,757	10,569	9,812	10,350	8,891	7,883	8,000	8,619

Table 19e Housing starts in Scotland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	25,714	14,938	4,281	2,017	2,251	2,598	2,006	1,046	913	901	429	503	568	288	135	132	62	128	111
+ New towns	2,014	3,683	1,155	190	141	374	495	680	720	134	395	429	208	127	-	-	-	-	-
+ Government departments	289	493	5	59	259	40	-	64	5	-	-	-	-	-	-	-	-	-	-
= Total public sector	28,017	19,114	5,441	2,266	2,651	3,012	2,501	1,790	1,638	1,035	824	932	776	415	135	132	62	128	111
+ Housing associations	347	592	1,261	1,487	1,414	1,988	2,068	2,748	2,111	3,448	2,173	4,792	4,628	5,095	4,646	3,562	3,625	3,875	4,877
+ Private sector	8,141	11,965	9,681	14,095	14,574	13,085	15,037	18,083	16,695	15,679	14,606	16,598	19,449	17,060	16,838	19,346	15,865	18,682	19,160
= All dwellings	36,505	31,671	16,383	17,848	18,639	18,085	19,606	22,621	20,444	20,162	17,603	22,322	24,853	22,570	21,619	23,040	19,552	22,685	24,148

Table 19f Housing completions in Scotland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	31,570	19,148	6,167	2,610	2,030	2,388	2,473	1,874	1,203	1,182	734	502	548	487	292	177	139	81	95
+ New towns	2,790	3,636	1,288	201	157	107	257	409	666	550	276	456	113	674	-	-	-	-	-
+ Government departments	302	402	33	17	114	139	85	-	69	-	-	-	-	-	-	-	-	-	-
= Total public sector	34,662	23,186	7,488	2,828	2,301	2,634	2,815	2,283	1,938	1,732	1,010	958	661	1,161	292	177	139	81	95
+ Housing associations	244	766	881	1,148	1,466	1,169	1,278	1,620	1,963	2,264	2,221	2,552	2,789	4,854	2,566	4,507	1,911	4,911	4,894
+ Private sector	8,220	10,371	12,242	14,435	14,870	13,904	14,179	16,287	16,461	15,533	14,389	17,711	17,753	18,310	18,175	17,858	18,295	18,933	18,567
= All dwellings	43,126	34,323	20,611	18,411	18,637	17,707	18,272	20,190	20,362	19,529	17,620	21,221	21,203	24,325	21,033	22,542	20,345	23,925	23,556

Table 19g **Housing starts in Great Britain**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	131,272	133,567	34,493	20,863	19,192	18,833	15,368	14,036	7,784	3,873	2,160	1,734	1,195	912	652	445	233	331	328
+ New towns	11,234	19,356	6,792	878	613	511	553	680	720	134	395	429	208	127	-	-	-	-	-
+ Government departments	2,774	1,221	236	236	565	559	449	456	113	261	131	42	3	13	-	-	-	-	-
= Total public sector	145,280	154,144	41,521	21,977	20,370	19,903	16,370	15,172	8,617	4,268	2,686	2,205	1,406	1,052	652	445	233	331	328
+ Housing associations	8,563	19,639	14,799	12,428	13,155	12,924	14,480	15,960	18,438	22,381	32,942	41,576	41,177	32,743	29,399	26,344	22,262	21,521	18,468
+ Private sector	165,071	149,128	98,837	165,628	180,619	196,755	221,736	169,938	137,066	136,708	120,190	140,368	158,364	134,231	145,127	162,363	154,242	156,852	158,647
= All dwellings	318,914	322,911	155,157	200,033	214,144	229,582	252,586	201,070	164,121	163,357	155,818	184,149	200,947	168,026	175,178	189,152	176,737	178,704	177,443

Table 19h **Housing completions in Great Britain**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities	157,026	129,883	76,997	26,085	21,547	18,789	18,997	16,452	15,686	9,651	4,141	2,076	1,869	1,445	862	468	428	165	605
+ New towns	12,208	15,758	8,470	985	943	542	420	467	666	550	276	456	113	674	-	-	-	-	-
+ Government departments	2,361	1,931	560	117	346	738	319	696	211	75	236	20	-	5	-	-	-	-	-
= Total public sector	171,595	147,572	86,027	27,187	22,836	20,069	19,736	17,615	16,563	10,276	4,653	2,552	1,982	2,124	862	468	428	165	605
+ Housing associations	8,493	14,693	21,097	13,053	12,624	12,571	12,781	13,934	17,469	20,022	25,470	35,286	36,612	38,284	32,148	27,502	23,325	23,315	23,371
+ Private sector	170,304	150,752	128,406	156,455	170,935	183,761	199,876	179,593	160,635	153,969	140,977	140,966	147,819	150,859	147,453	152,567	146,453	148,680	146,422
= All dwellings	350,392	313,017	235,530	196,695	206,395	216,401	232,393	211,142	194,667	184,267	171,100	178,813	186,413	191,278	180,469	180,537	169,606	172,160	170,443



Table 19i Housing starts in Northern Ireland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Northern Ireland																		
Housing Executive	7,826	6,218	2,901	2,352	1,920	1,596	2,061	927	1,059	999	718	1,132	1,071	994	1,015	817	261	95
+ Government departments	92	129	11	1	-	9	-	13	-	137	69	-	-	-	-	-	-	-
= Total public sector	7,918	6,347	2,912	2,353	1,920	1,605	2,061	940	1,059	1,136	787	1,132	1,071	994	1,015	817	261	95
+ Housing associations	31	2	112	395	625	716	551	496	773	780	684	489	927	810	887	1,094	1,329	1,599
+ Private sector	4,083	3,931	3,338	7,199	7,114	7,418	7,228	6,763	5,704	5,531	6,199	7,070	7,689	7,975	8,250	9,115	8,869	9,174
= All dwellings	12,032	10,190	6,362	9,947	9,659	9,739	9,840	8,199	7,536	7,447	7,670	8,691	9,687	9,779	10,152	11,024	10,459	10,868

Table 19j Housing completions in Northern Ireland

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Northern Ireland																		
Housing Executive	7,692	4,885	2,507	3,233	2,580	1,764	1,712	1,708	1,299	953	1,049	810	900	1,305	890	1,075	683	196
+ Government departments	86	203	56	2	-	-	3	-	15	2	51	18	-	-	-	-	-	-
= Total public sector	7,778	5,088	2,563	3,235	2,580	1,764	1,715	1,708	1,314	955	1,100	828	900	1,305	853	1,075	683	196
+ Housing associations	18	55	325	595	535	580	705	664	442	759	702	663	555	737	805	747	813	1,118
+ Private sector	4,038	3,776	3,568	6,940	7,082	7,451	7,511	7,911	6,163	5,164	5,913	5,707	5,522	6,790	6,579	8,346	8,581	8,183
= All dwellings	11,834	8,919	6,456	10,770	10,197	9,795	9,931	10,283	7,919	6,878	7,715	7,198	6,977	8,832	8,274	10,168	10,077	9,497

Note: The 1970 figures for the Northern Ireland Housing Executive include new town starts and completions, before their transfer to the NIHE in 1972 and 1973.

Table 19k **Housing starts in the United Kingdom**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	137,647	139,785	37,394	23,215	21,112	20,429	17,429	14,963	8,843	4,872	2,878	2,866	2,266	1,906	1,667	1,262	494	426
+ New towns	12,685	19,356	6,792	878	613	511	533	680	720	134	395	429	208	127	-	-	-	-
+ Government departments	2,866	1,260	247	237	565	568	449	469	113	398	200	42	3	13	-	-	-	-
= Total public sector	153,198	160,401	44,433	24,330	22,290	21,508	18,431	16,112	9,676	5,404	3,473	3,337	2,477	2,046	1,667	1,262	494	426
+ Housing associations	8,594	19,641	14,911	12,823	13,780	13,640	15,031	16,456	19,211	23,161	33,626	42,065	42,104	33,553	30,286	27,438	23,591	23,120
+ Private sector	169,154	153,059	102,175	172,827	187,733	204,173	228,964	176,701	142,770	142,239	126,389	147,438	166,053	142,206	153,377	171,478	163,111	166,026
= All dwellings	330,946	333,101	161,519	209,980	223,803	239,321	262,426	209,269	171,657	170,804	163,488	192,840	210,634	177,805	185,330	200,176	187,196	189,572

Table 19l **Housing completions in the United Kingdom**

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Local authorities	163,790	134,768	79,504	29,318	24,127	20,553	20,709	18,160	16,985	10,604	5,190	2,886	2,769	2,750	1,752	1,543	1,111	361
+ New towns	13,136	15,758	8,470	985	943	542	420	467	666	550	276	456	113	674	-	-	-	-
+ Government departments	2,447	2,134	616	119	346	738	322	696	226	77	287	38	-	5	-	-	-	-
= Total public sector	179,373	152,660	88,590	30,422	25,416	21,833	21,451	19,323	17,877	11,231	5,753	3,380	2,882	3,429	1,752	1,543	1,111	361
+ Housing associations	8,511	14,748	21,422	13,648	13,159	13,151	13,486	14,598	17,911	20,781	26,172	35,949	37,167	39,021	32,953	28,249	24,138	24,433
+ Private sector	174,342	154,528	131,974	163,395	178,017	191,212	207,387	187,504	166,798	159,133	146,890	146,673	153,341	157,649	154,032	160,913	155,034	156,863
= All dwellings	362,226	321,936	241,986	207,465	216,592	226,196	242,324	221,425	202,586	191,145	178,815	186,011	193,390	200,110	188,743	190,705	179,683	181,657

Sources: Housing Statistics; Scottish Executive.

Table 20a Right to Buy in England

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Cumulative total 1980 to 2000
Local authorities	512,876	73,767	84,007	128,566	139,722	92,995	51,414	41,445	41,188	44,999	33,960	31,781	39,875	39,846	50,435	53,546	1,460,422
+ New towns	5,614	556	792	1,091	1,332	365	177	166	180	45	1	0	0	0	0	0	10,319
+ Housing associations	7,990	2,791	2,046	3,323	3,700	3,369	1,871	669	666	831	592	562	0	0	0	0	28,410
= Total	526,480	77,114	86,845	132,980	144,754	96,729	53,462	42,280	42,034	45,875	34,553	32,343	39,875	39,846	50,435	53,546	1,499,151

Table 20b Right to Buy in Wales

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Cumulative total 1980 to 2000
Local authorities	41,736	5,233	5,506	9,386	12,468	6,279	3,382	2,716	2,715	3,008	2,265	2,017	2,562	2,499	3,357	3,349	108,478
+ New towns	2,581	102	35	47	58	52	20	32	35	25	26	3	0	0	0	0	3,016
+ Housing associations	187	85	68	172	227	156	101	75	64	99	78	73	70	114	97	102	1,768
= Total	44,504	5,420	5,609	9,605	12,753	6,487	3,503	2,823	2,814	3,132	2,369	2,093	2,632	2,613	3,454	3,451	113,262

Table 20c **Right to Buy in Scotland**

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Cumulative total 1980 to 1999
Local authorities	52,706	10,251	13,796	22,617	29,180	26,941	18,752	19,825	16,353	17,167	13,073	11,296	15,569	13,569	12,887	293,982
+ New towns	6,828	998	1,450	2,137	3,218	2,105	1,304	984	977	1,347	1,282	123	0	0	0	22,753
+ Housing associations	13,105	2,073	3,348	6,726	6,045	3,489	2,638	2,712	2,457	2,611	2,145	1,715	1,810	1,380	598	52,852
= Total	72,639	13,322	18,594	31,480	38,443	32,535	22,694	23,521	19,787	21,125	16,500	13,134	17,379	14,949	13,485	369,587

Table 20d **Right to Buy in Great Britain**

	Total sales 1980 to 1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Cumulative total 1980 to 1999
Local authorities	607,318	89,251	103,309	160,569	181,370	126,215	73,548	63,986	60,256	65,174	49,298	45,094	58,006	55,914	66,679	1,805,987
+ New towns	15,023	1,656	2,277	3,275	4,608	2,522	1,501	1,182	1,192	1,417	1,309	126	0	0	0	36,088
+ Housing associations	21,282	4,949	5,462	10,221	9,972	7,014	4,610	3,456	3,187	3,541	2,815	2,350	1,880	1,494	695	82,928
= Total	643,623	95,856	111,048	174,065	195,950	135,751	79,659	68,624	64,635	70,132	53,422	47,570	59,886	57,408	67,374	1,925,003

Source: Housing Statistics.

Notes: Figures include shared ownership sales. Scottish housing association figures include Right to Buy and some voluntary sales by Scottish Homes. 2000 figures for Scotland were not available at the time of the copy deadline for the Review. Figures were not available for housing association Right to Buy sales in England for the years 1997 to 2000, nor for Scotland for April-December 1999, although figures for Scottish Homes for the whole year are included. These omissions also affect the total figures for England and Great Britain for those years.

Table 21 Changes in the regional stock of dwellings by tenure

Region	Stock of dwellings (000s)					Percentage change in stock									
	April 1991					31 March 2000					1991 - 2000				
	Owner-occupied	Private renting	Housing association	Public sector	Total	Owner-occupied	Private renting	Housing association	Public sector	Total	Owner-occupied	Private renting	Housing association	Public sector	Total
North East	638	69	34	332	1,073	732	68	41	286	1,128	14.7	- 1.4	20.6	- 13.9	5.1
Yorkshire & The Humber	1,338	159	45	479	2,021	1,419	236	62	427	2,144	6.1	48.4	37.8	- 10.9	6.1
North West	1,692	409	100	591	2,791	1,804	516	151	485	2,956	6.6	26.2	51.0	- 17.9	5.9
West Midlands	1,408	135	56	480	2,079	1,556	162	107	381	2,207	10.5	20.0	91.1	- 20.6	6.2
East Midlands	1,163	127	30	314	1,634	1,296	155	49	280	1,780	11.4	22.0	63.3	- 10.8	8.9
East	1,506	181	58	350	2,094	1,715	196	89	290	2,290	13.9	8.3	53.4	- 17.1	9.4
London	1,719	345	144	703	2,912	1,806	472	203	575	3,057	5.1	36.8	41.0	- 18.2	5.0
South East	2,337	292	94	376	3,099	2,420	357	174	381	3,333	3.6	22.3	85.1	1.3	7.6
South West	1,449	207	38	274	1,968	1,586	255	104	184	2,129	9.5	23.2	173.7	- 32.8	8.2
England	13,249	1,924	599	3,899	19,671	14,335	2,418	982	3,291	21,025	8.2	25.7	63.9	- 15.6	6.9
+ Wales	837	97	28	222	1,184	911	109	54	193	1,267	8.8	12.4	92.9	- 13.1	7.0
+ Scotland <sup>1</sup>	1,088	126	65	845	2,124	1,435	155	130	584	2,305	31.9	23.0	100.0	- 30.9	8.5
= Great Britain	15,174	2,147	692	4,966	22,979	16,681	2,682	1,166	4,068	24,597	9.9	24.9	68.5	- 18.1	7.0
+ Northern Ireland <sup>2</sup>	373	23	9	167	571	455	31	17	124	586	22.1	32.6	83.3	- 25.7	2.6
= United Kingdom	15,547	2,170	701	5,133	23,550	17,136	2,713	1,183	4,192	25,183	32.0	57.5	151.8	- 43.8	9.6

Sources: Housing Statistics 2000, Northern Ireland Housing Statistics.

Notes: Public sector housing comprises local authority, new town and Northern Ireland Housing Executive dwellings.

1. Figures for Scotland are at end of calendar year, rather than financial year end.

2. Northern Ireland figures December 1990 and December 1999, with vacant stock distributed in line with DoE's 1990 assumptions; this is also reflected in the UK total.

Table 22a **Households lacking amenities by tenure and territory***Numbers*

Tenure	England				Wales				Scotland				Great Britain			
	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.
Outright home-owner	25,251	36,807	3,791	3,103	4,939	7,021	232	199	2,693	1,467	209	223	32,883	45,295	4,232	3,525
Home buyer	4,916	9,085	3,662	3,701	746	1,125	192	182	423	327	219	216	6,085	10,537	4,073	4,099
Furnished private renting	3,883	4,173	74,601	75,691	455	493	3,445	3,405	718	382	2,848	2,787	5,056	5,048	80,894	81,883
Unfurnished private renting	19,438	23,038	10,593	10,486	1,792	1,972	387	389	1,566	520	197	279	22,796	25,530	11,177	11,154
Rented with work	1,563	2,228	3,173	3,232	206	237	335	331	195	155	193	189	1,964	2,620	3,701	3,752
Housing association	1,168	1,777	9,085	6,291	93	160	166	164	72	48	170	159	1,333	1,985	9,421	6,614
Local authority	4,006	10,885	23,137	10,124	255	385	682	332	496	334	647	436	4,757	11,604	24,466	10,892
Total households	60,225	87,993	128,042	112,628	8,486	11,393	5,439	5,002	6,163	3,233	4,483	4,289	74,874	102,619	137,964	121,919

Source: 1991 Census Housing and the Availability of Cars, Table 8.

Table 22b **Households lacking amenities by tenure and territory***Percentages within each tenure and territory*

Tenure	England				Wales				Scotland				Great Britain			
	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.	No bath or shower	No inside W.C.	Shared bath or shower	Shared inside W.C.
Outright home-owner	0.6	0.8	0.1	0.1	1.4	2.0	0.1	0.1	0.8	0.4	0.1	0.1	0.6	0.9	0.1	0.1
Home buyer	0.1	0.1	0.0	0.0	0.2	0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Furnished private renting	0.6	0.6	10.8	11.0	1.4	1.5	10.3	10.2	1.5	0.8	5.8	5.7	0.7	0.7	10.5	10.6
Unfurnished private renting	2.7	3.2	1.5	1.5	5.0	5.5	1.1	1.1	3.2	1.1	0.4	0.6	2.9	3.2	1.4	1.4
Rented with work	0.4	0.6	0.9	0.9	1.1	1.3	1.8	1.8	0.5	0.4	0.5	0.5	0.5	0.6	0.9	0.9
Housing association	0.2	0.3	1.5	1.1	0.4	0.6	0.6	0.6	0.1	0.1	0.3	0.3	0.2	0.3	1.4	1.0
Local authority	0.1	0.3	0.6	0.3	0.1	0.2	0.3	0.2	0.1	0.0	0.1	0.1	0.1	0.2	0.5	0.2
Total households	0.3	0.5	0.7	0.6	0.8	1.0	0.5	0.4	0.3	0.2	0.2	0.2	0.3	0.5	0.6	0.6

Source: 1991 Census Housing and the Availability of Cars, Table 8.

Table 23a English housing conditions: repair costs and unfitness 1996

Tenure	Estimated cost of remedial repairs			Average cost of remedying unfitness £	Number of unfit dwellings (000s)
	Urgent repairs	Repairs and replacements	Comprehensive repairs		
	£	£	£		
Owner-occupied	1,250	1,850	3,620	5,498	829
Private rented	2,370	3,250	5,030	5,972	393
Local authority	920	1,200	2,240	3,346	252
Housing association	610	770	1,310	4,506	48
<b>Total stock</b>	<b>1,280</b>	<b>1,830</b>	<b>3,420</b>	<b>3,301</b>	<b>1,522</b>

Source: English House Condition Survey 1996.

Notes: For repair costs vacant dwellings are allocated to tenures. All cost figures are mean averages at 1996 prices.

Table 23b English housing conditions: unfitness

Tenure	1986		1991		1996		Change in unfitness	
	(000s)	%	(000s)	%	(000s)	%	1986-1991	1991-1996
							%	%
Owner-occupied	769	6.6	715	5.5	721	5.3	- 7.0	0.8
Private rented	361	25.4	333	20.5	318	17.9	- 7.8	- 4.5
Local authority	281	6.8	265	6.9	227	6.8	- 5.7	- 14.3
Housing association	23	4.9	41	6.7	35	3.9	78.3	- 14.6
Vacant	228	28.1	145	22.7	221	27.7	- 36.4	52.4
<b>Total stock</b>	<b>1,662</b>	<b>8.8</b>	<b>1,498</b>	<b>7.6</b>	<b>1,522</b>	<b>7.5</b>	<b>- 9.9</b>	<b>1.6</b>

Sources: English House Condition Surveys, 1991 & 1996; supplementary data from 1996 survey from DETR.

Table 24a **Welsh housing conditions: unfit and disrepair by tenure 1997/98**

Tenure	Occupied dwellings	Percentage of stock unfit %	Average repair cost per dwelling £	Total cost of repair for tenure £m
Owner-occupied	828,400	7.6	951	788
Private rented	80,900	18.4	1,883	152
Social housing	248,000	8.2	654	162
All occupied dwellings	1,157,300	8.5	953	1,103

Source: 1997/98 Welsh House Condition Survey.

Table 24c **Welsh housing conditions: unfit rates - 1986, 1993 and 1997/98 compared**

Tenure and age of dwelling	Unfitness rates			
	1986 %	Modelled 1993 %	Actual 1993 %	Actual 1997/98 %
Private sector	18.6	12.9	13.0	8.6
Social housing	22.1	14.8	14.4	8.2
Pre-1919	32.0	21.7	21.0	14.9
Post-1919	12.5	9.3	9.7	5.6
Total stock	19.5	13.3	13.3	9.0

Sources: 1993 and 1997/98 Welsh House Condition Surveys.

Notes: Private housing is owner-occupied and private renting; social housing is local authority and housing association. Modelling is needed to compare results because of changes in definition between the 1986 and 1993 surveys.

Table 24b **Welsh housing conditions: unfit and disrepair by age of dwellings 1997/98**

Tenure	Occupied dwellings	Percentage of stock unfit %	Average repair cost per dwelling £	Total cost of repair for tenure £m
Pre-1919	357,100	14.9	1,690	603
1919-1944	170,700	9.2	1,230	210
1944-1964	244,300	7.7	675	165
After 1964	385,200	2.7	322	124
All occupied dwellings	1,157,300	8.5	953	1,103

Source: 1997/98 Welsh House Condition Survey.

Table 24d **Welsh housing conditions: repair costs - 1986, 1993 and 1997/98 compared**

Tenure	Mean repair costs per dwelling			
	Comparable		Full	Full
	1986 £	1993 £	1993 £	1997/98 £
Owner-occupied	1,378	1,045	1,098	952
Private rented	2,896	2,061	2,190	1,883
Social housing	780	919	934	654
Total	1,314	1,077	1,125	953

Sources: 1993 and 1997/98 Welsh House Condition Surveys.

Notes: Modelling is needed to compare results because of changes in definition between the 1986 and 1993 surveys.



Table 25 **Scottish housing conditions 1996**

Property character	Dwellings below tolerable standard		Dwellings with condensation		Dwellings with dampness		Total occupied stock	
	Number (000s)	% Incidence	Number (000s)	% Incidence	Number (000s)	% Incidence	Number (000s)	% Incidence
Age:								
Pre-1919	15	3.3	109	24	75	17	456	21
1919-1944	3	0.8	75	24	34	11	318	15
1945-1964	2	0.3	139	24	44	8	590	28
Post-1964	1	0.1	125	16	23	3	759	36
<b>Total</b>	<b>21</b>	<b>1.0</b>	<b>448</b>	<b>21</b>	<b>252</b>	<b>8</b>	<b>2,123</b>	<b>100</b>
Tenure:								
Owner-occupied	11	0.9	188	16	72	6	1,200	57
Private rented	7	4.1	52	33	31	20	162	8
Public rented	3	0.5	195	29	70	10	675	32
Housing association and co-op	0	0.2	13	15	4	5	87	4

Source: Scottish House Condition Survey 1996, Scottish Homes 1997.

Table 26a **Renovation grants paid to private owners under the Housing Act 1985 and earlier Acts***Number of grants*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North	5,923	4,907	8,049	16,842	14,613	7,778	7,048	6,897	7,393	7,354	7,157	1,445	225	122	4	-	-	-	-	-	-
Yorkshire & Humberside	9,478	7,667	12,249	25,275	20,763	12,420	10,120	11,801	11,662	13,046	13,872	3,354	217	41	12	1	-	-	-	-	-
North West	12,800	12,063	17,725	32,380	35,911	22,311	20,243	19,732	17,195	14,746	13,253	4,297	900	129	113	-	-	-	-	-	-
East Midlands	7,930	7,273	11,354	23,864	22,770	11,766	11,178	10,254	11,391	10,625	9,558	2,683	324	52	5	1	-	-	-	-	-
West Midlands	6,873	7,122	7,919	17,893	18,889	11,409	10,389	11,755	10,330	11,190	10,720	5,091	735	50	8	-	-	-	-	-	-
East Anglia	3,607	3,278	4,796	10,276	10,786	6,712	5,738	6,095	6,234	5,292	4,280	854	86	14	3	3	-	-	-	-	-
Greater London	10,460	9,450	12,978	27,269	42,995	30,559	20,759	14,483	13,639	10,437	10,384	3,343	672	124	29	3	-	-	-	-	-
Rest of South East	10,751	11,155	18,251	41,310	39,342	22,038	18,234	18,213	18,611	17,317	13,102	3,440	543	92	14	2	-	-	-	-	-
South West	6,643	6,026	10,707	24,717	23,038	11,419	9,619	9,678	8,848	8,210	6,754	1,706	177	36	7	-	-	-	-	-	-
England	74,465	68,941	104,028	219,826	229,107	136,412	113,328	108,908	105,303	98,217	89,080	26,213	3,879	660	195	10	-	-	-	-	-
Wales	7,342	7,100	10,989	27,323	29,978	17,152	18,571	19,097	20,187	20,174	25,112	10,084	1,219	109	155	4	11	-	-	-	-
Scotland	13,420	18,036	23,957	45,498	60,661	46,286	31,453	30,668	31,512	26,693	23,557	23,478	24,898	21,194	19,696	19,028	15,800	13,544	12,711	11,877	10,559
Great Britain	95,227	94,077	138,974	292,647	319,746	199,850	163,352	158,673	157,002	145,084	137,749	59,775	29,996	21,963	20,046	19,042	15,811	13,544	12,711	11,877	10,559

Table 26b Renovation grants paid to private owners under the Local Government and Housing Act 1989

Number of grants

	Mandatory grants											Discretionary grants										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North East	–	–	2,694	2,506	2,931	2,763	2,579	1,074	57	14	15	–	–	–	–	–	72	47	62	11	2	23
Yorkshire & The Humber	119	4,454	6,243	6,599	6,620	6,577	6,527	2,993	432	79	23	4	254	717	1,019	963	706	996	984	201	27	8
North West	–	–	8,835	8,429	9,330	8,699	9,048	4,936	532	67	47	–	–	–	–	–	610	646	848	314	42	9
East Midlands	38	2,464	4,854	4,858	5,786	5,698	4,939	3,052	290	56	31	8	273	490	522	988	837	664	485	223	20	8
West Midlands	54	2,891	5,463	5,467	5,934	5,686	6,045	3,513	883	301	100	197	430	335	322	396	394	526	564	401	193	11
East	–	–	3,748	4,256	4,936	5,278	5,576	2,965	331	59	100	–	–	–	–	–	436	450	532	113	15	44
London	53	2,012	4,072	4,763	6,013	6,848	7,155	4,676	1,120	243	285	61	311	553	712	533	609	593	695	200	61	44
South East	–	–	5,464	7,041	7,735	9,245	8,767	4,277	564	78	86	–	–	–	–	–	932	902	606	187	30	26
South West	109	2,772	4,156	4,866	5,830	6,211	6,164	3,109	422	138	80	19	476	512	435	430	337	401	214	92	51	5
England	637	26,276	45,529	48,785	55,115	57,005	56,760	30,595	4,631	1,035	767	326	3,426	5,499	5,466	5,406	4,933	5,225	4,990	1,742	441	178
Wales	54	3,851	9,779	10,490	9,332	11,278	12,102	9,652	3,152	897	269	4	453	674	700	638	496	302	101	–	2	–
Great Britain	691	30,127	55,308	59,275	64,447	68,283	68,862	40,247	7,783	1,932	1,036	330	3,879	6,173	6,166	6,044	5,429	5,527	5,091	1,742	443	178

Table 26b (continued)

Number of grants

	Minor Works Assistance											Total of all grants and assistance										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North East	–	–	1,630	1,381	1,674	1,970	2,324	560	–	23	–	–	–	4,324	3,887	4,605	4,805	4,950	1,696	68	39	38
Yorkshire & The Humber	478	2,249	2,635	2,472	2,126	2,042	2,161	733	21	3	1	601	6,957	9,595	10,090	9,709	9,325	9,684	4,710	654	109	31
North West	–	–	4,002	3,560	4,554	4,431	6,840	2,112	64	3	51	–	–	12,837	11,989	13,884	13,740	16,534	7,896	910	112	56
East Midlands	814	3,094	2,735	2,498	3,109	3,082	2,461	1,047	32	1	–	860	5,831	8,079	7,878	9,883	9,617	8,064	4,584	545	77	39
West Midlands	736	3,918	3,511	2,205	3,788	3,374	2,927	1,052	6	116	–	987	7,239	9,309	7,994	10,118	9,454	9,498	5,129	1,290	610	111
East	–	–	2,370	2,457	2,857	2,771	2,970	1,012	28	7	4	–	–	6,118	6,713	7,793	8,485	8,996	4,509	472	81	144
London	418	1,746	2,145	2,425	2,929	3,776	4,162	1,616	82	7	–	532	4,069	6,770	7,900	9,475	11,233	11,910	6,987	1,402	311	329
South East	–	–	5,456	4,679	4,661	5,325	5,163	1,661	29	6	36	–	–	10,920	11,720	12,396	15,502	14,832	6,544	780	114	112
South West	716	3,678	3,669	4,169	4,824	4,368	4,237	976	17	–	–	844	6,926	8,337	9,470	11,084	10,916	10,802	4,299	531	189	85
England	6,743	29,325	28,153	25,846	30,522	31,139	33,245	10,769	279	166	92	7,706	59,027	79,181	80,097	91,043	93,077	95,230	46,354	6,652	1,642	945
Wales	1,375	6,751	4,957	4,768	4,578	5,537	4,932	2,363	16	2	1	1,433	11,055	15,410	15,958	14,548	17,311	17,336	12,116	3,168	901	270
Great Britain	8,118	36,076	33,110	30,614	35,100	36,676	38,177	13,132	295	168	93	9,139	70,082	94,591	96,055	105,591	110,388	112,566	58,470	9,820	2,543	1,215

Table 26c **Renovation grants paid to private owners under the Housing Grants, Construction and Regeneration Act 1996***Number of grants*

	Mandatory grants				Housing Repairs Assistance				Total of all grants and assistance			
	1997	1998	1999	2000	1997	1998	1999	2000	1997	1998	1999	2000
North East	1,508	2,296	2,513	2,449	1,198	2,887	2,444	2,730	2,706	5,183	4,954	5,179
Yorkshire & The Humber	2,054	4,749	4,704	5,233	1,032	2,527	3,036	3,269	3,086	7,276	7,724	8,502
North West	2,990	6,041	6,931	7,030	2,726	8,341	9,184	9,327	5,716	14,382	16,171	16,357
East Midlands	1,382	2,975	3,479	3,774	1,415	3,842	6,260	7,243	2,797	6,817	9,024	11,017
West Midlands	1,460	3,074	4,103	4,267	1,532	4,217	7,467	6,746	2,992	7,291	11,491	11,013
East	1,738	4,131	4,562	4,202	1,925	6,082	8,862	7,551	3,663	10,213	13,366	11,753
London	1,360	4,424	4,743	5,096	3,495	7,840	8,651	9,085	4,855	12,264	13,389	14,181
South East	2,517	5,481	6,002	6,263	3,569	8,570	11,214	9,974	6,086	14,051	17,237	16,237
South West	1,891	4,247	4,983	4,659	2,265	5,772	7,686	6,486	4,156	10,019	12,404	11,145
England	16,900	37,418	42,020	42,973	19,157	50,078	64,804	62,411	36,057	87,496	105,760	105,384
Wales	2,116	7,412	7,802	7,452	2,798	7,707	6,887	7,820	4,914	15,119	14,689	15,272
Great Britain	19,016	44,830	49,822	50,425	21,955	57,785	71,691	70,231	40,971	102,615	120,449	120,656

Sources: Housing Statistics, Welsh Housing Statistics.

Notes for Tables 26a, b, c:

26a: No new grants were made under the 1985 Act in England and Wales after June 1990; although payments continued for grants made before that date. Figures on the residual numbers of grants paid in England and Wales ceased to be collected at the end of June 1995 and December 1996 respectively.

26b: The 1989 Act grants system for England and Wales started in July 1990, apart from Minor Works Assistance, which started in April 1990. The 1989 Act does not apply in Scotland. Figures for the years before 1992 are only available for standard regions, and not government office regions. 1990 and 1991 figures are therefore only shown for the government office and standard regions with the same boundaries.

26c: The 1996 Act's system of grants started in December 1996 in England and Wales.

Table 27a **Renovation of local authorities and new town dwellings***Number of grants/dwellings*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
North	7,331	4,119	4,533	11,007	9,632	15,698	17,482	18,856	26,333	22,222	21,525	23,397	17,630	18,199	24,598	19,456	22,759
Yorkshire & Humberside	8,523	4,999	6,289	8,398	8,990	8,087	4,885	10,317	10,863	14,664	11,284	9,370	15,643	21,809	18,111	21,652	21,477
North West	16,436	8,480	12,542	13,360	10,487	13,291	15,226	13,914	13,921	17,921	31,119	23,534	32,588	35,646	29,190	28,263	22,721
East Midlands	7,522	5,626	5,533	8,477	8,918	8,791	11,320	14,143	15,704	16,072	20,461	13,992	13,250	12,958	15,987	13,945	22,970
West Midlands	8,554	6,390	5,905	6,817	5,987	8,944	16,208	20,209	24,231	27,264	40,684	19,847	21,633	34,731	29,326	50,203	60,958
East Anglia	1,517	1,249	1,337	2,036	2,626	2,947	3,947	5,032	3,429	5,120	4,922	3,322	3,708	7,038	12,464	10,246	12,407
Greater London	12,024	13,476	8,796	10,500	18,657	13,423	30,421	28,127	35,069	44,029	38,406	38,107	37,297	60,726	89,689	77,099	87,299
Rest of South East	11,303	6,666	9,344	19,922	16,380	19,191	22,059	25,625	28,349	32,888	29,330	27,767	21,397	32,213	50,435	46,053	48,356
South West	4,065	1,926	3,443	4,944	4,935	6,110	12,113	12,139	11,102	14,748	28,786	25,426	14,087	25,402	26,571	41,141	16,061
England	77,275	52,931	57,722	85,461	86,612	96,482	133,661	148,362	169,001	194,928	226,517	184,762	177,233	248,722	296,371	308,058	329,513
Wales	-	-	-	-	2,390	1,728	2,788	5,886	8,333	8,444	10,987	10,513	9,491	23,264	20,397	16,665	4,705
Scotland	22,295	26,065	51,214	41,583	33,774	58,993	71,397	86,912	72,373	53,277	87,448	74,464	80,155	91,532	117,497	81,634	86,815
Great Britain	-	-	-	-	122,776	157,203	207,846	241,160	249,707	256,649	324,952	269,739	266,879	363,518	434,265	406,357	421,033

Source: Housing and Construction Statistics.

Notes: Figures for Scotland are of work approved and include Scottish Homes. Figures for England and Wales ceased to be collected after 1996.

Table 27b **Renovation of housing association dwellings***Number of grants/dwellings*

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
North	2,161	1,193	2,299	1,687	1,444	1,034	1,196	731	1,099	531	360	143	236	340	560	-	-
Yorkshire & Humberside	1,304	744	1,359	1,184	1,178	1,001	1,019	851	622	523	560	523	381	492	397	-	-
North West	2,543	3,218	5,101	3,573	3,384	2,553	2,799	1,857	1,876	2,355	1,381	753	658	780	606	-	-
East Midlands	1,119	710	978	943	1,178	682	813	981	681	1,062	447	289	449	263	323	-	-
West Midlands	2,170	1,209	1,933	2,041	1,831	1,248	1,746	1,368	1,102	936	525	365	655	481	722	-	-
East Anglia	54	163	238	185	155	56	306	155	398	619	265	271	241	140	150	-	-
Greater London	4,348	3,302	4,321	3,845	7,271	3,842	3,538	3,888	4,486	4,855	3,754	2,596	3,430	2,335	2,048	-	-
Rest of South East	406	266	603	548	1,233	573	636	524	709	1,578	2,272	1,213	1,154	958	1,414	-	-
South West	571	438	532	507	781	361	661	581	264	565	1,089	266	328	223	661	-	-
England	14,676	11,243	17,364	14,513	18,455	11,350	12,714	10,936	11,237	13,024	10,653	6,419	7,532	6,012	6,881	10,596	-
Wales	252	694	1,009	993	760	945	907	948	867	812	399	305	322	300	287	163	147
Scotland	2,787	1,833	3,422	2,530	1,424	1,124	1,414	1,262	1,225	1,122	816	1,680	1,785	1,524	1,229	1,328	767
Great Britain	17,715	13,770	21,795	18,036	20,639	13,419	15,035	13,146	13,329	14,958	11,868	8,404	9,639	7,836	8,197	12,087	-

Sources: Housing and Construction Statistics and the Scottish Office.

Table 28 **Property characteristics by tenure in Great Britain**

Percentages

	Owner-occupiers		Rented				Total
	Owned outright	With mortgage	Local authority	Housing association	Private unfurnished	Private furnished	
<b>Property type</b>							
Houses:							
Detached	36	27	1	1	17	8	23
Semi-detached	37	36	29	19	23	12	33
Terraced	20	29	28	27	23	12	26
All houses:	93	92	58	47	69	47	82
Flats:							
Purpose-built	6	6	40	46	16	23	15
Converted	1	2	2	7	15	30	4
All flats:	7	8	42	53	31	53	18
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Property age</b>							
Pre-1919	22	23	3	14	39	45	21
1919 - 1944	21	19	18	11	24	21	19
1945 - 1964	25	17	43	17	16	8	23
1965 - 1984	25	26	31	28	17	15	26
1985 or later	7	15	5	30	8	8	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: General Household Survey 1998, Office for National Statistics.

Notes: Flats includes maisonettes. Figures do not total precisely due to rounding.

Table 29a Tenure profile of heads of household by age in Great Britain

Percentages

Item	Owner-occupiers		Rented					All tenures
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished	With job or business	
Ages at 1980								
Under 25	0	4	4	7	4	40	7	4
25 - 29	1	13	7	11	5	24	11	8
30 - 44	8	48	22	15	13	20	32	26
45 - 64	40	33	36	20	27	10	43	34
65 - 74	32	2	21	25	26	4	6	17
75 or over	20	0	12	23	25	2	1	10
All ages	100	100	100	100	100	100	100	100
Ages at 1990								
Under 25	0	3	6	8	9	37	6	4
25 - 29	0	13	9	10	9	24	16	9
30 - 44	5	46	20	20	22	23	36	28
45 - 59	22	30	17	14	10	8	28	23
60 - 69	33	6	20	15	16	4	12	16
70 - 79	26	1	19	22	20	2	2	13
80 or over	13	0	9	12	13	1	1	6
All ages	100	100	100	100	100	100	100	100
Ages at 1998								
Under 25	0	2	6	7	10	22	–	3
25 - 29	0	10	8	10	15	26	–	8
30 - 44	5	46	24	30	33	36	–	29
45 - 59	22	34	21	16	19	10	–	26
60 - 69	31	7	14	11	8	4	–	15
70 - 79	30	2	18	15	8	1	–	14
80 or over	12	0	9	10	7	0	–	6
All ages	100	100	100	100	100	100	–	100

Sources: General Household Surveys 1980, 1990 &amp; 1998, Office for National Statistics.

Note: For 1998 figures for private lettings with a job or business are included within the figures for private unfurnished and furnished lettings.



Table 29b Tenure profile of heads of household by sex and marital status in Great Britain

Percentages

Item	Owner-occupiers		Rented				All tenures	
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished		With job or business
Sex & marital status at 1980								
Men: Married	20	40	31	1	4	1	3	100
Single	17	22	25	1	11	22	3	100
Widowed	35	5	45	2	9	1	2	100
Divorced/separated	9	34	36	1	9	8	3	100
All men	20	37	31	1	5	2	3	100
Women: Married	13	41	32	2	2	10	2	100
Single	30	9	30	3	12	13	3	100
Widowed	36	3	46	3	11	0	0	100
Divorced/separated	13	16	58	3	6	3	1	100
All women	30	8	44	3	10	4	1	100
Total	23	30	34	1	6	3	3	100
Sex & marital status at 1990								
Men: Married	24	54	16	1	2	1	2	100
Single	14	39	20	3	8	14	2	100
Widowed	42	9	39	3	5	0	1	100
Divorced/separated	12	40	29	4	7	6	3	100
All men	23	49	18	2	3	2	2	100
Women: Married	35	30	22	9	0	0	4	100
Single	19	22	35	7	7	8	2	100
Widowed	44	6	39	4	6	1	0	100
Divorced/separated	12	30	44	4	6	2	1	100
All women	30	16	39	5	6	3	1	100
Total	25	41	24	3	4	2	2	100
Sex & marital status at 1998								
Men: Married	31	52	9	3	5	1	–	100
Cohabiting	5	61	16	5	9	4	–	100
Single	15	37	17	6	11	14	–	100
Widowed	53	9	26	7	4	0	–	100
Divorced/separated	16	37	25	6	13	3	–	100
All men	27	49	12	4	6	3	–	100
Women: Married/Cohabiting	–	–	–	–	–	–	–	100
Single	16	26	27	12	12	6	–	100
Widowed	54	6	27	7	5	0	–	100
Divorced/separated	14	34	32	10	7	2	–	100
All women	32	20	29	9	8	2	–	100
Total	28	41	16	5	7	2	–	100

Sources: General Household Surveys 1980, 1990 &amp; 1998, Office for National Statistics.

Notes: The 1998 figures distinguish between married and cohabiting; for earlier years married includes cohabiting. The samples are too small to provide figures for married and cohabiting female heads of household by tenure. The 1998 figures include private lettings with a job or business within furnished and unfurnished lettings.

Table 29c Tenure profile of heads of household by socio-economic group and economic activity status in Great Britain

Percentages

Item	Owner-occupiers		Rented				All tenures	
	Owned outright	With mortgage	Local authority	Housing association	Private: unfurnished	Private: furnished		With job or business
<b>Socio-economic group at 1980</b>								
Professional	3	8	0	4	0	9	8	4
Employers/managers	10	24	3	3	4	9	25	12
Intermediate non-manual	4	11	2	4	5	17	8	6
Junior non-manual	5	10	6	7	6	18	13	8
Skilled manual	15	34	27	19	17	21	23	25
Semi-skilled manual	6	8	14	8	9	10	21	10
Unskilled manual	2	1	5	3	3	5	0	3
Economically inactive	56	4	42	52	55	11	1	33
Total	100	100	100	100	100	100	100	100
<b>Socio-economic group at 1990</b>								
Professional	2	10	0	0	2	8	8	5
Employers/managers	9	24	2	4	7	11	26	14
Intermediate non-manual	4	14	2	5	6	14	10	8
Junior non-manual	3	7	4	4	6	10	6	5
Skilled manual	12	30	15	12	20	17	20	21
Semi-skilled manual	3	7	11	10	9	9	26	8
Unskilled manual	1	1	4	1	3	4	0	2
Economically inactive	66	7	61	63	48	26	5	38
Total	100	100	100	100	100	100	100	100
<b>Socio-economic group at 1998</b>								
Professional	3	10	0	0	4	12	–	6
Employers/managers	7	25	2	3	10	10	–	13
Intermediate non-manual	4	13	2	3	11	15	–	8
Junior non-manual	3	9	5	6	7	9	–	6
Skilled manual	8	24	12	12	16	12	–	16
Semi-skilled manual	4	8	11	11	12	10	–	8
Unskilled manual	1	2	4	5	2	1	–	2
Economically inactive	70	10	64	61	38	32	–	41
Total	100	100	100	100	100	100	–	100

Sources: General Household Surveys 1980, 1990 &amp; 1998, Office for National Statistics.

Notes: Excludes members of the armed forces, economically active full-time students and those who were unemployed and had never worked. Skilled manual includes own account non-professionals. Semi-skilled manual includes personal service. 1998 figures include private lettings with a job or business within unfurnished and furnished lettings.

Table 30a Race by tenure in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
Tenure							
Outright owner	27	21	14	10	9	13	26
Owner with mortgage	42	57	42	33	39	42	42
Rented:							
With job or business	2	2	0	2	3	2	2
Local authority or housing association	22	9	31	44	27	29	23
Private unfurnished	5	5	6	6	8	6	5
Private furnished	2	5	6	6	14	8	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: General Household Survey 1998, Office for National Statistics.

Table 30b Race by dwelling type in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
House:							
Detached	22	14	7	3	13	9	21
Semi-detached	33	36	21	17	18	23	32
Terraced	27	37	50	32	26	35	27
Flats:							
Purpose-built	14	8	21	34	29	24	15
Converted	4	5	2	13	13	9	4
Other	0	0	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Sources: General Household Surveys 1995, 1996 &amp; 1998, unpublished data from Office of National Statistics.

Table 30c Race by occupation standards in Great Britain (1995, 1996 and 1998 combined)

Percentages

	White	Indian	Pakistani/ Bangladeshi	Black	Other	All ethnic minorities	Total
Bedroom Standard							
2 or more below standard	0	1	7	1	1	2	0
1 below standard	2	8	15	7	5	8	2
Equals standard	27	32	48	45	45	42	28
1 above standard	38	36	19	29	29	29	38
2 or more above standard	33	24	12	19	21	20	32

Source: General Household Surveys 1995, 1996 &amp; 1998, unpublished data from Office of National Statistics.

Table 31 Tenure, cars, consumer durables and second dwellings in Great Britain

Percentage of households with specified durables in 1999/2000

Item	Rented					Owner-occupiers		All households
	Local authority	Housing association	Other unfurnished	Rented furnished	Rent free	In process of purchasing	Outright owner	
No car	63	62	36	55	47	9	27	29
One car	31	33	46	32	42	46	49	43
Two or more cars	6	5	18	13	11	45	23	27
Central heating	87	91	80	83	86	93	89	90
Telephone	86	85	91	79	92	99	99	95
Washing machine	82	76	86	77	87	98	93	91
Tumble dryer	39	40	43	30	47	62	51	52
Microwave	76	73	71	64	76	88	75	80
Dishwasher	4	3	10	8	20	35	26	23
Video recorder	76	73	84	71	68	96	81	86
CD player	54	52	78	77	56	90	56	72
Second dwelling	1	2	4	4	6	6	5	4

Source: Family Spending 1999-2000, Office for National Statistics.

Table 32 **Employment status of household heads by tenure**

Percentages

Year	Tenure	In employment:			Unemployed	Retired	Other economic inactive	Total
		Full-time	Part-time	All				
1981	Outright owners	37	4	42	3	44	11	100
	Home-buyers	92	1	93	3	2	2	100
	Council renting	43	4	47	9	28	15	100
	Housing association	42	4	46	6	34	14	100
	Private, unfurnished	51	4	56	4	30	10	100
	Private, furnished	65	1	66	9	5	20	100
	All tenures	58	3	62	5	24	10	100
1991	Outright owners	26	6	32	3	58	7	100
	Home-buyers	86	3	89	4	4	4	100
	Council renting	25	5	30	11	40	19	100
	Housing association	29	5	34	9	42	15	100
	Private, unfurnished	54	5	59	6	28	8	100
	Private, furnished	56	5	61	12	4	23	100
	All tenures	54	4	59	6	27	9	100
1999/00	Outright owners	25	5	30	1	64	6	100
	Home-buyers	85	4	89	1	5	4	100
	Council renting	25	7	31	7	37	25	100
	Housing association	26	9	35	8	32	25	100
	Private, unfurnished	53	8	62	5	18	15	100
	Private, furnished	54	11	64	4	5	27	100
	All tenures	53	6	59	3	28	10	100

Sources: Housing trailers to the 1981 &amp; 1991 Labour Force Surveys, Survey of English Housing 1999/00.

Notes: Unemployed includes households that believe no work is available. Equivalent figures for 1981, 1984, 1988, and 1993/4 to 1998/99 can be found in earlier editions of the *Review*.

Table 33 **Employment status of recently moving household heads by tenure in 1984, 1991 and 1999/2000***Percentages*

Year	Tenure	In employment:			Unemployed	Retired	Other economic inactive	Total
		Full-time	Part-time	All employed				
1984	Outright owner	31	5	36	9	31	19	100
	Buying with mortgage	94	1	95	3	–	2	100
	Council	29	5	33	24	17	26	100
	Housing association	40	12	52	16	12	10	100
	Private, unfurnished	74	4	77	11	3	11	100
	Private, furnished	52	4	56	16	1	28	100
	All tenures	64	3	67	11	7	14	100
1991	Outright owner	37	5	42	6	42	8	100
	Buying with mortgage	93	2	94	3	1	2	100
	Council	28	3	31	22	20	27	100
	Housing association	30	6	35	13	28	24	100
	Private, unfurnished	75	4	79	9	2	9	100
	Private, furnished	55	4	59	11	1	28	100
	All tenures	64	3	67	10	8	15	100
1999/00	Outright owner	34	6	40	2	47	11	100
	Buying with mortgage	92	3	95	1	2	2	100
	Council	28	8	36	11	18	35	100
	Housing association	29	9	38	13	17	33	100
	Private, unfurnished	61	9	70	7	5	18	100
	Private, furnished	54	10	68	5	2	30	100
	All tenures	63	6	70	5	10	15	100

Sources: Housing trailers to the 1984 and 1991 Labour Force Surveys, Survey of English Housing 1999/00.

Note: Other economic inactive includes people who were permanently sick or disabled, in full-time education, or looking after the family at home.

Table 34 **Incomes of household heads by tenure in Great Britain***£ per week*

Tenure	1972	1976	1980	1984	1988	1992	1996	1998
Owners:								
Outright owner	25	59	81	107	157	194	225	220
With mortgage	39	96	142	195	267	320	380	401
Tenants:								
Local authority	22	58	68	76	93	110	131	130
Housing association	–	54	66	88	94	120	145	142
Private, unfurnished	19	48	60	77	110	149	223	231
Private, furnished	21	57	87	89	161	170	222	250

Source: General Household Surveys 1972 to 1998.

Notes: Income figures are mean averages for usual gross income of household heads. Local authority tenants includes tenants of new towns.

Table 35 **Tenure and sources of income in 1999/2000**

Sources of income	Tenant households					Home-owner households		
	Local authority	Housing association	Other unfurnished	Rented furnished	Rent free	In process of purchasing	Outright owner	All owners
	£	£	£	£	£	£	£	£
Household weekly income:								
Gross	220	212	390	434	348	689	408	580
Disposable	199	192	330	353	296	540	347	465
Percentage from:								
Wages & salaries	46	47	66	78	60	79	37	68
Self-employment	3	4	14	9	10	11	9	10
Investments	3	1	3	3	7	3	11	5
Pensions & annuities	4	4	2	0	4	2	22	8
Social security	43	42	12	3	16	4	20	8
Other sources	1	2	3	7	2	1	1	1
Total	100	100	100	100	100	100	100	100

Source: Family Spending 1999-2000, Office for National Statistics

Note: Pensions and annuities excludes social security benefits. Social security benefits exclude housing benefit and council tax benefit.

Table 36 Tenure and gross weekly household income in Great Britain in 1999/2000

*Percentages of households in each gross income decile group*

Income decile group	Lower income boundary	Tenant households					Home-owner households		All households
		Local authority	Housing association	Other	Rented furnished	Rent free	In process of purchasing	Outright owner	
	£	%	%	%	%	%	%	%	%
Lowest	–	41.8	13.6	8.9	6.6	3.2	6.8	19.2	100.0
Second	97	36.2	11.0	6.9	3.1	1.9	8.2	32.8	100.0
Third	148	33.8	10.3	5.5	1.3	2.2	12.7	34.1	100.0
Fourth	206	21.8	7.2	6.2	2.9	1.2	22.8	37.9	100.0
Fifth	281	14.6	4.9	7.2	3.3	1.0	35.8	33.1	100.0
Sixth	371	9.9	3.5	5.6	3.3	1.2	51.1	25.5	100.0
Seventh	464	5.4	2.0	5.1	2.3	0.9	62.6	21.7	100.0
Eighth	570	3.6	1.1	4.1	0.9	0.5	70.5	19.4	100.0
Ninth	719	2.8	0.8	3.9	2.8	1.1	72.7	15.8	100.0
Highest	942	1.1	0.2	2.4	2.6	1.0	75.3	17.5	100.0
All		17.4	5.5	5.6	2.9	1.4	41.3	25.9	100.0

Source: Family Expenditure Survey 1999-2000, Office for National Statistics.

Note: The table with this data is regrettably not included in the published report of the 1999/00 Family Expenditure Survey.



# **Section 3      Compendium of tables**

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## **Private housing**

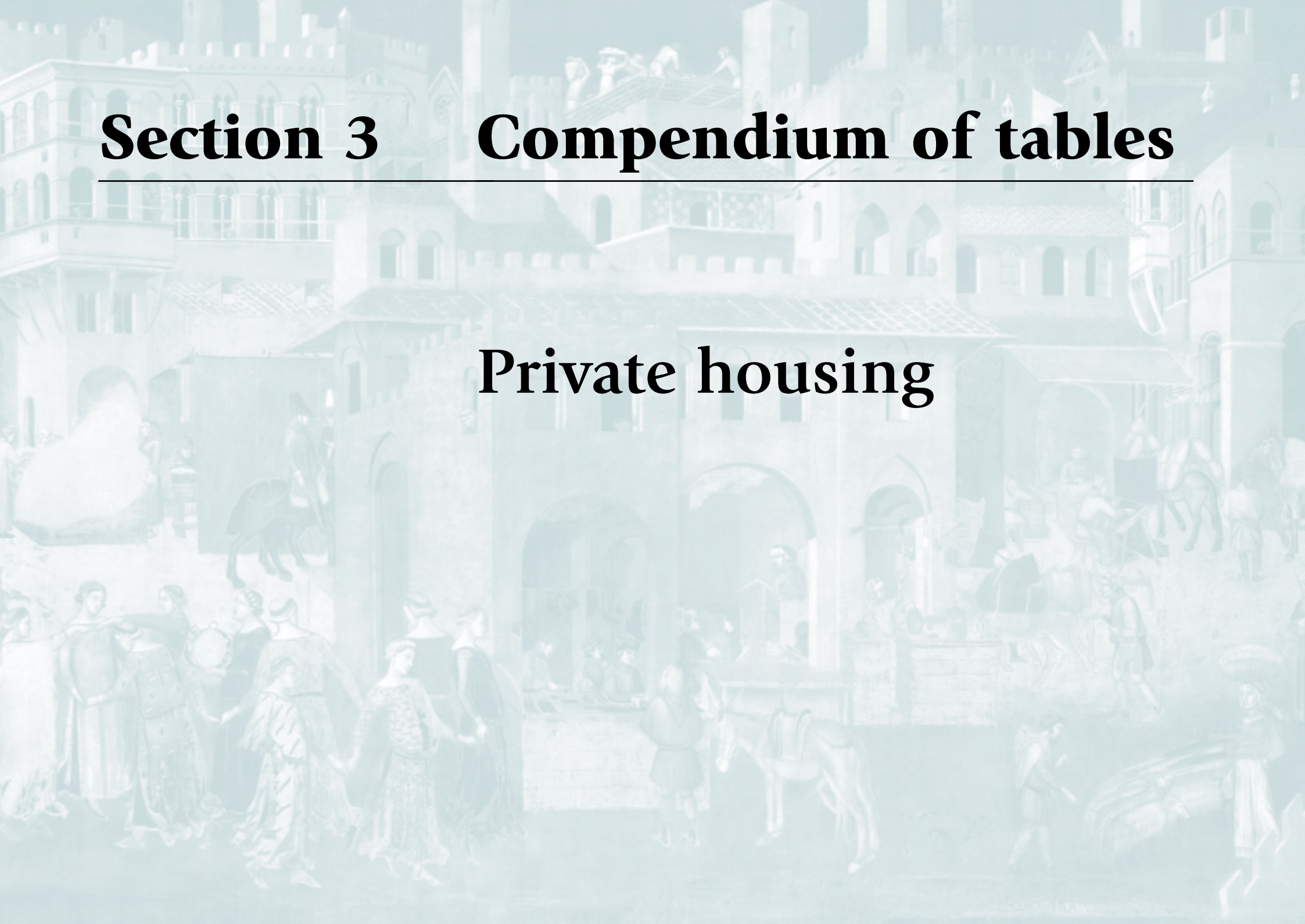


Table 37a Numbers of property transactions in England and Wales

Thousands

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Transactions	1,267	1,351	1,542	1,669	1,760	1,743	1,801	1,937	2,148	1,580	1,398	1,306	1,136	1,196	1,274	1,135	1,242	1,440	1,347	1,469	1,436

Sources: Economic Trends, Inland Revenue Statistics, Inland Revenue.

Table 37b Residential property transactions in England and Wales

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
All property transactions (000s)	1,801	1,937	2,148	1,580	1,398	1,306	1,136	1,196	1,274	1,135	1,242	1,440	1,347	1,469
Residential property transactions (000s)	1,600	1,744	1,990	1,467	1,283	1,225	1,032	1,114	1,168	1,047	1,122	1,296	1,220	1,368
Residential properties as a percentage of all property transactions (%)	88.8	90.0	92.6	92.8	91.8	93.8	90.8	93.1	91.7	92.2	90.3	90.0	90.6	93.1
Residential transactions as a percentage of stock of owner-occupied dwellings (%)	12.6	13.4	14.8	10.6	9.2	8.6	7.2	7.7	8.0	7.1	7.6	8.7	8.1	9.0

Sources: Inland Revenue Statistics, Economic Trends, Housing and Construction Statistics.

Table 38 Numbers of mortgage advances per year in Great Britain

Thousands

	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Building societies	675	1,073	780	661	531	561	602	513	589	396	230	304	311
+ Banks		176	333	316	327	397	359	346	431	674	678	757	734
+ Insurance companies	18	19	26										
+ Local authorities	16	23	8										
+ Other specialist lenders				83	38	34	52	50	65	116	127	121	140
= Total	709	1,291	1,147	1,060	896	992	1,013	909	1,085	1,186	1,035	1,182	1,185

Sources: Housing and Construction Statistics (annual volumes) for 1980 to 1990; Bank of England 1991 onwards.

Notes: The 1980 figures are for England and Wales only and exclude council house sales. Thereafter, figures are for Great Britain, and include council house sales. Abbey National Plc figures included with the banks figures from July 1989. The Bank of England data from 1991 onwards also reflects the continuing trend for building societies to convert to banks. The figures for banks and other specialist lenders are understood to include remortgage advances as well as loans for house purchase.

Table 39 Building Society advances

	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Advances (£ million)															
New dwellings	510	946	1,406	2,900	3,775	3,770	3,351	3,234	4,127	4,207	4,227	2,759	1,916	2,484	2,519
+ Other dwellings	1,492	4,003	8,184	20,375	29,260	28,752	24,119	23,534	26,166	22,867	28,865	19,200	13,214	17,619	17,378
= All dwellings	2,002	4,949	9,590	23,275	33,035	32,522	27,470	26,775	30,293	27,075	31,092	21,959	15,130	20,103	19,897
+ Other advances	19	16	24	3,216	10,296	9,502	6,015	4,799	7,706	10,200	12,725	8,647	8,894	9,866	10,501
= Total advances	2,021	4,965	9,614	26,491	44,593	43,603	35,090	33,400	37,999	37,275	43,817	30,606	24,024	29,969	30,398
Number of dwellings (000s)															
New dwellings	133	121	94	119	78	71	64	59	76	68	72	42	25	32	31
+ Other dwellings	407	529	584	955	703	626	526	506	543	453	530	350	204	260	254
= All dwellings	540	651	675	1,073	780	697	589	566	618	524	599	392	230	292	285
Average advance															
New dwellings	–	7,943	15,238	24,922	50,815	52,109	51,333	52,382	54,877	57,172	59,917	62,597	65,669	72,305	73,682
Other dwellings	–	7,511	13,483	22,501	44,559	45,931	45,014	46,384	48,877	49,112	51,870	55,150	57,969	63,792	61,955
All dwellings (A)	–	7,588	13,718	22,770	45,210	46,596	45,718	47,021	49,624	50,150	52,817	55,963	58,824	64,718	63,141
Average house price (B)															
	–	12,119	24,307	33,187	66,695	66,745	63,424	66,157	68,892	68,551	71,653	77,304	86,542	96,918	99,710
Average advance as a % of average house price (A/B)															
	–	62.6	56.4	68.6	67.8	69.8	72.1	71.1	72.0	73.2	73.7	72.4	68.0	66.8	63.3

Source: Department of Transport, Local Government and the Regions (figures up to 1998 from Housing and Construction Statistics).

Notes: Figures for amounts and numbers of advances exclude Abbey National from July 1989, Cheltenham & Gloucester from August 1995, National and Provincial from August 1996, Alliance & Leicester from April 1997, Halifax from June 1997, Bristol & West and Woolwich from July 1997 and Northern Rock from October 1997. Average advances and house price figures exclude mortgages where the price was not representative of the value of the property, i.e. sales to sitting tenants.

Table 40a **Advances to first-time buyers**

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of loans (000s)	330	305	318	570	413	330	301	305	532	419	435	512	525	592	500
Average dwelling price (A) (£)	4,330	9,549	17,533	23,742	45,234	47,094	46,401	47,597	48,231	46,489	48,693	54,051	61,665	71,779	75,795
Average advance (B) (£)	3,464	7,292	12,946	20,260	37,332	38,963	38,642	38,801	40,108	41,389	43,867	47,582	51,038	57,482	60,405
Average annual income (C) (£)	1,766	3,753	7,749	10,466	17,016	17,607	17,896	17,981	18,444	18,697	19,723	21,316	22,807	25,274	26,245
Average advance as % of dwelling price (B/A)	80.0	76.4	73.8	85.3	82.5	82.7	83.3	81.5	83.2	89.0	90.1	88.0	82.8	80.1	79.7
Ratio average advance/ average income (B/C)	1.96	1.94	1.67	1.94	2.19	2.21	2.16	2.16	2.17	2.21	2.22	2.23	2.24	2.27	2.30
Interest rates (%)	8.6	11.1	14.9	13.0	14.3	11.4	9.0	7.9	7.8	7.5	6.5	7.6	7.3	6.5	6.7
Average monthly repayment (D) (£)	22.27	53.16	122.6	173.43	381.02	337.93	284.27	261.92	277.13	288.29	281.45	337.94	360.77	381.78	418.61
Average repayment as % of average income (12xD/C)	15.1	17.0	19.0	19.9	26.9	23.0	19.1	17.5	18.0	18.5	17.1	19.0	19.0	18.1	19.1

Sources: Housing Finance, Compendium of Housing Finance Statistics, Council of Mortgage Lenders.

Notes: All figures relate to the UK. Average income data subject to variation in recording by different societies. From 1989 Q3 to 1993 Abbey National are excluded from data on the number of building society loans, but retained for other columns. From 1994 data is from the wider Survey of Mortgage Lenders. Average mortgage payments are calculated on the basis of a conventional 25 year mortgage, on the basis of the average building society mortgage rate for the year, adjusted to net repayments allowing for changes in tax and MTR rates, and the impact of the £30,000 limit on relief against the average advance.

Table 40b **Annual changes in house prices, mortgage advances and incomes for first-time buyers**

*Percentages*

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average dwelling price	5.7	5.7	17.5	7.1	13.8	4.1	- 1.5	2.6	1.3	- 3.6	4.7	11.0	14.1	16.4	5.6
Average advance	6.9	11.0	14.7	7.8	13.3	4.4	- 0.8	0.4	3.4	3.2	6.0	8.5	7.3	12.6	5.1
Average income	9.2	14.2	23.2	7.3	11.7	3.5	1.6	0.5	2.6	1.4	5.5	8.1	7.0	10.8	3.8

Source and Notes: As Table 40a.

Table 40c **Advances to former owner-occupiers**

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of loans (000s)	210	345	358	505	367	367	287	259	427	377	513	615	563	660	622
Average dwelling price (A) (£)	5,838	13,813	28,959	39,390	76,170	76,253	76,098	77,284	84,861	87,196	91,193	96,454	101,287	111,381	122,102
Average advance (B) (£)	3,854	7,409	13,359	23,300	45,180	47,669	48,494	50,124	55,096	55,977	58,507	62,014	64,993	71,773	78,538
Average annual income (C) (£)	2,168	4,299	8,688	12,702	22,479	23,191	23,917	24,492	26,957	28,088	29,468	30,460	31,720	33,960	35,190
Average advance as % of dwelling price (B/A)	66.0	53.6	46.1	59.2	59.3	62.5	63.7	64.9	64.9	64.2	64.2	64.3	64.2	64.4	64.3
Ratio average advance/ average income (B/C)	1.78	1.72	1.54	1.83	2.00	2.06	2.03	2.05	2.04	1.99	1.99	2.04	2.05	2.11	2.23
Interest rates (%)	8.6	11.1	14.9	13.0	14.3	11.4	9.0	7.9	7.8	7.5	6.5	7.6	7.3	6.5	6.7
Average monthly repayment (D) (£)	24.78	54.01	126.51	199.45	478.02	426.65	367.91	349.56	392.24	397.41	381.59	446.91	464.21	479.53	544.27
Average repayment as % of average income (12xD/C)	13.7	15.1	17.5	18.8	25.5	22.1	18.5	17.1	17.5	17.0	15.5	17.6	17.6	16.9	18.6

Sources and Notes: As Table 40a.

Table 40d **Annual changes in house prices, mortgage advances and incomes for former owner-occupiers***Percentages*

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average dwelling price	13.4	9.8	20.3	7.3	6.8	0.1	- 0.2	1.6	9.8	2.8	4.6	5.8	5.0	10.0	9.6
Average advance	11.4	14.8	12.9	8.5	10.1	5.5	1.7	3.4	9.9	1.6	4.5	6.0	4.8	10.4	9.4
Average income	9.1	16.2	22.3	8.5	16.2	3.2	3.1	2.4	10.1	4.2	4.9	3.4	4.1	7.1	3.6

Sources and Notes: As Table 40a.

Table 41 **Housing wealth, borrowing and equity**

	USA 1989	France 1984	Germany 1988	United Kingdom				
				1980	1985	1990	1995	1998
Billions (of the national currency)								
Gross Domestic Product	5,132	4,362	2,111	230	354	555	713	838
Value of owner-occupied stock	6,500	4,189	2,850	281	502	1,049	1,001	1,264
House purchase debt	1,900	701	427	53	127	295	388	452
'Free equity'	4,600	3,488	2,420	228	374	754	613	812
Percentages								
Value of stock as % of GDP	127	96	135	122	142	189	140	151
Debt as a % of GDP	37	16	20	23	36	53	54	54
Free equity as a % of GDP	90	80	115	99	106	136	86	97

Sources: Figures for USA, France and Germany from House Prices, Land Prices, The Housing Market and House Purchase Debt in Britain and Other Countries, A. Holmans, Department of the Environment.

Note: UK figures updated and revised. They differ from the figures in Table 6, as they have been adjusted to exclude values for housing association and non-corporate private landlords included within the personal sector.

Table 42 Regional land prices per hectare (for private sector housing)

£ thousands

Region	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North	76.3	79.6	71.9	80.2	121.6	123.0	105.2	120.7	277.8	216.5	322.2	237.1							
<i>North East</i>										224.1	320.8	248.1	250.5	223.7	280.0	237.2	342.0	321.4	499.0
North West	84.9	75.3	97.5	81.6	100.8	124.7	146.1	197.3	393.7	309.2	326.3	311.5							
<i>North West</i>										357.2	325.7	313.2	275.9	259.1	304.1	330.2	312.5	351.3	523.2
<i>Merseyside</i>										83.4	322.0	272.9	240.6	300.0	273.8	352.7	284.2	357.8	199.6
Yorkshire & Humberside	61.4	78.1	85.5	96.2	115.4	107.3	122.3	174.8	252.8	311.4	324.9	301.8	251.6	282.7	348.5	367.8	347.8	376.7	258.9
West Midlands	124.1	91.5	130.9	130.9	125.1	150.4	220.4	393.6	458.8	495.6	370.0	397.3	426.2	355.3	434.0	375.6	447.8	729.6	646.3
East Midlands	63.7	72.4	75.5	101.1	94.2	115.7	178.4	313.7	396.0	376.0	330.3	307.9	316.9	296.7	317.2	282.5	293.7	440.0	270.6
East Anglia	71.0	75.8	83.1	94.7	149.1	153.7	273.5	452.5	547.1	405.4	235.6	261.0							
<i>East</i>										631.3	349.4	379.6	459.1	420.7	452.3	519.7	554.9	673.1	880.3
London	390.1	486.0	754.6	600.5	888.2	1,532.5	2,133.4	2,169.0	3,091.1	2,209.0	1,606.9	1,458.7	1,357.2	1,699.9	1,530.0	1,363.9	1,235.0	1,360.1	1,110.8
South East	168.1	180.5	218.4	286.6	378.9	407.0	605.9	820.9	762.9	583.0	603.7	556.0							
<i>South East</i>										526.3	588.7	533.1	533.7	539.3	595.3	654.0	630.2	875.1	868.7
South West	78.9	94.5	138.3	121.7	197.1	194.7	309.1	496.0	493.7	323.3	410.6	196.6	340.1	420.0	424.8	463.7	481.0	469.2	539.9
England	112.0	119.4	155.1	150.7	199.7	240.9	346.9	460.9	453.3	397.4	397.9	343.5	377.4	394.4	414.3	429.3	448.7	521.3	538.4
Wales	31.6	48.8	49.2	74.5	89.0	76.7	83.8	97.8	191.5	222.6	155.0	177.6	167.5	241.7	190.1	281.7	292.2	394.5	377.5

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: 1997, 1998 and 1999 figures are provisional. For years from 1990 data is shown for government office regions (indicated by inset name in italics).

Data for all years from 1981 to 1996 is set out in a single row for regions unaffected by this change in regional definitions. Yorkshire &amp; Humberside changed to Yorkshire &amp; The Humber in the government office regions.

Table 43a Average regional house prices

£

Region	1980	1981	1982	1983	1984	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North	17,710	18,602	18,071	20,034	22,604	22,786	43,655	46,005	48,347	49,337	50,181	47,062	52,195	53,229	57,765	63,501	64,994
Yorkshire & Humberside	17,689	19,202	18,180	20,870	22,356	23,338	47,231	52,343	52,278	54,346	54,364	54,353	57,334	59,890	62,419	67,588	72,108
North West	20,092	20,554	20,744	22,827	24,410	25,126	50,005	53,178	56,377	54,890	57,180	56,537	58,232	63,558	65,730	71,997	71,999
East Midlands	18,928	19,465	19,487	22,034	24,377	25,539	52,620	55,740	54,599	53,370	55,096	55,050	59,743	61,798	66,244	72,523	79,269
West Midlands	21,663	21,755	20,992	23,133	24,989	25,855	54,694	58,659	57,827	58,315	59,106	62,133	64,571	67,623	71,899	79,924	88,183
East Anglia	22,808	23,060	23,358	25,814	28,296	31,661	61,427	61,141	56,770	58,039	59,537	60,898	62,944	69,694	75,354	79,445	92,543
Greater London	30,968	30,757	30,712	34,632	39,346	44,301	83,821	85,742	78,254	78,399	87,493	89,527	94,524	105,644	115,183	142,690	163,294
Rest of South East	29,832	29,975	29,676	33,753	37,334	40,487	80,525	79,042	74,347	74,605	80,579	80,949	86,296	92,651	104,323	118,176	137,214
South West	25,293	25,365	25,514	27,996	30,612	32,948	65,378	65,346	61,460	60,791	64,805	65,095	68,406	72,811	80,385	89,395	104,099
Wales	19,363	20,155	19,662	22,533	23,665	25,005	46,464	48,989	49,685	52,072	53,059	52,992	55,347	58,731	61,180	67,669	72,236
Scotland	21,754	23,014	22,522	23,822	25,865	26,941	41,744	48,772	49,224	49,553	50,551	53,105	57,431	57,697	64,083	69,366	69,874
Northern Ireland	23,656	19,890	20,177	20,878	21,455	23,012	31,849	35,352	37,775	38,878	38,642	42,804	47,850	53,322	59,645	66,200	72,468
United Kingdom	23,596	24,188	23,644	26,469	29,106	31,103	59,785	62,455	60,821	61,223	64,755	65,641	70,534	75,959	81,991	92,715	101,466

Sources: Housing Finance, Council of Mortgage Lenders, derived from the DoE/BSA 5% sample survey, and from 1994 the wider Survey of Mortgage Lenders.

Notes: The average prices are not adjusted for changes in the mix of properties mortgaged to building societies. There is a discontinuity in the series between 1993 and 1994, due to the switch to the wider Survey of Mortgage Lenders. The impact of this break in the series varies from region to region, but the aggregate effect for the UK is to increase reported prices by some 2 per cent. The breakdown in English regions is based on standard statistical regions, except that separate figures for Greater London are given alongside those for the Rest of South East.



**Table 43b Average regional house prices***Mix adjusted index (1993 = 100)*

Region	1980	1981	1982	1983	1984	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North	35.9	38.4	40.0	44.5	47.0	48.4	93.4	93.9	97.9	100.0	103.7	98.3	101.7	108.7	113.3	122.3	127.5
Yorkshire & Humberside	32.0	35.9	36.1	40.6	43.2	45.7	96.8	100.8	99.0	100.0	97.9	98.0	101.1	106.4	110.0	116.8	122.5
North West	36.0	38.2	39.2	43.2	45.7	47.9	101.3	102.7	104.1	100.0	102.3	101.4	102.8	110.1	114.7	122.7	131.5
East Midlands	35.8	38.6	39.8	44.2	48.3	52.0	107.8	105.1	102.9	100.0	101.8	102.0	107.5	112.2	122.4	127.1	141.1
West Midlands	36.4	38.0	38.7	41.9	44.8	47.0	104.4	104.4	101.5	100.0	100.2	102.8	105.8	112.1	120.7	130.2	146.9
East Anglia	39.6	41.7	43.2	47.1	51.8	58.2	114.3	111.1	105.1	100.0	102.6	105.3	105.8	115.7	130.7	138.2	165.1
Greater London	37.9	39.1	39.7	44.8	52.0	59.2	117.9	113.2	101.7	100.0	120.8	108.4	111.4	128.1	147.0	181.4	214.0
Rest of South East	39.9	41.7	42.4	48.0	54.4	60.0	118.5	112.2	104.3	100.0	105.9	106.9	111.7	124.2	142.6	159.0	189.9
South West	41.0	42.4	43.9	48.4	52.1	57.5	114.0	110.4	104.2	100.0	103.4	104.3	108.7	117.7	130.7	145.6	169.5
Wales	35.8	38.8	41.0	45.1	46.9	50.5	101.5	100.1	99.0	100.0	101.9	100.0	104.3	110.4	115.7	124.8	131.7
Scotland	36.2	39.6	42.2	47.4	50.3	53.1	85.3	92.4	96.4	100.0	98.5	99.7	102.6	111.5	114.8	117.3	120.9
Northern Ireland	55.8	54.2	56.4	60.8	63.0	67.5	88.1	94.4	96.1	100.0	104.0	116.2	126.2	140.2	155.0	170.2	188.8
United Kingdom	37.7	39.8	40.8	45.7	49.8	54.3	108.1	106.6	102.6	100.0	103.1	103.7	107.5	117.6	130.5	145.4	166.3

Sources: Compendium of Housing Finance Statistics, Council of Mortgage Lenders, derived from the DoE/BSA 5% sample survey.

Notes: The indexes are adjusted for changes in the mix of properties mortgaged to building societies (to 1993) and mortgage lenders (subsequent years). This discontinuity has little impact on the mix adjusted house price for the UK, but there is some variable impact on the regional indexes. For the years from 1990 onwards the mix is based on properties mortgaged during the 1992 to 1994 period. See note on regions on Table 43a.

Table 44 Average regional house prices by size of dwelling in 1999

£

Region	1 or 2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms or more
North East	42,343	42,554	44,996	51,779	67,920	117,880
Yorkshire & The Humber	47,285	47,212	49,765	56,734	69,778	122,112
North West	55,608	59,131	53,860	59,788	74,224	133,411
West Midlands	54,673	59,926	62,320	66,292	80,235	150,635
East Midlands	52,650	51,013	54,751	60,556	70,166	135,737
East	64,567	61,451	66,513	73,827	93,191	165,963
London	118,021	124,296	142,998	157,672	182,810	321,655
South East	83,731	84,723	100,724	114,575	140,049	234,130
South West	67,332	70,782	74,007	88,802	108,579	163,829
Wales	47,611	51,298	50,894	54,112	68,451	107,935
Scotland	48,707	48,493	48,950	62,126	84,706	141,036
Northern Ireland	51,246	76,018	55,968	55,638	70,668	109,409

Source: DETR; analysis commissioned from DETR/CML 5% Sample Survey of Mortgage Lenders.

Notes: Figures for one and two room dwellings should be treated with particular caution due to very small sample sizes.

Rooms include kitchens, but not bathrooms, lobbies, landings or sculleries. Figures are for sales to all purchasers, with the exception of sitting tenants.

Table 45 Average regional mortgage repayments

*£ per week*

Region	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
North	16.30	21.27	26.07	28.81	28.29	33.50	40.14	44.34	38.81	35.37	34.59	40.92	42.17	47.43	58.64	50.56
North West	15.48	23.13	25.42	29.51	26.54	35.20	45.05	49.68	46.91	37.93	41.86	43.70	49.91	53.30	58.55	56.69
Yorkshire & Humberside	14.14	24.22	25.45	25.28	26.46	33.24	42.97	47.49	44.24	37.22	40.34	44.51	42.81	47.20	61.91	52.93
West Midlands	18.82	25.85	27.49	29.00	29.92	40.46	46.92	51.46	48.42	43.46	41.16	48.85	47.89	57.20	65.57	68.97
East Midlands	15.89	22.32	25.77	25.06	30.72	39.21	50.30	48.34	54.41	42.61	43.62	49.01	47.56	52.70	61.56	57.57
East Anglia	19.63	27.13	31.49	35.89	38.80	50.50	61.83	50.36	55.22	50.56	47.24	52.55	57.57	55.05	66.56	60.29
Greater London	23.00	38.48	43.53	51.86	56.37	79.66	89.56	89.35	78.70	76.05	71.56	67.16	73.39	86.20	97.70	104.70
Rest of South East	23.70	36.85	39.53	46.15	50.79	66.52	81.76	76.08	75.19	65.10	62.88	68.38	70.38	79.09	88.89	94.13
South West	18.58	28.29	32.41	35.47	38.79	49.46	67.80	62.97	61.97	47.11	51.09	49.92	51.37	59.43	64.77	68.64
Wales	17.74	24.07	27.26	29.57	27.15	37.63	49.79	43.37	42.37	42.65	33.64	43.87	48.51	53.25	58.52	52.44
Scotland	24.18	31.11	32.12	33.50	37.17	43.72	48.65	52.69	49.05	39.79	40.17	42.17	46.35	51.52	58.51	56.35
Northern Ireland	18.00	27.61	23.36	24.69	26.36	42.20	36.89	44.09	35.01	32.15	27.47	37.64	31.07	40.84	43.84	43.76
United Kingdom	19.50	29.07	31.94	35.81	37.83	49.82	60.39	60.27	57.65	49.49	49.04	52.47	54.87	61.54	70.63	70.53

Sources: Family Expenditure Surveys; Office for National Statistics. Data for years to 1992 extracted from FES database by Anthony Murphy, Northern Ireland Economic Research Centre.

Note: Repayments include both capital and interest, and are the average for all home-buyers with outstanding mortgages. Endowment and life insurance premiums are not included.

Table 46 Mortgage arrears and repossessions

Year	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of mortgages at year end (000s)	4,171	5,076	6,210	7,717	9,415	9,815	9,922	10,137	10,410	10,521	10,637	10,738	10,821	10,981	11,168
Repossessions during year	3,760	4,870	3,480	19,300	43,890	75,540	68,540	58,540	49,190	49,410	42,560	32,770	33,820	30,030	22,610
Cases in mortgage arrears															
12+ months arrears	–	–	–	13,120	36,100	91,740	147,040	151,810	117,110	85,200	67,020	45,200	34,880	29,520	18,830
6 - 12 months arrears	21,140	16,760	15,530	57,110	123,110	183,610	205,010	164,620	133,700	126,670	100,960	73,840	74,040	57,110	45,680
3 - 6 months arrears	–	–	–	–	–	–	–	193,660	169,080	177,910	139,250	117,840	129,090	96,680	91,630
3 - 5 months arrears	–	–	–	97,000	206,600	305,500	275,400	242,050	191,590	–	–	–	–	–	–
2 months arrears	–	–	–	140,000	237,500	269,800	207,800	198,400	135,840	–	–	–	–	–	–

Sources: Compendium of Housing Finance Statistics & Housing Finance, Council of Mortgage Lenders; Janet Ford, Roof (figures for 2 & 3-5 months arrears for years 1985 to 1994).

Notes: Properties taken into possession include those voluntarily surrendered. The CML 3-6, 6-12 & 12+ months arrears figures are for the end of the year. The Janet Ford survey figures for 2 & 3-5 months arrears are for March of the year. Her survey of mortgage arrears figures has now been discontinued from publication following the introduction of the CML 3-6 months arrears series. Changes in the mortgage rate have the effect of changing monthly repayments and hence the number of months in arrears which a given amount represents.

Table 47 Court actions for mortgage repossessions in England and Wales

Year & Quarter	1997				1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Actions entered	16,298	16,566	16,778	17,431	18,536	19,449	22,919	23,932	22,525	19,811	19,478	19,794	20,371	17,343	17,786	17,525
Suspended orders	8,920	8,827	8,408	8,477	9,816	9,948	7,938	10,729	10,285	9,967	8,143	7,816	7,267	8,651	8,128	7,634
Orders made	5,729	5,723	5,591	5,481	6,681	6,299	5,319	6,372	5,925	6,125	5,846	4,841	4,418	5,610	5,307	5,056

Source: Mortgage possession statistics, Lord Chancellor's Department.

Table 48a Court orders for mortgage repossession: actions entered 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	4,943	6,917	6,064	4,639	3,742	3,762	3.4	3.7	4.3	4.0	4.3	4.3
Yorkshire & Humberside	10,434	14,146	10,280	8,447	7,619	7,402	7.2	7.6	7.2	7.3	8.7	8.4
East Midlands	11,036	13,468	10,110	7,672	6,045	6,456	7.6	7.2	7.1	6.6	6.9	7.3
East Anglia	5,558	6,237	5,012	3,884	2,974	2,816	3.8	3.3	3.5	3.3	3.4	3.2
Greater London	29,291	35,265	25,681	21,250	15,545	12,135	20.2	18.9	18.1	18.3	17.7	13.8
South East	35,673	44,610	33,780	27,698	19,896	18,650	24.5	23.9	23.8	23.8	22.6	21.2
South West	12,209	16,694	12,544	11,742	7,355	7,063	8.4	8.9	8.8	10.1	8.4	8.0
West Midlands	13,596	17,693	13,974	10,299	8,614	8,217	9.4	9.5	9.8	8.9	9.8	9.3
North West	14,974	21,384	17,158	14,103	11,726	12,325	10.3	11.5	12.1	12.1	13.3	14
Wales	7,636	10,235	7,588	6,447	4,442	5,344	5.3	5.5	5.3	5.5	5.1	6.1
England and Wales	145,350	186,649	142,191	116,181	87,958	84,170	100	100	100	100	100	100

Sources: Answers to Parliamentary Questions - 12/12/91 & 13/2/92; Mortgage possession statistics, Lord Chancellor's Department.

Table 48b Court orders for mortgage repossession: suspended orders 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	1,997	3,368	4,216	3,385	2,820	2,522	4.1	4.9	6.2	5.4	6.2	5.5
Yorkshire & Humberside	3,002	5,103	4,763	4,540	3,154	3,604	6.2	7.4	7.0	7.3	6.9	7.9
East Midlands	3,610	4,480	4,946	4,233	3,185	3,273	7.4	6.5	7.2	6.8	7.0	7.2
East Anglia	1,420	1,991	1,752	2,237	1,291	1,222	2.9	2.9	2.6	3.6	2.8	2.7
Greater London	12,076	13,051	12,444	10,640	8,399	6,705	24.8	18.9	18.2	17.1	18.4	14.7
South East	11,112	17,223	16,832	15,154	10,797	10,696	22.8	24.9	24.6	24.3	23.7	23.5
South West	3,406	5,786	5,182	5,189	3,473	3,428	7.0	8.4	7.6	8.3	7.6	7.5
West Midlands	4,456	6,475	6,384	5,488	4,372	4,223	9.1	9.4	9.3	8.8	9.6	9.3
North West	5,329	8,112	8,123	7,802	5,800	6,347	10.9	11.7	11.9	12.5	12.7	13.9
Wales	2,382	3,457	3,673	3,598	2,253	2,703	4.9	5.0	5.4	5.8	4.9	5.9
England and Wales	48,790	69,046	68,315	62,266	45,544	44,723	100	100	100	100	100	100

Source: As Table 48a.

Table 48c Court orders for mortgage repossession: orders made 1990 - 1995

Region	Numbers						Percentage of the total for England and Wales					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
North	1,549	2,192	2,138	1,652	1,322	1,179	2.8	3.0	3.6	3.8	4.1	3.7
Yorkshire & Humberside	3,792	5,741	4,171	2,892	2,320	2,222	6.9	7.8	7.1	6.7	7.2	6.9
East Midlands	3,828	5,224	4,346	2,752	2,361	2,122	7.0	7.1	7.4	6.4	7.3	6.6
East Anglia	2,299	3,060	2,328	1,804	1,141	1,101	4.2	4.1	4.0	4.2	3.6	3.4
Greater London	11,146	14,400	11,409	8,825	6,797	6,046	20.4	19.5	19.4	20.5	21.2	18.8
South East	15,422	18,561	14,222	10,484	7,956	7,634	28.2	25.1	24.2	24.4	24.8	23.8
South West	4,812	6,468	5,085	4,056	2,537	2,419	8.8	8.8	8.7	9.4	7.9	7.5
West Midlands	4,582	6,940	5,235	3,358	2,600	2,365	8.4	9.4	8.9	7.8	8.1	7.4
North West	4,708	7,312	6,331	4,897	3,618	3,815	8.6	9.9	10.8	11.4	11.3	11.9
Wales	2,580	3,958	3,403	2,297	1,485	1,632	4.7	5.4	5.8	5.3	4.6	5.1
England and Wales	54,718	73,856	58,668	43,017	32,137	30,535	100	100	100	100	100	100

Sources: As Table 48a.

Table 48d Court orders for mortgage repossession: actions entered 1996 - 2000

Region	Numbers					Percentage of the total for England and Wales				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
North East	3,493	3,015	4,298	4,191	4,037	4.4	4.5	5.1	5.1	5.5
Yorkshire & The Humber	7,649	6,881	8,209	8,082	7,766	9.6	10.3	9.7	9.9	10.6
East Midlands	5,861	4,928	6,383	6,788	5,669	7.3	7.3	7.5	8.3	7.8
East	8,268	6,672	8,498	7,342	6,167	10.4	9.9	10.0	9.0	8.4
London	11,389	9,181	11,365	9,996	8,138	14.3	13.7	13.4	12.2	11.1
South East	11,647	9,131	11,189	9,371	8,585	14.6	13.6	13.2	11.5	11.8
South West	6,412	5,690	7,251	7,000	5,154	8.0	8.5	8.5	8.6	7.1
West Midlands	7,578	6,691	8,095	9,483	9,819	9.5	10.0	9.5	11.6	13.4
North West	9,865	8,818	11,351	10,735	9,413	12.4	13.1	13.4	13.2	12.9
Merseyside	2,775	2,136	2,809	3,131	2,983	3.5	3.2	3.3	3.8	4.1
Wales	4,921	3,930	5,388	5,489	5,294	6.2	5.9	6.4	6.7	7.2
England and Wales	79,858	67,073	84,836	81,608	73,025	100	100	100	100	100

Source: Mortgage possession statistics, Lord Chancellor's Department.

Note: Figures in Tables 48d,e&amp;f are for government office regions; figures in Tables 48a,b&amp;c are for standard statistical regions, except that separate figures for London are given alongside those for the South East.

Table 48e Court orders for mortgage repossession: suspended orders 1996 - 2000

Region	Numbers					Percentage of the total for England and Wales				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
North East	2,045	1,577	2,298	2,325	1,882	4.7	4.6	5.6	6.3	5.9
Yorkshire & The Humber	3,844	3,471	4,300	4,087	3,664	8.9	10.0	10.5	11.2	11.6
East Midlands	3,036	2,563	3,085	2,774	2,436	7.0	7.4	7.6	7.6	7.7
Eastern	4,030	2,982	3,891	3,475	2,462	9.3	8.6	9.5	9.5	7.8
London	6,435	4,659	5,327	4,493	3,077	14.8	13.5	13.1	12.3	9.7
South East	6,644	5,388	5,812	4,403	3,864	15.3	15.6	14.3	12.0	12.2
South West	3,280	2,730	3,035	2,831	2,339	7.6	7.9	7.4	7.7	7.4
West Midlands	3,839	3,368	3,757	4,054	3,683	8.8	9.7	9.2	11.1	11.6
North West	6,251	4,493	5,233	4,561	4,350	14.4	13.0	12.8	12.4	13.7
Merseyside	1,354	1,048	1,226	1,428	1,352	3.1	3.0	3.0	3.9	4.3
Wales	2,670	2,353	2,814	2,217	2,571	6.1	6.8	6.9	6.0	8.1
England and Wales	43,428	34,632	40,778	36,648	31,680	100	100	100	100	100

Source and note: As Table 48d.

Table 48f Court orders for mortgage repossession: orders made 1996 - 2000

Region	Numbers					Percentage of the total for England and Wales				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
North East	1,157	974	1,171	1,068	1,102	4.2	4.3	4.6	4.5	5.4
Yorkshire & The Humber	2,558	2,316	3,068	2,971	2,391	9.2	10.3	12.1	12.6	11.7
East Midlands	2,008	1,708	1,716	1,772	1,604	7.2	7.6	6.8	7.5	7.9
Eastern	3,391	2,529	2,632	2,216	1,628	12.2	11.2	10.4	9.4	8.0
London	4,813	3,426	3,516	3,362	2,067	17.3	15.2	13.9	14.3	10.1
South East	3,968	3,120	3,410	2,709	2,621	14.3	13.9	13.5	11.5	12.9
South West	2,372	1,928	2,077	2,026	1,307	8.5	8.6	8.2	8.6	6.4
West Midlands	2,082	1,996	2,357	2,277	2,313	7.5	8.9	9.3	9.7	11.3
North West	3,484	2,666	2,901	2,768	2,915	12.5	11.8	11.5	11.8	14.3
Merseyside	555	588	769	917	799	2.0	2.6	3.0	3.9	3.9
Wales	1,387	1,273	1,660	1,460	1,644	5.0	5.7	6.6	6.2	8.1
England and Wales	27,775	22,524	25,277	23,546	20,391	100	100	100	100	100

Source and note: As Table 48d.

Table 49a **Types of letting in the private rented sector***Thousands*

Type of letting	Exclusive of non-private lodgers			Inclusive of non-private lodgers						
	1988	1990	1993/94	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Assured	–	360	375	378	367	374	331	321	254	275
Assured shorthold	–	140	825	826	877	945	1,074	1,165	1,223	1,241
Protected shorthold & pre-89 assured	60	40	–	–	–	–	–	–	–	–
All assured	60	540	1,199	1,204	1,244	1,319	1,406	1,486	1,478	1,517
Regulated, registered rent	470	320	245	245	172	167	128	121	107	79
Regulated, unregistered rent	600	270	162	162	139	105	114	84	81	75
All regulated	1,070	590	407	407	311	272	242	205	188	154
Not accessible to the public, rent paid	240	230	146	146	187	204	193	141	156	215
Not accessible to the public, rent free	270	250	230	230	244	223	223	208	231	229
All not accessible to the public	510	480	375	375	431	428	417	349	387	444
Resident landlord	110	90	73	158	181	209	198	178	169	151
No security	60	90	22	22	30	26	18	38	25	40
<b>Total</b>	<b>1,810</b>	<b>1,790</b>	<b>2,077</b>	<b>2,166</b>	<b>2,197</b>	<b>2,254</b>	<b>2,280</b>	<b>2,255</b>	<b>2,247</b>	<b>2,305</b>

Sources: Housing in England, 1996/97 & 1998/99, Office for National Statistics, and preliminary results from the Survey of English Housing 1999/00, Department of the Environment Transport and the Regions.

Notes: 'Non-private lodgers' are lodgers who are members of owner-occupier or social rented sector households. Such lettings were not identified in the 1988 and 1990 surveys. Lettings not accessible to the public include tied tenancies, lettings of student residences, and lettings at low rents to friends and relatives. Pre-1989 protected shorthold lettings have been grouped with the various forms of assured tenancies, but legally they are a form of regulated tenancy.



Table 49b **Types of letting in the private rented sector**

Percentages

Type of letting	Exclusive of non-private lodgers			Inclusive of non-private lodgers						
	1988	1990	1993/94	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Assured	–	20	18	17	17	17	15	14	11	12
Assured shorthold	–	8	40	38	40	42	47	52	54	54
Protected shorthold & pre-89 assured	4	2	–	–	–	–	–	–	–	–
All assured	4	30	58	56	57	59	62	66	66	66
Regulated, registered rent	26	18	12	11	8	7	6	5	5	3
Regulated, unregistered rent	33	15	8	8	8	8	5	4	4	3
All regulated	59	33	20	19	14	12	11	9	8	7
Not accessible to the public, rent paid	13	13	7	7	9	9	8	6	7	9
Not accessible to the public, rent free	15	14	11	11	11	10	10	9	10	10
All not accessible to the public	28	27	18	17	20	19	18	15	17	19
Resident landlord	6	4	4	7	8	9	9	8	8	7
No security	4	5	1	1	1	1	1	2	1	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Sources and Notes: See Table 49a

Table 50 **University of York Index of Private Rents and Yields: annual average valuations weekly rents and gross yields (2000)**

	Detached houses		Semi-detached houses		Terrace houses		2 bedroom flats		1 bedroom flats		Bedsits	
	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)	(£)	(%)
North	97	5.5	79	6.4	65	10.0	64	10.9	58	11.3	40	21.2
Yorkshire & Humberside	105	5.8	82	7.0	69	8.9	69	10.3	63	10.9	40	17.2
North West	119	6.4	90	7.4	69	10.1	70	11.6	61	11.7	41	21.5
West Midlands	138	5.6	102	6.8	82	7.5	79	12.0	72	13.8	47	14.6
East Midlands	103	5.5	79	6.8	68	9.0	65	12.4	60	12.9	39	21.1
East Anglia	138	..	94	..	87	..	81	..	70	..	51	..
South West	139	5.6	115	6.3	98	7.6	97	9.0	81	9.5	49	15.1
South East	203	5.6	151	6.5	128	8.1	112	10.5	89	10.9	53	16.2
Greater London	305	5.7	220	6.6	194	7.7	215	8.2	169	8.0	73	9.4
Scotland	101	5.4	93	6.0	85	7.2	82	9.4	68	10.6	46	12.9
Wales	100	5.2	83	6.7	71	9.7	71	10.8	62	13.3	40	18.0
Northern Ireland	90	4.9	79	6.8	70	8.3	69	8.6	56	8.0	37	9.7
United Kingdom	143	5.5	119	6.7	103	8.7	133	9.8	108	10.2	54	15.5

Notes: 1. Figures in the table are derived from the University of York valuations index. The index is constructed from open market valuations on a specified panel of properties, which are made specifically for the University of York Index by the Rent Officer Service at the local authority level. The valuations have been weighted to reflect the mix of the property types in each district.

2. Figures not provided in the table due to insufficient open market evidence for the vacant possession capital values valuations to be made are denoted by '..'.

3. Gross yield is the annual rent as a proportion of the vacant possession capital value, and is exclusive of running costs and capital gains.

4. Further information about the University of York Index can be obtained from the Centre for Housing Policy, University of York, York, YO10 5DD. Telephone: 01904 43369; Facsimile: 01904 432318; E-mail: UoY.Index@york.ac.uk; Internet: [www.york.ac.uk/inst/chp](http://www.york.ac.uk/inst/chp)

# **Section 3      Compendium of tables**

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## **Social housing expenditure plans**

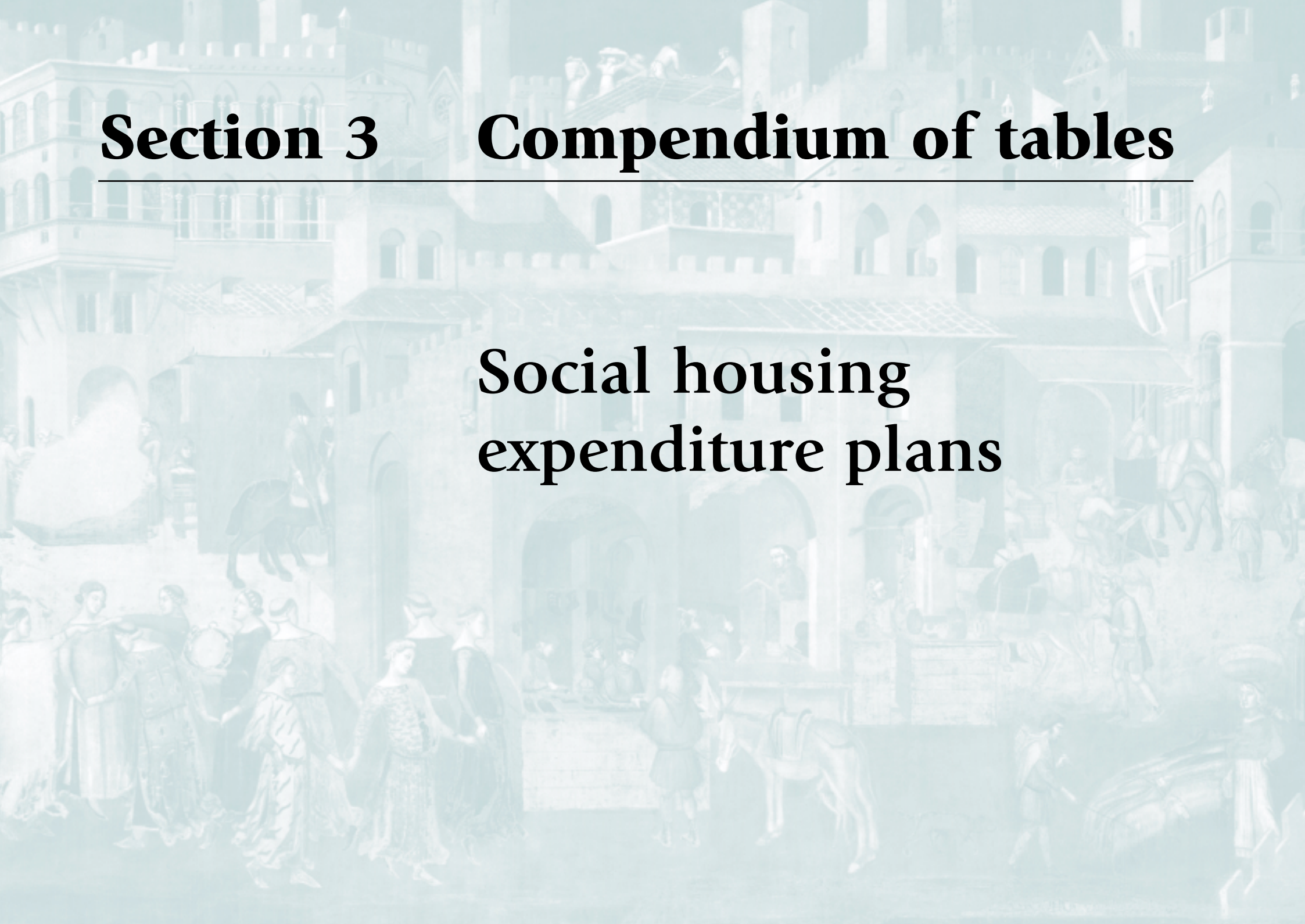


Table 51 Territorial analysis of identifiable General Government Expenditure in the UK

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Housing expenditure (A)															
England	3,099	2,932	2,957	2,055	3,926	3,549	4,314	4,791	3,905	3,890	3,620	3,417	2,731	2,633	2,084
Wales	135	183	231	185	249	323	345	425	388	383	397	359	297	321	216
Scotland	624	586	562	441	589	649	718	640	646	664	587	401	460	493	458
Northern Ireland	346	335	337	335	268	245	255	261	237	226	257	253	258	276	280
United Kingdom	4,204	4,036	4,086	3,015	5,033	4,766	5,631	6,117	5,177	5,164	4,861	4,430	3,746	3,723	3,039
All government expenditure (B)															
England	84,557	90,646	96,908	101,681	112,795	124,499	143,581	160,448	170,116	178,402	189,320	193,464	196,380	202,188	213,166
Wales	5,565	6,192	6,627	7,121	7,671	8,495	9,367	11,438	11,982	12,549	13,334	13,612	13,818	14,324	14,838
Scotland	11,682	12,528	13,277	13,975	14,973	16,308	17,885	20,833	22,229	23,275	24,224	24,524	25,109	25,817	26,981
Northern Ireland	4,318	4,620	4,910	5,633	5,930	6,107	6,725	7,476	8,023	8,315	8,692	9,107	9,281	9,640	10,047
United Kingdom	106,122	113,986	121,721	128,410	141,368	155,410	177,558	200,195	212,351	222,541	235,570	240,696	244,588	251,968	264,982
Housing share of government expenditure (A/B) (percentages)															
England	3.7	3.2	3.1	2.0	3.5	2.9	3.0	3.0	2.3	2.2	1.9	1.8	1.4	1.3	1.0
Wales	2.4	3.0	3.5	2.6	3.2	3.8	3.7	3.7	3.2	3.1	3.0	2.6	2.1	2.2	1.5
Scotland	5.3	4.7	4.2	3.2	3.9	4.0	4.0	3.1	2.9	2.9	2.4	1.6	1.8	1.9	1.7
Northern Ireland	8.0	7.2	6.9	5.9	4.5	4.0	3.8	3.5	3.0	2.7	3.0	2.8	2.8	2.9	2.8
United Kingdom	4.0	3.5	3.4	2.3	3.6	3.1	3.2	3.1	2.4	2.3	2.1	1.8	1.5	1.5	1.1

Sources: Public Expenditure Analyses, Cm 1520, Cm 1920, Cm 2219, Cm 2519, Cm 2821, Cm 3201, Cm 3601, Cm 3901, Cm 4201, Cm 4601 &amp; Cm 5101.

Notes: General Government Expenditure is net of housing capital receipts, which are treated as 'negative expenditure' rather than income. Housing expenditure excludes housing benefit subsidy.

Table 52a **Gross social housing investment in Great Britain***£ billion (cash)*

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
England	3,508	3,403	3,271	4,065	4,405	4,286	3,794	3,775	4,077	4,444	6,100	4,430	4,616	5,181	5,055	4,457	3,908	3,698	3,176	3,250	3,141	3,887
Wales	153	146	128	185	257	210	180	239	293	295	376	371	370	457	432	419	411	370	314	300	265	249
Scotland	382	477	513	577	706	583	594	655	836	895	952	942	958	941	992	1,026	961	779	586	647	607	660
Great Britain	4,043	4,026	3,912	4,827	5,368	5,079	4,568	4,669	5,206	5,634	7,428	5,743	5,944	6,579	6,479	5,902	5,280	4,847	4,076	4,197	4,013	4,796

Sources: See Tables 57a, 69, 70 and 74.

Note: Figures exclude private finance. See source tables for further notes.

Table 52b **Gross social housing investment in Great Britain at constant prices***£ billion (1999/2000 prices)*

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
England	9,881	8,108	7,118	8,274	8,573	7,929	6,665	6,432	6,595	6,733	8,621	5,807	5,701	6,196	5,890	5,121	4,365	4,001	3,341	3,324	3,141	3,820
Wales	430	347	279	377	500	389	316	407	474	447	531	486	457	547	503	481	459	400	330	307	265	245
Scotland	1,077	1,137	1,117	1,174	1,374	1,079	1,043	1,116	1,352	1,356	1,345	1,235	1,183	1,125	1,156	1,179	1,073	843	617	662	607	649
Great Britain	11,388	9,592	8,514	9,824	10,447	9,396	8,024	7,955	8,421	8,536	10,498	7,528	7,341	7,868	7,549	6,781	5,897	5,244	4,288	4,293	4,013	4,714

Sources: As Table 52a.

Note: 1999/2000 prices calculated by application of the adjusted GDP deflator.

Table 53 Local authority gross investment plans, including use of capital receipts and RCCOs, in Great Britain

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
<b>England</b>																
Capital provision	1,569	1,512	1,375	1,233	1,695	1,793	1,616	1,435	1,215	1,158	1,087	981	1,223	1,251	1,904	2,393
Estate Action	45	75	140	190	180	268	348	357	373	316	252	174	97	57	68	39
Local resources	1,380	1,659	2,056	3,674	1,245	746	751	1,273	1,219	1,123	1,179	1,245	1,231	1,112	1,050	950
<b>Total</b>	<b>2,994</b>	<b>3,246</b>	<b>3,570</b>	<b>5,098</b>	<b>3,122</b>	<b>2,812</b>	<b>2,721</b>	<b>3,065</b>	<b>2,807</b>	<b>2,597</b>	<b>2,518</b>	<b>2,400</b>	<b>2,550</b>	<b>2,420</b>	<b>3,022</b>	<b>3,382</b>
<b>Wales</b>																
Capital provision	142	153	115	115	184	194	263	254	267	262	257	210	216	201	194	199
Local resources	45	75	108	171	71	43	21	37	25	43	14	33	17	- 5	- 1	14
<b>Total</b>	<b>187</b>	<b>228</b>	<b>223</b>	<b>286</b>	<b>255</b>	<b>238</b>	<b>283</b>	<b>292</b>	<b>292</b>	<b>305</b>	<b>271</b>	<b>243</b>	<b>233</b>	<b>197</b>	<b>193</b>	<b>213</b>
<b>Scotland</b>																
Capital provision	312	411	351	312	322	311	273	285	301	290	267	255	268	271	354	378
Local resources	141	193	281	332	299	276	307	309	329	295	191	132	153	189	193	185
<b>Total</b>	<b>453</b>	<b>604</b>	<b>632</b>	<b>643</b>	<b>621</b>	<b>587</b>	<b>580</b>	<b>594</b>	<b>630</b>	<b>585</b>	<b>458</b>	<b>387</b>	<b>421</b>	<b>460</b>	<b>547</b>	<b>563</b>
<b>Great Britain</b>																
Capital provision	2,068	2,151	1,981	1,850	2,381	2,566	2,500	2,331	2,156	2,026	1,863	1,620	1,804	1,780	2,520	3,009
Local resources	1,566	1,927	2,445	4,177	1,615	1,065	1,079	1,619	1,573	1,461	1,384	1,410	1,401	1,297	1,242	1,149
<b>Total</b>	<b>3,634</b>	<b>4,078</b>	<b>4,425</b>	<b>6,027</b>	<b>3,998</b>	<b>3,637</b>	<b>3,584</b>	<b>3,951</b>	<b>3,729</b>	<b>3,487</b>	<b>3,247</b>	<b>3,030</b>	<b>3,204</b>	<b>3,077</b>	<b>3,762</b>	<b>4,158</b>

Sources: See tables for local authority gross investment in each country.

Notes: Capital provision includes all credit approvals, and capital grants, excluding provision for the Estate Action programme in England, which is shown separately, and the Urban Programme. Local resources comprise use of capital receipts and RCCOs (revenue contributions to capital outlay). Estimates of use of local resources are included for 2000/01 and 2001/02. Welsh capital provision figures include capital vired to Housing for Wales for local housing association schemes. Scottish figures for 1995/96 and 1996/97 exclude provision for transfers of existing new town stock.

Table 54 Housing associations' gross investment expenditure, including use of private finance, in Great Britain

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate	2001/02 estimate
<b>England</b>																
Housing Corporation	809	864	881	1,034	1,234	1,732	2,369	1,843	1,530	1,183	1,068	702	621	620	702	770
Local authorities	145	156	128	308	193	179	286	388	331	354	327	320	339	330	330	330
Private finance	0	0	100	150	175	250	1,000	1,050	1,100	1,050	1,050	750	800	800	650	740
<b>Total</b>	<b>954</b>	<b>1,020</b>	<b>1,109</b>	<b>1,492</b>	<b>1,602</b>	<b>2,161</b>	<b>3,655</b>	<b>3,281</b>	<b>2,961</b>	<b>2,587</b>	<b>2,445</b>	<b>1,772</b>	<b>1,760</b>	<b>1,750</b>	<b>1,682</b>	<b>1,840</b>
<b>Housing for Wales</b>																
Capital programme	52	63	66	73	102	115	163	131	122	100	92	66	66	68	56	56
Local authorities	0	2	7	17	14	17	11	10	5	6	7	6	2	–	–	–
Private finance	0	8	8	22	33	53	73	70	68	76	75	45	42	42	36	36
<b>Total</b>	<b>52</b>	<b>72</b>	<b>80</b>	<b>112</b>	<b>149</b>	<b>186</b>	<b>247</b>	<b>211</b>	<b>195</b>	<b>183</b>	<b>174</b>	<b>116</b>	<b>109</b>	<b>110</b>	<b>92</b>	<b>92</b>
<b>Scottish Homes</b>																
Capital programme	114	132	164	203	195	220	255	263	269	279	256	174	165	172	181	177
Local authorities	–	–	–	–	11	8	3	10	–	–	–	–	–	–	–	–
Private finance	0	0	0	5	43	42	63	73	81	118	92	74	85	105	116	112
<b>Total</b>	<b>114</b>	<b>132</b>	<b>164</b>	<b>208</b>	<b>249</b>	<b>271</b>	<b>321</b>	<b>346</b>	<b>350</b>	<b>397</b>	<b>348</b>	<b>248</b>	<b>250</b>	<b>277</b>	<b>297</b>	<b>289</b>
<b>Great Britain</b>																
'Housing corporations'	975	1,059	1,111	1,310	1,531	2,067	2,787	2,237	1,921	1,562	1,416	942	852	860	939	1,003
Local authority	145	158	135	325	218	204	300	408	336	360	334	326	341	330	330	330
Private finance	0	8	108	177	251	345	1,136	1,193	1,249	1,244	1,217	869	927	947	802	888
<b>Total</b>	<b>1,120</b>	<b>1,224</b>	<b>1,353</b>	<b>1,812</b>	<b>2,000</b>	<b>2,618</b>	<b>4,223</b>	<b>3,838</b>	<b>3,506</b>	<b>3,167</b>	<b>2,967</b>	<b>2,136</b>	<b>2,119</b>	<b>2,137</b>	<b>2,071</b>	<b>2,221</b>

Sources: See Tables 57, 58, 59, 70 & 77. English private finance figures are author's estimates based on various sources, for most years, but the 2001/02 estimate comes from the Housing Corporation's Investment Bulletin.

Notes: English figures include HAG on deferred interest, but exclude expenditure under the rough sleepers, ERF and other 'non-ADP' programmes. In Scotland and Wales, councils provide their funding for housing associations through Scottish Homes and Housing for Wales; figures for the latest years are not yet available. Scottish figures exclude provision for NLF repayments, expenditure on Scottish Homes' properties and 'GRO' grants to private developers. 'Housing corporations' include Housing for Wales (Tai Cmyru), and Scottish Homes; these are now part of the respective administrations of the Scottish Parliament and the Welsh Assembly. The private finance figures for 1998/99 and 1999/00 include £5 million in each year committed from reserves by housing associations to boost the programme. Great Britain figures for local authority investment in 1999/00 and 2000/01 are based on the estimates for England only.

Table 55 Receipts from council and new town house sales in Great Britain

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Cumulative total	
<b>England</b>																						
Local authorities	655.9	1,240.7	1,768.7	1,316.4	1,107.7	1,061.1	1,237.4	1,697.2	2,652.5	2,700.4	1,616.3	1,089.2	841.4	1,022.9	945.6	670.7	732.7	923.5	938.7	1,388.4	25,607.4	
New towns	29.4	38.5	43.0	49.9	49.0	31.2	43.3	62.3	98.1	73.8	21.9	16.6	4.7	4.1	-	-	-	-	-	-	565.8	
<b>Total</b>	<b>685.3</b>	<b>1,279.2</b>	<b>1,811.7</b>	<b>1,366.3</b>	<b>1,156.7</b>	<b>1,092.3</b>	<b>1,280.7</b>	<b>1,759.5</b>	<b>2,750.6</b>	<b>2,774.2</b>	<b>1,638.2</b>	<b>1,105.8</b>	<b>846.1</b>	<b>1,027.0</b>	<b>945.6</b>	<b>670.7</b>	<b>732.7</b>	<b>923.5</b>	<b>938.7</b>	<b>1,388.4</b>	<b>26,166.6</b>	
<b>Wales</b>																						
Local authorities	12.1	92.3	111.0	61.4	45.4	43.3	54.4	58.7	113.2	151.9	72.1	50.1	41.8	45.6	49.3	38.9	35.1	48.8	42.6	60.1	1,228.1	
New towns	2.3	4.7	10.2	4.5	3.4	3.2	0.3	0.5	1.1	1.1	1.2	1.0	0.8	0.8	0.5	0.6	-	-	-	-	36.2	
<b>Total</b>	<b>14.4</b>	<b>97.0</b>	<b>121.2</b>	<b>65.9</b>	<b>48.8</b>	<b>46.5</b>	<b>54.7</b>	<b>59.2</b>	<b>114.3</b>	<b>153.0</b>	<b>73.3</b>	<b>51.1</b>	<b>42.6</b>	<b>46.4</b>	<b>49.8</b>	<b>39.5</b>	<b>35.1</b>	<b>48.8</b>	<b>42.6</b>	<b>60.1</b>	<b>1,264.3</b>	
<b>Scotland</b>																						
Local authorities	23.7	61.3	101.3	121.3	116.0	104.8	116.4	166.3	254.3	300.6	256.7	239.3	251.4	237.0	244.3	186.6	196.2	228.0	193.6	212.9	3,612.0	
New towns	12.2	16.5	15.5	22.4	21.3	16.3	19.6	26.2	29.2	48.2	37.0	25.4	22.7	25.0	29.2	21.0	3.7	-	-	-	391.4	
<b>Total</b>	<b>35.9</b>	<b>77.8</b>	<b>116.8</b>	<b>143.7</b>	<b>137.3</b>	<b>121.1</b>	<b>136.0</b>	<b>192.5</b>	<b>283.5</b>	<b>348.8</b>	<b>293.7</b>	<b>264.7</b>	<b>274.1</b>	<b>262.0</b>	<b>273.5</b>	<b>207.6</b>	<b>199.9</b>	<b>228.0</b>	<b>193.6</b>	<b>212.9</b>	<b>4,003.4</b>	
<b>Great Britain</b>																						
Local authorities	691.7	1,394.3	1,981.0	1,499.1	1,269.1	1,209.2	1,408.2	1,922.2	3,020.0	3,152.9	1,945.1	1,378.6	1,134.6	1,305.5	1,239.2	896.2	964.0	1,200.3	1,174.8	1,661.4	30,447.4	
New towns	43.9	59.7	68.7	76.8	73.7	50.7	63.2	89.0	128.4	123.1	60.1	43.0	28.2	29.9	29.7	21.6	3.7	-	-	-	993.4	
<b>Total</b>	<b>735.6</b>	<b>1,454.0</b>	<b>2,049.7</b>	<b>1,575.9</b>	<b>1,342.8</b>	<b>1,259.9</b>	<b>1,471.4</b>	<b>2,011.2</b>	<b>3,148.4</b>	<b>3,276.0</b>	<b>2,005.2</b>	<b>1,421.6</b>	<b>1,162.8</b>	<b>1,335.4</b>	<b>1,268.9</b>	<b>917.8</b>	<b>967.7</b>	<b>1,200.3</b>	<b>1,174.8</b>	<b>1,661.4</b>	<b>31,440.8</b>	

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Note: Receipts shown are the selling price of dwellings sold net of discounts. They comprise initial receipts plus the value of any mortgages granted by the local authority or new town. All figures for 1999/2000 are provisional.



Table 56 UK local authority housing revenue accounts<sup>3</sup>

£ million

	1970	1975	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Income</b>																		
Rent on dwellings:																		
Paid by tenants <sup>1</sup>	576	935	1,778	2,063	2,187	2,239	2,389	2,478	2,813	3,085	2,924	2,740	2,608	2,846	3,042	2,840	3,305	3,387
Rent rebates <sup>1</sup>	–	237	541	2,190	2,285	2,389	2,547	2,773	3,003	3,442	4,193	4,799	5,272	5,350	5,428	5,485	5,375	5,220
Rent on other properties	22	36	75	108	125	130	144	173	183	192	212	229	222	219	215	209	216	218
Subsidies:																		
Central government <sup>2</sup>	155	700	1,715	537	521	501	577	688	1,132	1,175	1,030	914	741	765	725	710	744	728
Local authorities <sup>2</sup>	96	213	516	578	538	502	537	503	129	–	–	1	–	–	3	1	1	3
Other income	6	13	133	393	306	305	336	402	409	419	400	402	393	372	368	374	503	460
<b>Total</b>	<b>896</b>	<b>2,134</b>	<b>4,758</b>	<b>5,869</b>	<b>5,962</b>	<b>6,066</b>	<b>6,530</b>	<b>7,017</b>	<b>7,669</b>	<b>8,313</b>	<b>8,759</b>	<b>9,085</b>	<b>9,236</b>	<b>9,552</b>	<b>9,781</b>	<b>9,619</b>	<b>10,144</b>	<b>10,016</b>
<b>Expenditure</b>																		
Supervision and management	75	271	649	1,084	1,172	1,251	1,401	1,551	1,631	1,741	1,855	1,950	2,010	2,134	2,156	2,196	2,218	2,263
Repairs	135	370	1,015	1,558	1,616	1,686	1,845	1,982	2,253	2,373	2,491	2,563	2,540	2,737	2,755	2,761	2,771	2,706
Debt interest (net)	562	1,254	2,715	2,447	2,591	2,361	2,298	2,341	2,306	2,048	1,834	2,012	2,172	2,188	2,730	2,709	2,760	2,683
Capital repayments	100	161	306	449	504	520	549	583	591	603	1,021	996	864	856	568	577	2,884	2,668
Other current expenditure	16	17	63	184	118	107	142	246	326	391	413	383	316	270	238	226	239	267
Balance	8	61	10	147	- 39	141	295	314	562	1,157	1,145	1,181	1,334	1,367	838	1,150	- 728	- 571
<b>Total</b>	<b>896</b>	<b>2,134</b>	<b>4,758</b>	<b>5,869</b>	<b>5,962</b>	<b>6,066</b>	<b>6,530</b>	<b>7,017</b>	<b>7,669</b>	<b>8,313</b>	<b>8,759</b>	<b>9,085</b>	<b>9,236</b>	<b>9,552</b>	<b>9,781</b>	<b>9,619</b>	<b>10,144</b>	<b>10,016</b>

Source: United Kingdom National Accounts (1980-2000 editions), Office for National Statistics.

Notes: 1. Prior to April 1983, supplementary benefit in respect of rent was generally paid direct to tenants. After that date it became housing benefit automatically paid direct to the local authority. As a result of that change those payments transfer from the rent paid by tenants to the rent rebate line. The rent rebate scheme was first introduced in 1972.

2. From April 1990, local authority subsidies were ended in England and Wales. Equivalent amounts were then included in the calculation of central government subsidy under transitional arrangements. Restrictions on local authority subsidies, leading to their phased reduction applied from 1981/82 onwards in Scotland.

3. Figures in this table are derived from a different source than those in Table 64 onwards, and direct comparisons cannot be made.

Table 57a **Housing capital investment in England**

£ million (cash)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Gross housing investment																				
Local authority investment:																				
+ New build & acquisitions	1,008	760	736	743	792	704	612	625	782	932	544	431	211	252	105	71	65	50	48	51
+ HRA stock renovation	670	620	962	1,148	1,280	1,315	1,521	1,742	1,904	2,953	1,721	1,483	1,561	1,710	1,708	1,550	1,452	1,436	1,557	1,496
+ Housing association	170	142	134	138	147	120	145	156	128	308	193	179	286	388	331	354	327	329	339	330
+ Private renovation	263	321	550	1,040	869	581	519	534	458	489	488	545	527	594	565	581	622	481	494	465
+ Home-ownership	611	776	830	477	391	276	196	188	300	417	176	174	136	121	98	41	52	105	112	79
+ Urban programme	9	14	23	25	22	27	24	25	34	26	42	29	33	46	-	-	-	-	-	-
= Local authority total	2,729	2,633	3,235	3,571	3,501	3,023	3,017	3,270	3,604	5,124	3,164	2,841	2,754	3,111	2,807	2,597	2,518	2,400	2,550	2,420
+ New towns																				
+ Housing Corporation	508	521	755	734	697	711	715	752	791	935	1,232	1,732	2,369	1,843	1,530	1,183	1,078	684	607	638
+ HATS	-	-	-	-	-	-	-	-	-	-	-	10	27	78	92	93	90	89	90	83
+ Other	0	2	4	15	7	4	3	3	2	3	2	6	12	11	11	15	12	3	3	0
= Total gross investment (A)	3,403	3,271	4,065	4,405	4,286	3,794	3,775	4,077	4,444	6,100	4,430	4,616	5,181	5,055	4,457	3,908	3,698	3,176	3,250	3,141
Capital receipts																				
Local authority																				
+ New towns	19	38	63	84	88	64	98	143	226	207	111	195	47	166	61	68	-	-	-	-
+ Housing Corporation	13	29	76	110	86	101	129	117	139	125	78	93	63	48	43	31	540	671	4	0
+ Other	4	2	0	0	1	2	2	4	2	2	0	0	0	0	0	0	0	0	0	0
= Total capital receipts (B)	1,073	1,754	2,630	2,351	2,117	2,004	2,262	2,633	3,790	3,653	2,584	1,837	1,542	2,044	1,628	1,423	1,613	1,961	1,612	2,082
Net housing investment																				
Local authority																				
+ New towns	146	77	8	1	- 7	- 8	- 58	- 93	- 180	- 168	- 79	- 168	- 29	- 154	- 44	- 48	-	-	-	-
+ Housing Corporation	495	492	679	624	611	610	586	635	652	810	1,154	1,639	2,306	1,795	1,487	1,153	530	75	733	638
+ HATS	-	-	-	-	-	-	-	-	-	-	-	10	27	78	92	93	90	89	90	83
+ Other	- 3	2	4	14	6	3	1	- 1	0	1	2	6	12	11	11	15	22	-	-	-
+ Total net investment (A- B)	2,330	1,517	1,436	2,054	2,169	1,790	1,513	1,444	654	2,447	1,846	2,779	3,638	3,011	2,829	2,486	2,087	1,274	1,764	1,059

Sources: Public Expenditure Plans, Department of Transport, Local Government and the Regions.

Notes: Local authority capital receipts are shown gross of loans to purchasing council tenants, which are also included as expenditure in the home-ownership row. Expenditure for the Housing Corporation for the years to 1989/90 exclude capitalised interest, which has only in recent years been added to the Corporation's expenditure total. Local authority stock renovation includes the Estate Action programme. All 1997/98, 1998/99 and 1999/00 figures are provisional.

Table 57b Housing capital investment in England at constant prices

£ million (1997/98 prices)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Gross housing investment																				
Local authority investment:																				
+ New build & acquisitions	2,402	1,654	1,498	1,446	1,465	1,199	990	947	1,105	1,222	672	515	246	290	117	77	70	53	49	51
+ HRA stock renovation	1,596	1,349	1,958	2,234	2,368	2,240	2,460	2,639	2,691	3,871	2,125	1,773	1,819	1,965	1,908	1,677	1,571	1,511	1,593	1,496
+ Housing association	405	309	273	269	272	204	235	236	181	404	238	214	333	446	370	383	354	346	347	330
+ Private renovation	627	699	1,119	2,024	1,608	990	840	809	647	641	603	652	614	682	631	629	673	506	505	465
+ Home-ownership	1,456	1,689	1,689	928	723	470	317	285	424	547	217	208	158	139	109	44	56	110	115	79
+ Urban programme	21	30	47	49	41	46	39	38	48	34	52	35	38	53	0	0	0	0	0	0
= Local authority total	6,502	5,730	6,585	6,950	6,477	5,150	4,880	4,955	5,093	6,716	3,908	3,398	3,209	3,574	3,135	2,810	2,724	2,525	2,608	2,420
Other investment:																				
+ New towns	393	250	145	165	150	95	65	76	65	51	40	32	21	14	19	22	0	0	0	0
+ Housing Corporation	1,210	1,134	1,537	1,429	1,290	1,211	1,157	1,139	1,118	1,226	1,522	2,071	2,760	2,117	1,709	1,280	1,166	720	621	638
+ HATS	-	-	-	-	-	-	-	-	-	-	-	12	31	90	103	101	97	94	92	83
+ Other	0	4	8	29	13	7	5	5	3	4	2	7	14	13	12	16	13	3	3	0
= Total gross investment (A)	8,108	7,119	8,274	8,573	7,930	6,463	6,106	6,177	6,280	7,996	5,471	5,520	6,036	5,808	4,978	4,228	4,001	3,341	3,324	3,141
Capital receipts																				
Local authority:																				
+ New towns	45	83	128	163	163	109	159	217	319	271	137	233	55	191	68	74	0	0	0	0
+ Housing Corporation	31	63	155	214	159	172	209	177	196	164	96	111	73	55	48	34	584	706	4	0
+ Other	10	4	0	0	2	3	3	6	3	3	0	0	0	0	0	0	0	0	0	0
= Total capital receipts (B)	2,557	3,817	5,353	4,576	3,917	3,414	3,659	3,989	5,356	4,788	3,191	2,197	1,797	2,348	1,818	1,540	1,745	2,063	1,649	2,082
Net housing investment																				
Local authority:																				
+ New towns	348	168	16	2	- 13	- 14	- 94	- 141	- 254	- 220	- 98	- 201	- 34	- 177	- 49	- 52	0	0	0	0
+ Housing Corporation	1,179	1,071	1,382	1,214	1,130	1,039	948	962	921	1,062	1,425	1,960	2,687	2,062	1,661	1,247	573	79	750	638
+ HATS	-	-	-	-	-	-	-	-	-	-	-	12	31	90	103	101	97	94	92	83
+ Other	- 7	4	8	27	11	5	2	- 2	0	1	2	7	14	13	12	16	24	0	0	0
+ Total net investment (A-B)	5,552	3,301	2,923	3,998	4,013	3,049	2,447	2,188	924	3,207	2,280	3,323	4,239	3,459	3,159	2,690	2,258	1,340	1,805	1,059

Sources and Notes: As Table 57a.

Table 58 Housing capital provision in England

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	plans	plans	plans
<b>Housing Corporation</b>																			
Gross (A)	841	809	864	881	1,034	1,234	1,732	2,369	1,843	1,530	1,183	1,070	746	737	827	762	811	945	1,241
- Capital receipts	105	132	124	143	127	78	93	63	48	43	31	40	17	4	3	5	5	5	5
- Mortgage portfolio receipts												500	654						
<b>= Net Housing Corporation (B)</b>	<b>737</b>	<b>677</b>	<b>740</b>	<b>738</b>	<b>907</b>	<b>1,154</b>	<b>1,639</b>	<b>2,306</b>	<b>1,795</b>	<b>1,487</b>	<b>1,153</b>	<b>530</b>	<b>75</b>	<b>733</b>	<b>824</b>	<b>757</b>	<b>806</b>	<b>940</b>	<b>1,236</b>
<b>Local authorities</b>																			
Credit approvals	1,586	1,423	1,362	1,178	908	1,384	1,441	1,194	1,020	872	820	751	666	988	1,024	1,820	684	953	1,142
+ Major Repairs Allowance																	1,600	1,500	1,400
+ Capital grants	138	146	150	197	325	311	352	422	415	327	323	297	260	219	223	84	109	88	89
+ Estate Action		45	75	140	190	180	268	348	357	373	316	252	174	97	57	68	39	13	5
+ Estates Renewal Challenge Fund												26	51	18	4				
<b>= Total capital provision (C)</b>	<b>1,721</b>	<b>1,613</b>	<b>1,588</b>	<b>1,514</b>	<b>1,424</b>	<b>1,877</b>	<b>2,066</b>	<b>1,970</b>	<b>1,792</b>	<b>1,572</b>	<b>1,459</b>	<b>1,326</b>	<b>1,151</b>	<b>1,322</b>	<b>1,308</b>	<b>1,972</b>	<b>2,432</b>	<b>2,554</b>	<b>2,636</b>
+ LA 'self financed'	1,275	1,380	1,659	2,056	3,674	1,245	746	751	1,273	1,235	1,138	1,192	1,245	1,231	1,112	1,050	950	850	750
<b>= Gross LA capital (D)</b>	<b>2,996</b>	<b>2,993</b>	<b>3,247</b>	<b>3,570</b>	<b>5,098</b>	<b>3,122</b>	<b>2,812</b>	<b>2,721</b>	<b>3,065</b>	<b>2,807</b>	<b>2,597</b>	<b>2,518</b>	<b>2,400</b>	<b>2,550</b>	<b>2,420</b>	<b>3,022</b>	<b>3,382</b>	<b>3,404</b>	<b>3,386</b>
New programmes (E)																	70	140	160
HATS (F)							10	27	78	92	93	90	88	91	83	103	109	139	88
<b>Total central government capital provision (B+C+E+F)</b>	<b>2,458</b>	<b>2,290</b>	<b>2,328</b>	<b>2,252</b>	<b>2,331</b>	<b>3,031</b>	<b>3,715</b>	<b>4,303</b>	<b>3,665</b>	<b>3,151</b>	<b>2,705</b>	<b>1,946</b>	<b>1,314</b>	<b>2,146</b>	<b>2,215</b>	<b>2,832</b>	<b>3,347</b>	<b>3,703</b>	<b>4,100</b>
<b>Total gross capital (A+D+E+F)</b>	<b>3,837</b>	<b>3,802</b>	<b>4,111</b>	<b>4,451</b>	<b>6,132</b>	<b>4,356</b>	<b>4,554</b>	<b>5,117</b>	<b>4,986</b>	<b>4,429</b>	<b>3,873</b>	<b>3,678</b>	<b>3,234</b>	<b>3,378</b>	<b>3,330</b>	<b>3,887</b>	<b>4,372</b>	<b>4,628</b>	<b>4,875</b>

Sources: Cm 1508, Cm 1908, Cm 2207, Cm 2507, Cm 2807, Cm 3207, Cm 3906, Cm 4204 &amp; Cm 5105, Department of the Environment, Transport and the Regions.

Notes: Estimates of local authority 'self financed' and total capital spending for 2000/01 and subsequent years. Credit approvals are shown net of provision for the Estates Action programme. This is shown separately, as from 1994/95 the programme has been switched to the Single Regeneration Budget. Capital grants include Gypsy site grant and other minor capital programmes. The New Programmes are the new starter homes initiative (for key workers) and the safer communities supported housing fund.

Provisional figures for gross capital spending for years from 2000/01. Local authority 'self financed' figures for those years are author's estimates, based on estimated useable receipts and use of RCCOs, planned provision and estimated gross local authority spending.

Table 59 Housing Corporation Approved Development Programme

*£ million*

Item	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 outturn	2001/02 plans	2002/03 plans	2003/04 plans
Housing for rent	826	1,006	1,525	2,199	1,539	1,246	948	851	541	506	538	636	686	823	1,085
+ Housing for sale	107	65	87	124	290	280	234	216	160	115	81	65	84	98	131
+ HAG on deferred interest	99	158	118	45	14	3	1	1	0	0	0	0	0	0	0
+ Other capital expenditure	2	3	2	1	1	1	0	0	1	0	1	1	1	1	1
= Gross capital expenditure	1,034	1,232	1,732	2,369	1,843	1,530	1,183	1,068	702	621	620	702	770	921	1,217
– ADP capital receipts	127	78	93	63	48	43	31	37	17	4	5	5	5	5	5
– Non-ADP capital receipts								500	654						
= Net capital expenditure	907	1,154	1,639	2,306	1,795	1,487	1,153	531	31	617	615	697	765	916	1,212

Sources: Cms 1508, 3207, 3607 &amp; 4204, Housing Corporation ADP Bulletins March 1999, March 2000 and March 2001.

Notes: Housing for rent figures include major repairs, mini-HAG, Rough Sleepers Initiative and City Challenge, but exclude ERCF. Housing for sale includes Purchase Grant from 1996/97.

Non ADP receipts are the receipts from the sale of the Housing Corporation loans portfolio.

Table 60 **Housing Corporation planned revenue expenditure***£ million*

Item	1989/90 outturn	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 outturn	2001/02 estimate	2002/03 plans
Supported Housing Management Grant	29	39	62	95	98	128	123	136	135	121	135	125	127	156
+ Other grants and subsidies	25	29	42	41	48	72	75	82	73	29	19	18	28	22
+ Running costs	20	24	25	28	30	31	31	32	29	28	30	31	37	34
= Total revenue expenditure	74	91	129	164	176	231	229	250	237	177	184	174	192	212

Sources: Cms 1508, 3207, 3607 & 3906, Housing Corporation. All figures from 1997/98 onwards are from the Housing Corporation.

Notes: Supported Housing Management Grant replaced Special Needs Management Allowance, which previously replaced Hostel Deficit Grant. 'Other grants and subsidies' includes the grants for Corporation Tax relief, Rough Sleepers Initiative, ERCF revenue funding, and Innovation and good practice grants.

Table 61a Local authority housing capital expenditure in England by region

£ million

Region	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 plans	2001/02 proposals
North	163.6	168.2	154.9	129.7	110.4	133.9	146.1	175.4	209.9
Yorkshire & The Humber	270.3	273.7	272.7	245.1	217.9	239.9	235.0	303.5	375.4
North West	402.6	403.3	385.2	363.6	319.5	335.0	318.3	380.3	442.2
East Midlands	205.1	190.7	184.8	169.5	135.5	139.8	142.1	191.4	212.4
West Midlands	319.1	298.6	270.0	269.0	225.2	232.9	211.8	282.9	316.4
East	326.8	227.7	207.1	208.8	186.8	206.9	194.3	274.4	256.1
London	712.0	641.0	701.3	683.1	685.5	714.4	681.8	830.3	890.9
South East	364.6	346.4	353.5	324.6	321.2	327.3	312.7	398.8	370.9
South West	242.6	243.6	215.4	178.5	164.1	218.1	175.8	224.0	224.8
England	3,006.6	2,793.3	2,744.8	2,571.9	2,366.2	2,548.2	2,418.0	3,061.0	3,299.0

Table 61b Local authority regional shares of housing capital expenditure in England

Percentages

Region	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Shares of 'GNI' <sup>1</sup>
North	5.4	6.0	5.6	5.0	4.7	5.3	6.0	5.7	6.4	4.5
Yorkshire & The Humber	9.0	9.8	9.9	9.5	9.2	9.4	9.7	9.9	11.4	8.1
North West	13.4	14.4	14.0	14.1	13.5	13.1	13.2	12.4	13.4	9.7
East Midlands	6.8	6.8	6.7	6.6	5.7	5.5	5.9	6.3	6.4	6.0
West Midlands	10.6	10.7	9.8	10.5	9.5	9.1	8.8	9.2	9.6	9.1
East	10.9	8.2	7.5	8.1	7.9	8.1	8.0	9.0	7.8	8.4
London	23.7	22.9	25.5	26.6	29.0	28.0	28.2	27.1	27.0	36.2
South East	11.5	12.7	11.8	12.5	13.8	12.3	12.9	13.0	11.2	10.9
South West	8.1	8.7	7.8	6.9	6.9	8.6	7.3	7.3	6.8	9.9
England	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Housing Investment Programme data, Department of Transport, Local Government and the Regions

Notes: Figures for 1993/94 relate to cash expenditure, while later years are accruals.

1. The 'GNI' is the General Needs Index of statistical indicators used in the regional allocation of housing capital guidelines. The GNI regional shares shown are those for 1994/95.

Table 62a Estate Action programme

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Financial provision (£m)	45	75	140	190	180	268	348	357	373	316	252	174	96	67	64	39
Continuing schemes	0	85	130	213	212	210	236	245	285	275	197	109	47	-	-	-
New schemes started,	138	106	190	162	118	163	162	163	115	-	-	-	-	-	-	-
of which involving private finance	18	22	14	30	41	77	107	105	57	-	-	-	-	-	-	-
Dwellings improved	-	47,000	79,400	63,700	49,500	62,600	69,200	66,000	46,178	26,313	20,239	10,997	6,956	-	-	-
Disposals to the private sector	3,400	3,200	4,000	4,200	2,500	3,800	3,000	3,900	4,543	914	151	71	84	-	-	-
Estates where tenants participate in management	3	7	8	30	47	46	53	39	56	-	-	-	-	-	-	-

Sources: Cms 1508, 1908, 2207, 2507, 2807, 3207, 3607, 3906 & 4204.

Notes: From 1994/95 the Estate Action programme has formed part of the Single Regeneration Budget (SRB), and from 1995/96 funding is provided only to complete existing schemes. Disposals of dwellings do not include Right to Buy sales.

Table 62b City Challenge programme housing outputs

	1995/96 actual	1996/97 actual	1997/98 actual	Five-year outputs
Dwellings completed or improved	26,038	28,989	13,277	110,154
of which, dwellings for sale	2,876	3,786	1,539	10,520

Sources: Cms 3906 & 4204.

Notes: The programme has been discontinued, with few completions in 1998/99 & 1999/00.

Table 62d English Partnerships

	1999/00 actual	2000/01 actual	2001/02 actual
Housing units facilitated			
Estimated in year outputs	2,858	3,800	1,000
Estimated lifetime outputs from projects approved in year	4,450	7,000	1,100

Sources: Cm 5105

Table 62c Single Regeneration Budget programme housing outputs

	1995/96 Round 1 actual	1996/97 Rounds 1&2 actual	1997/98 Rounds 1,2 & 3 actual	1998/99 Rounds 1,2,3 & 4 actual	Lifetime outputs Rounds 1 to 5 forecast
Dwellings completed or improved	6,960	20,530	36,090	60,680	308,000
Dwellings and buildings with improved security	16,780	40,140	61,250	84,790	393,000

Sources: Cms 3906 & 4204.



Table 63a Large scale voluntary transfers of council housing in England, December 1988 – March 2001

	Number of councils	Number of dwellings	Total transfer price £m	Average price per dwelling £	Loan facilities at transfer £m	Council housing debt £m	Set up costs £m	Treasury 'levy' £m	Useable receipt £m	Net balance £m
1988/89	2	11,176	98.4	8,740	130.7	46.0	2.9	–	23.9	25.6
1989/90	2	14,405	102.2	7,090	123.5	66.0	3.0	–	24.8	8.4
1990/91	11	45,512	414.4	9,110	708.4	176.6	21.9	–	98.1	117.8
1991/92	2	10,791	92.1	8,540	176.5	51.1	4.9	–	21.8	14.3
1992/93	4	26,325	238.0	9,040	319.0	19.8	12.2	–	56.5	149.6
1993/94	9	30,103	270.5	8,990	455.3	96.6	13.9	22.8	58.4	78.7
1994/95	10	40,510	406.3	10,034	745.4	111.3	22.3	53.4	84.5	135.4
1995/96	11	44,595	477.8	10,691	963.1	208.8	23.1	47.4	98.6	107.2
1996/97	5	22,248	192.6	8,593	419.5	63.5	10.9	9.6	43.5	69.9
1997/98	6	24,405	259.6	10,637	498.2	34.0	14.2	–	61.4	150.1
1998/99	11	56,072	484.1	8,613	938.0	217.7	20.6	–	115.9	151.4
1999/00	14	80,405	658.9	7,992	1,191.0	317.2	47.8	9.6	150.4	199.7
2000/01	17	132,360	795.2	6,023	1,859.0	519.4	37.7	17.9	184.9	298.2
<b>Total</b>	<b>97</b>	<b>538,947</b>	<b>4490.1</b>	<b>8,298</b>	<b>8,527.6</b>	<b>1,928.0</b>	<b>235.3</b>	<b>160.7</b>	<b>1,022.7</b>	<b>1,506.3</b>

Sources: Department of Transport, Local Government and the Regions, author's calculations.

Notes: For the years to 1996/97 the useable receipt is the lower of either 25 per cent of the transfer price net of set up costs, or the balance left after the council housing debt and the set up costs have been covered. The net balance is the sum available after the council housing debt and the set up costs and the useable receipt have all been covered. For stock transfers approved by the Department of the Environment following the 1993/94 LSVT Review, a 20 per cent Treasury 'levy' was imposed on the receipt net of the council house debt. The 'levy' was also deducted before calculating the 25 per cent useable receipt. The requirement for a 'levy' was suspended for three years by the 1996 Budget, as was the qualification that the 25 per cent useable receipt required the balance of the receipt to be sufficient to cover the HRA debt. The net balance must first be set aside against any other outstanding council debt (on the 'General Fund'). Any remaining receipt can then also be used for capital investment. For authorities transferring since April 1997 the available HRA debt figures are those at the end of the financial year before transfer, and the useable receipt and net balance figures are therefore only approximate estimates. ERCF supported transfers are not included in the above table.

Table 63b Large scale voluntary transfers of council housing in England, April 2000 – March 2001

Authority	Date of transfer	Number of dwellings	Transfer price £m	Price per dwelling £	Loan facilities at transfer £m	Housing debt (HRA) £m	Set up costs £m	Treasury 'levy' £m	Useable receipt £m	Net balance £m
Richmond	17/7/00	7,139	59.5	8,335	173	19.6	3.0	4.0	13.1	19.8
Coventry	22/9/00	20,125	49.5	2,460	240	118.5	7.7	0.0	10.5	- 87.2
Fylde	2/10/00	1,905	12.0	6,300	30	2.7	1.1	9.6	0.3	- 1.7
Chester	27/11/00	7,096	45.0	6,341	90	13.6	2.3	4.3	9.6	15.2
Horsham	11/12/00	4,650	67.3	14,462	100	19.4	2.4	0.0	16.2	0.0
East Northamptonshire	19/2/01	3,495	21.5	6,150	60	0.3	0.3	0.0	5.3	15.6
Torbay	19/2/01	2,947	19.1	6,480	50	2.0	2.0	0.0	4.3	0.0
Staffordshire Moorlands	23/2/01	3,132	19.7	6,290	50	0.0	1.1	0.0	4.6	0.0
Calderdale	6/3/01	12,759	36.0	2,825	112	73.0	3.9	0.0	8.0	- 48.9
Chichester	13/3/01	5,321	78.5	14,752	120	16.4	2.5	0.0	19.0	40.6
Mendip	19/3/01	4,326	35.0	8,091	70	17.6	2.1	0.0	8.2	7.1
West Wiltshire	26/3/01	3,284	21.0	6,423	100	0.0	1.0	0.0	5.0	15.0
West Oxfordshire	26/3/01	3,643	50.9	13,972	75	0.0	2.2	0.0	12.2	36.5
East Staffordshire	26/3/01	5,637	24.5	3,643	62	21.3	1.3	0.0	5.8	0.0
Manchester	26/3/01	659	0.4	535	17	9.4	0.4	0.0	0.0	- 9.4
Sunderland	26/3/01	36,356	219.8	6,045	425	119.8	1.3	0.0	54.6	0.0
Blackburn with Darwen	28/3/01	9,886	35.7	4,195	85	85.8	3.1	0.0	8.1	- 61.4
Total/average		132,360	795.2	6,023	1,859	519.4	37.7	17.9	184.9	- 58.8

Source and Notes: As Table 63a.

**Table 63c Estates Renewal Challenge Fund supported transfers of council housing in England,  
April 1997 – March 2000**

Authority	Date of transfer	Number of dwellings	ERCF grant £m	Grant per dwelling £	Loan facilities at transfer £m	Set up cost grant £m
1997/98 Total/average		<b>8,577</b>	<b>126.8</b>	<b>14,773</b>	<b>192.4</b>	<b>5.37</b>
Lambeth	20/7/98	681	8.6	12,555	13.8	0.25
Tower Hamlets	7/12/98	2,431	19.0	7,805	58.0	1.15
Wirral	25/1/99	1,082	5.2	4,799	12.5	0.45
Tameside	1/2/99	901	9.6	10,655	8.1	0.10
Liverpool	5/3/99	646	6.1	9,505	11.0	0.25
Hackney	15/3/99	1,084	10.1	9,339	24.0	0.46
Hammersmith & Fulham	17/3/99	668	9.4	14,027	16.0	0.28
Hackney	22/3/99	1,000	20.0	19,975	38.0	0.37
Manchester	29/3/99	6,667	21.1	3,165	35.0	2.90
Greenwich	29/3/99	1,280	18.0	14,077	32.0	0.50
Hackney	29/3/99	661	13.2	20,030	29.0	0.26
Allerdale	31/3/99	727	4.0	5,451	8.0	0.29
1998/99 Total/average		<b>17,828</b>	<b>144.3</b>	<b>8,091</b>	<b>285.4</b>	<b>7.26</b>
Preston	14/6/99	1,121	9.6	8,576	3.1	0.45
Lambeth	5/7/99	2,358	15.7	6,667	38.0	0.94
Birmingham	21/6/99	2,813	49.0	17,401	37.0	0.87
Islington	26/9/99	647	4.3	6,646	14.0	0.25
Islington	26/9/99	739	18.4	24,898	18.4	0.27
Liverpool	4/10/99	4,382	43.8	9,990	38.5	1.87
Lambeth	25/10/99	1,033	7.0	6,805	26.5	0.61
Hackney	6/3/00	1,095	13.2	12,082	35.0	0.45
Hackney	6/3/00	1,241	15.4	12,379	34.0	0.50
Tower Hamlets	27/3/00	1,551	21.3	13,718	45.0	0.54
1999/00 Total/average		<b>16,980</b>	<b>197.7</b>	<b>11,641</b>	<b>289.5</b>	<b>6.75</b>
Overall Total/average		<b>43,385</b>	<b>468.8</b>	<b>10,801</b>	<b>767.3</b>	<b>19.38</b>

Source: Department of the Environment, Transport and the Regions.

Note: There were no Estates Renewal Challenge Fund supported transfers after March 2000.

Table 64 Local authority housing revenue accounts in England

£ million

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Income</b>											
Gross rent from dwellings	4,887.8	5,449.2	6,021.8	6,423.6	6,636.2	6,801.6	6,942.3	6,991.1	7,052.5	6,996.8	6,935.3
+ Other rents	164.2	168.7	189.5	205.4	190.4	187.6	180.0	179.4	182.5	195.4	178.6
+ Housing subsidy	3,486.4	3,687.4	3,958.2	4,059.3	4,069.3	3,853.4	3,790.2	3,633.5	3,370.5	3,112.9	3,086.6
+ Interest income	259.3	207.3	182.4	145.8	139.0	149.5	133.5	136.9	148.9	108.5	91.8
+ LA subsidy (sums directed)	0.8	2.9	1.7	0.6	4.0	3.4	3.0	4.7	6.6	8.5	6.7
+ Other income	323.4	418.7	323.4	339.2	349.8	341.3	353.4	347.6	364.6	353.5	346.9
<b>= Total income</b>	<b>9,121.9</b>	<b>9,934.2</b>	<b>10,677.0</b>	<b>11,173.9</b>	<b>11,388.7</b>	<b>11,336.8</b>	<b>11,402.4</b>	<b>11,293.2</b>	<b>11,125.6</b>	<b>10,775.6</b>	<b>10,645.9</b>
<b>Expenditure</b>											
Supervision and management	1,470.9	1,593.7	1,682.5	1,781.1	1,832.9	1,817.2	1,873.3	1,899.5	1,963.6	1,952.4	1,990.3
+ Repairs	1,971.2	2,009.7	2,119.4	2,174.0	2,232.5	2,202.6	2,214.4	2,189.2	2,201.0	2,125.7	2,113.2
+ Revenue to capital	268.7	437.5	390.4	333.5	463.1	621.7	542.0	462.0	389.6	319.2	284.1
+ Charge for capital	2,706.6	2,461.4	2,437.2	2,515.2	2,487.6	2,270.1	2,218.7	2,204.2	2,148.5	2,013.3	1,977.6
+ Gross rebates	2,468.1	2,945.8	3,526.1	3,947.3	4,132.8	4,271.3	4,351.3	4,307.1	4,224.8	4,147.9	4,191.5
+ Transfers	22.9	20.7	38.8	18.4	22.1	34.3	61.6	55.2	67.5	77.1	75.4
+ Other expenditure	278.6	381.2	415.8	310.0	234.7	171.0	165.4	185.0	190.6	194.9	160.3
<b>= Total expenditure</b>	<b>9,187.0</b>	<b>9,850.0</b>	<b>10,610.2</b>	<b>11,079.5</b>	<b>11,405.7</b>	<b>11,388.2</b>	<b>11,435.6</b>	<b>11,320.3</b>	<b>11,185.6</b>	<b>10,830.5</b>	<b>10,792.4</b>
<b>Balances</b>											
End of year balances	317.4	462.5	595.2	730.0	751.8	728.7	687.0	691.6	688.6	693.0	656.1
Changes in balances	- 65.5	131.3	142.6	105.6	6.7	- 55.3	- 43.4	- 7.9	- 41.9	- 8.6	- 74.8
<b>Average number of dwellings (000s)</b>	<b>3,969</b>	<b>3,872</b>	<b>3,802</b>	<b>3,713</b>	<b>3,616</b>	<b>3,517</b>	<b>3,435</b>	<b>3,355</b>	<b>3,252</b>	<b>3,098</b>	<b>2,911</b>

Source: Department of Transport, Local Government and the Regions, taken from local authority subsidy claim forms, grossed up for missing authorities.

Notes: Repair expenditure includes net transfers to repair accounts. Housing subsidy comprises basic housing subsidy plus housing benefit subsidy. For an analysis of housing subsidy see Table 65. The total income and expenditure figures exclude balances. Figures for end of year balances, and changes in balances, do not tally as they reflect the revisions made in each year's subsidy claim forms. Stock figures are the average for the beginning and end of the year. Figures for 2000/01 are estimates. Figures for 2001/02 were not available at the time of compilation.

Table 65 Rent 'surpluses', housing subsidy and housing benefit subsidy

£ million

	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimate	2001/02 plans	2002/03 plans	2003/04 plans
Positive housing subsidy	1,357	1,156	1,003	827	777	644	666	657	539	481	453	996	947	875
- Rent 'surpluses'	201	283	495	706	885	1,051	1,146	1,220	1,320	1,418	1,454	579	614	591
= Net housing subsidy	1,156	873	508	121	- 108	- 408	- 481	- 563	- 781	- 937	- 1,001	417	333	284
Gross rent rebates	2,505	2,877	3,453	4,005	4,250	4,431	4,455	4,345	4,151	4,034	3,975	3,927	3,774	3,594
- Rent 'surpluses'	201	283	495	706	885	1,051	1,146	1,220	1,320	1,418	1,454	579	614	591
= Net rebate subsidy	2,304	2,594	2,958	3,299	3,365	3,380	3,309	3,125	2,831	2,616	2,521	3,348	3,160	3,003
+ Positive housing subsidy	1,357	1,156	1,003	827	777	644	666	657	539	481	453	996	947	875
= Total HRA subsidy	3,661	3,750	3,961	4,126	4,142	4,023	3,975	3,783	3,370	3,097	2,974	4,344	4,107	3,878

Sources: Department of the Environment, Transport and the Regions Annual Reports, Cm 2807, Cm 3207, Cm 3607, Cm 3906, Cm 4204, Cm 4604 &amp; Cm 5105.

Notes: Rent surpluses are technically described as 'negative housing subsidy entitlements'. The increase in positive housing subsidy in 2000/01 is a consequence of the introduction of major repairs allowances.

Table 66 Rents and earnings in England

£ per week

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities:																					
Subsidy guideline	8.47	11.42	13.92	14.77	15.52	16.12	16.77	17.42	19.02	20.97	23.05	24.89	27.34	29.40	31.60	33.88	34.70	35.36	36.35	37.81	39.28
Average rent	7.70	11.42	13.48	13.97	14.66	15.54	16.36	17.20	18.82	20.70	23.74	27.29	30.57	33.62	35.68	38.31	40.10	41.18	42.24	43.82	45.61
Housing associations:																					
Fair rents	12.52	13.98	15.63	17.19	18.69	19.75	21.44	22.86	25.00	26.83	29.94	32.73	36.48	38.50	42.15	44.46	48.25	51.35	54.51	–	–
Assured rents										24.50	28.97	33.93	39.03	44.87	45.90	48.42	50.24	51.40	53.16	53.84	58.43
Private tenants:																					
Unfurnished fair rents	10.85	12.40	14.05	14.85	16.71	17.44	19.84	20.60	24.00	24.38	28.63	31.73	35.96	38.83	42.62	45.58	50.65	53.61	59.24	–	–
Unfurnished market rents										37.42	44.80	54.10	56.96	61.15	64.58	68.71	69.18	71.11	72.01	70.34	–
Average male earnings	111.4	121.6	133.4	143.5	152.6	163.8	175.0	186.4	201.7	219.2	238.6	254.2	268.9	275.7	282.6	292.5	302.8	315.6	329.1	336.0	345.4
Rents as a % earnings:																					
Local authority rents	6.9	9.4	10.1	9.7	9.6	9.5	9.3	9.2	9.3	9.4	9.9	10.7	11.4	12.2	12.6	13.1	13.2	13.0	12.8	13.0	13.2
H.A. fair rents	11.2	11.5	11.7	12.0	12.2	12.1	12.3	12.3	12.4	12.2	12.5	12.9	13.6	14.0	14.9	15.2	15.9	16.4	16.6	–	–
H.A. assured rents										11.2	12.1	13.3	14.5	16.3	16.2	16.6	16.6	16.3	16.2	16.0	16.9
Private fair rents	9.7	10.2	10.5	10.3	11.0	10.6	11.3	11.1	11.9	11.1	12.0	12.5	13.4	14.1	15.1	15.6	16.7	16.5	18.0	–	–
Private market rents										17.1	18.8	21.3	21.2	22.2	22.9	23.5	22.8	22.3	21.9	20.9	–

Sources: Cm 1908, Cms 288-II, Regional Trends, Determination of Reckonable Income 1988/89, Rent Officer Statistics, Answer to Parliamentary Question 26/7/93. Housing and Construction Statistics, New Earnings Surveys, CORE Quarterly Bulletin, Department of Transport, Local Government and the Regions.

Notes: Local authority average rents are for the April of each year; the guideline rents refer to the financial year. The average local authority rent for April 2001 is £47.71, and the average guideline rent for for 2001/02 is £41.08. Housing association assured rents exclude service charges. Private market rents are those determined by the rent officer when referred for housing benefit purposes. From 1996 onwards these rent figures are affected by the new limits on rents eligible for housing benefit. 1988 housing association fair rents, and private fair and market rent figures are for the second quarter of the year. Earnings figures are average male manual earnings for England. Fair rent figures for 1999 and 2000 were not available, at time of compilation, because of possible revisions to fair rents following the legal challenge to 'rent capping'. Market rent figures for 2000 were not available, at time of compilation.

Table 67 Average weekly local authority rents by region

£ per week

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Increase 1988/89 to 2001/02
															%
London	22.06	24.65	29.10	36.76	41.77	45.72	47.05	50.76	53.11	54.34	55.44	58.00	60.17	62.24	182.1
East	18.15	19.68	23.88	27.89	31.55	35.10	37.72	40.20	41.41	42.74	44.70	45.61	47.78	49.87	174.8
South East	20.11	22.33	27.18	31.21	35.34	38.82	42.01	44.40	45.99	47.09	48.39	50.43	51.97	54.12	169.1
South West	18.59	20.00	24.21	27.17	31.13	34.34	37.18	39.62	40.79	41.65	42.21	43.59	44.99	46.46	149.9
North West	18.09	19.98	21.98	24.94	27.73	29.82	32.20	35.25	37.80	38.44	39.37	40.79	42.46	44.15	144.0
West Midlands	18.61	20.79	23.78	25.98	28.86	31.47	33.13	35.34	37.29	37.92	39.60	40.28	41.83	43.58	134.2
East Midlands	17.82	19.33	21.12	23.23	25.66	27.91	30.02	32.62	34.23	35.65	36.74	38.13	39.74	41.41	132.4
Yorkshire & The Humber	17.31	18.35	19.84	21.78	23.54	25.63	27.67	29.75	31.49	32.54	33.64	35.11	36.95	39.41	127.7
North East	18.25	19.82	21.02	23.17	25.39	28.09	30.00	32.25	33.37	34.08	35.29	36.76	38.54	40.40	121.4
England	19.01	20.86	23.92	27.59	30.84	33.70	35.79	38.41	40.17	41.23	42.33	43.92	45.73	47.71	151.0

Source: Department of Transport, Local Government and the Regions.

Notes: Rent figures are the average for the financial year. 2001/02 figures are provisional. Figures for the North West up to 1998/99 are stock weighted averages of the figures for Merseyside and the 'North West excluding Merseyside'.

Table 68 Housing association and private sector assured rents in 1999/2000

£ per week

Letting type & size of dwelling	North West	Merseyside	North East	Yorkshire & The Humber	West Midlands	East Midlands	East	London	South East	South West
Housing associations	£	£	£	£	£	£	£	£	£	£
Relets:										
Bedsits	42.44	38.30	42.32	40.61	45.40	44.31	45.92	49.45	50.66	46.44
One bedroom	49.48	42.24	44.68	47.71	50.56	49.74	51.23	56.51	56.62	49.85
Two bedroom	52.29	44.99	49.65	52.93	55.00	54.51	59.20	66.87	65.79	57.32
Three bedroom	58.08	52.78	54.82	59.10	60.45	58.97	66.34	77.70	75.03	63.37
Four (+) bedroom	67.17	57.43	61.06	66.82	69.94	62.06	75.48	90.26	83.42	68.96
New lets:										
Bedsits	49.72	36.20	39.29	38.87	44.57	48.64	53.44	51.11	54.32	42.99
One bedroom	52.12	48.31	46.88	49.69	50.37	46.36	52.76	61.46	57.36	52.62
Two bedroom	55.83	52.33	52.17	57.06	55.47	54.69	61.64	70.95	67.37	58.98
Three bedroom	57.75	58.62	57.06	62.33	58.73	59.56	68.99	80.31	74.15	63.85
Four (+) bedroom	69.88	61.03	62.52	70.41	67.09	63.52	77.74	92.95	81.99	72.76
Private unfurnished lettings										
Property specific rents:										
Bedsits	48.77	44.31	40.19	41.61	45.97	40.79	53.21	75.37	58.30	51.90
One bedroom	57.21	57.22	49.69	54.71	60.82	52.95	70.08	100.75	76.01	67.01
Two bedroom	66.83	68.96	56.51	64.94	74.08	63.66	84.67	125.53	98.98	82.05
Three bedroom	72.32	74.07	60.54	68.04	75.70	66.32	90.74	139.43	109.21	88.20
Four bedroom	78.35	79.91	66.96	73.39	80.49	68.47	101.70	165.04	117.43	96.71
Local reference rents:										
Bedsits	52.34	46.23	48.24	45.38	51.59	43.19	55.53	88.57	62.70	55.38
One bedroom	63.95	61.42	58.36	59.47	66.63	58.31	73.79	118.19	81.30	71.72
Two bedroom	72.10	73.25	68.50	69.23	77.47	67.11	87.63	143.66	105.59	86.81
Three bedroom	81.59	78.63	78.62	74.75	82.49	72.50	95.24	160.59	117.55	96.17
Four bedroom	91.98	87.20	90.49	82.90	91.19	79.38	110.05	191.59	129.70	107.05

Source: Guide to local rents 2000, Housing Corporation.

Notes: Rents for housing associations are for all lettings of assured tenancies, including those in sheltered schemes. Rents are inclusive of service charges eligible for housing benefit. Rents for private unfurnished lettings are the averages determined by rent officers in housing benefit cases. The property specific rents are those set for the specific properties referred to rent officers, and are not representative of the overall private rented market. The local reference rents are the rent officer's estimate of the local average market rent for the localities in which the referred tenancies are located. Rents for private lets are categorised by the number of habitable rooms. It is assumed that all private lettings comprise one living room, and that all other habitable rooms are bedrooms. Private rent figures exclude cases where the rent has been determined on the basis that the dwelling is deemed to be under-occupied.



Table 69 Welsh housing capital expenditure

£ million

	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Gross investment																			
Local authorities:																			
HRA acquisitions and newbuild	44.5	41.5	47.3	36.0	26.2	28.5	39.7	32.2	28.5	20.4	11.7	11.9	9.7	6.1	11.2	12.8	5.4	4.2	0.9
+ HRA renovation	24.3	47.6	48.2	44.2	49.7	78.3	98.0	99.7	147.2	105.8	85.0	78.7	87.6	90.8	89.7	56.2	60.8	74.7	59.7
+ Enveloping and environmental works	0.3	0.4	1.6	4.6	4.8	9.1	13.6	15.9	22.0	26.2	6.8	8.5	15.2	0.0	18.3	15.8	15.1	14.4	14.3
+ Slum clearance	2.0	0.9	0.9	1.0	0.6	0.6	0.4	0.5	0.5	0.7	0.5	0.7	0.9	0.6	0.7	0.9	0.4	0.7	0.5
+ Low cost home-ownership	0.6	1.1	0.8	0.7	0.4	1.3	1.7	2.1	3.2	3.4	2.7	1.2	0.9	2.6	7.3	13.8	7.6	5.7	1.1
+ Improvement grants etc.	18.5	42.5	109.3	80.3	55.3	65.4	70.7	68.5	70.5	93.5	129.7	181.4	176.6	191.5	177.3	171.9	143.1	125.8	120.0
+ Private housing loans	5.7	6.5	8.0	4.5	2.4	4.0	3.9	3.3	2.0	5.1	1.1	1.0	0.6	0.4	0.2	0.1	0.1	-	-
+ Loans/grants to housing associations							0.2	0.5	11.7										
= Total local authorities	95.9	140.5	216.1	171.3	139.4	187.3	228.1	222.7	285.6	255.1	237.5	283.4	291.5	292.0	304.7	271.0	236.6	225.6	196.6
+ Housing for Wales	32.3	44.9	41.0	39.0	40.6	51.5	64.5	72.7	90.4	116.0	132.5	173.9	140.9	127.0	106.4	98.6	71.2	67.4	68.4
= Total gross investment (A)	128.2	185.4	257.1	210.3	180.0	238.8	292.6	295.4	376.0	371.1	370.0	457.3	432.4	419.0	411.1	369.6	307.8	293.0	265.0
Capital receipts:																			
Local authorities	65.5	86.0	79.2	91.1	72.0	82.3	84.7	137.8	183.0	87.2	64.8	55.5	71.5	63.1	50.6	49.3	56.5	52.4	69.2
+ Housing for Wales	1.0	1.5	7.8	4.4	3.8	5.1	7.1	6.9	8.0	9.5	7.8	10.9	9.3	10.8	6.5	6.7	5.5	2.7	-
= Total receipts (B)	66.5	87.5	87.0	95.5	75.8	87.4	91.8	144.7	191.0	96.7	72.6	66.4	80.8	73.9	57.1	56.0	62.0	55.1	69.2
Total net investment (A-B)	61.7	97.9	170.1	114.8	104.2	151.4	200.8	150.7	185.0	274.4	297.4	390.9	351.6	345.1	354.0	313.6	245.8	237.9	195.8

Sources: Welsh Housing Statistics, Welsh Office, National Assembly for Wales.

Notes: Housing for Wales took over from the Housing Corporation from 1989/90. Housing for Wales figures include credit approvals vired from Welsh local authorities.

Table 70 Welsh housing capital plans and investment

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Local authorities:																		
Grants and credit approvals	141.9	153.2	115.2	115.0	183.9	194.3	262.6	254.2	267.2	261.5	256.6	210.1	215.8	201.1	194.2	199.2	209.2	214.2
+ Net local financial resources	45.4	74.9	107.5	170.6	71.2	43.2	20.8	37.3	24.8	43.2	14.4	32.7	16.8	- 4.5	- 1.3	14.0	14.0	14.0
= Gross investment (A)	187.3	228.1	222.7	285.6	255.1	237.5	283.4	291.5	292.0	304.7	271.0	242.8	232.6	196.6	192.9	213.2	223.2	228.2
Housing associations:																		
Net provision	46.4	57.1	59.2	65.2	92.2	107.4	151.7	122.1	110.8	93.7	85.4	60.2	63.2	68.4	56.4	56.4	56.4	56.4
+ Local authority transfers	0.0	1.7	6.6	17.2	14.3	17.3	11.3	9.5	5.4	6.2	6.5	5.5	1.5	-	-	-	-	-
+ Capital receipts	5.1	5.7	6.9	8.0	9.5	7.8	10.9	9.3	10.8	6.5	6.7	5.5	2.7	-	-	-	-	-
= Gross provision	51.5	64.5	72.7	90.4	116.0	132.5	173.9	140.9	127.0	106.4	98.6	71.2	67.4	68.4	56.4	56.4	56.4	56.4
+ Private finance	0.0	7.8	7.5	22.0	33.0	53.0	73.4	70.4	67.8	76.2	75.1	45.0	42.0	42.0	36.0	36.0	36.0	36.0
= Gross investment (B)	51.5	72.3	80.2	112.4	149.0	185.5	247.3	211.3	194.8	182.6	173.7	116.2	109.4	110.4	92.4	92.4	92.4	92.4
Total gross investment (A+B)	238.8	300.4	302.9	398.0	404.1	423.0	530.7	502.8	486.8	487.3	444.7	359.0	342.0	307.0	285.3	305.6	315.6	320.6

Sources: Departmental reports by the Welsh Office; Cms 1916, 2215, 2515, 2815, 3215, 3615, 3915 & 4216, Welsh Housing Statistics, National Assembly for Wales.

Notes: Local authority provision and investment figures for years to 1998/99 do not include credit approvals vired to Housing for Wales. Net local financial resources include the use of capital receipts and revenue contributions to capital outlay. They are also net of decisions by councils to use 'housing' credit approvals to finance investment in other services. For the years to 2000/01 net local financial resources are balancing figures between capital provision and outturn housing investment. For the years from 2000/01 onwards the levels of 'local resources' are estimates based on the levels of useable receipts and revenues available to authorities. However, investment figures for 1999/00 and 2000/01 suggest that authorities may not choose to use all available resources for housing investment.

Table 71a **Welsh local authority housing revenue accounts**

£ thousands

	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Income:									
Net rents from dwellings	143,327	151,426	89,287	86,082	91,054	94,030	86,908	100,525	104,433
+ Rent rebates	24,802	42,442	106,011	118,912	127,088	133,068	131,830	146,591	153,222
= Total rent from dwellings (A)	168,129	193,868	195,298	204,994	218,142	227,098	218,738	247,116	257,655
Rate fund contributions:									
Rent rebate administration	768	1,001	1,431	1,317	1,683	2,318	1,918	2,357	3,246
+ Other rate fund	11,171	11,104	7,336	4,742	3,495	2,998	5,994	7,852	3,994
= Total from rate funds (B)	11,939	12,105	8,767	6,059	5,178	5,316	7,912	10,209	7,240
+ Rents from land etc.	1,751	1,891	1,926	1,990	2,089	2,314	2,241	2,588	3,041
+ Government subsidy	34,624	10,102	8,832	7,104	10,024	8,698	10,995	11,987	14,808
+ Mortgage interest from former tenants	6,562	13,414	15,374	15,805	15,108	13,311	11,210	11,435	13,469
+ Interest from capital receipts	4,593	8,546	11,034	13,507	18,062	19,205	18,039	24,043	33,020
+ Other income	7,098	7,202	8,048	8,573	11,346	12,054	11,978	15,759	15,130
= Total all other income (C)	54,628	41,155	45,214	46,979	56,629	55,582	54,463	65,812	79,468
Total income (A+B+C)	234,696	247,128	249,279	258,032	279,949	287,996	281,113	323,137	344,363
Expenditure:									
Supervision & management	30,241	32,486	33,967	35,131	38,273	41,384	43,293	51,993	58,833
+ Repairs & maintenance	57,860	67,467	72,979	76,500	77,822	88,213	87,883	92,250	105,816
+ Debt charges	135,566	135,104	132,699	140,479	149,398	146,059	142,441	153,809	160,863
+ Capital expenditure met from revenue	3,742	3,633	3,848	4,034	3,255	4,453	4,260	6,479	5,699
+ Transfers to rate funds	–	–	1,090	910	1,457	1,448	300	2,317	8,770
+ Other expenditure	1,894	2,045	1,844	2,059	2,844	4,405	5,819	5,681	7,627
= Total expenditure	229,303	240,735	246,427	259,113	273,049	285,962	283,996	312,529	347,608
Dwellings in HRA (000s)	279	277	259	255	251	255	230	235	226

Source: Welsh Housing Statistics.

Notes: From 1983/84 the introduction of the Unified Housing Benefit Scheme transferred the payment of housing benefit from the DSS to local authorities. As a result, from that date there is a large change in the balance between net rents and rent rebates.

Table 71b **Welsh local authority housing revenue accounts***£ thousands*

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Income:											
Net rents from dwellings	115,295	123,899	124,512	123,746	125,355	129,612	128,193	128,765	131,004	130,959	130,428
+ Rebates	165,042	183,517	208,729	227,062	244,050	256,362	270,126	269,495	269,872	269,426	273,880
= Total rent from dwellings	280,337	307,416	333,241	350,808	369,405	385,974	398,319	398,260	400,876	400,385	404,308
+ Rents from land etc.	2,934	3,407	3,674	3,813	3,851	3,861	3,606	5,023	5,245	5,065	5,289
+ Government subsidy	164,945	175,843	188,590	189,972	194,272	192,357	191,758	184,864	178,178	175,150	180,940
+ Sums transferred into the HRA	5,854	86	136	118	113	108	97	102	98	102	107
+ Credit to the HRA	14,867	11,036	8,084	6,229	5,971	5,478	4,585	3,480	3,273	2,953	2,323
+ Other transfers	7,491	1,442	159	206	845	251	325	175	525	30	105
+ Other income	5,711	8,705	10,646	10,236	9,162	8,419	8,242	11,199	14,957	16,390	16,321
+ Credit balance from previous year	24,591	121,439	25,513	34,745	37,390	38,595	29,456	24,477	18,826	14,053	15,554
= Total income	506,730	529,374	570,043	596,127	621,009	635,043	636,388	627,580	621,978	614,128	624,947
Expenditure:											
Supervision & management	59,992	67,017	73,320	74,229	76,896	81,153	84,805	86,360	91,543	94,727	98,101
+ Repairs & maintenance	114,214	112,164	112,337	119,648	123,655	126,290	124,467	122,601	116,443	111,518	120,931
+ Expenditure for capital purposes	46,701	31,753	36,213	23,719	25,163	25,264	25,120	29,341	29,062	32,282	31,641
+ Net debit to HRA	96,539	106,265	102,049	101,501	108,939	108,991	101,392	97,512	98,496	87,036	82,028
+ Other expenditure/transfers	2,803	2,586	2,650	7,535	3,711	3,149	3,075	3,356	2,509	3,009	4,182
+ Rent rebates	165,042	183,517	208,729	227,062	244,050	256,362	270,126	269,495	269,872	269,426	273,880
+ Debit balance from previous year	–	559	–	5,043	–	4,378	2,926	89	–	576	0
+ Balance at year end	21,439	25,513	34,745	37,390	38,595	29,456	24,477	18,826	14,053	15,554	14,184
= Total expenditure	506,730	529,374	570,043	596,127	621,009	635,043	636,388	627,580	621,978	614,128	624,947

Source: Welsh Housing Statistics.

Note: In the main this analysis follows the same format as Table 71a. However some changes are inevitable due to the introduction of the 1989 Act housing finance regime.

Table 72 Housing subsidy and housing benefit subsidy in Wales

*£ million*

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Basic housing subsidy:												
Positive entitlements	17.8	7.6	5.2	3.8	3.2	2.3	0.6	0.7	0.0	0.1	0.6	1.7
– Negative entitlements	10.5	17.4	25.5	41.2	54.2	69.7	76.5	80.8	91.8	93.1	85.8	90.5
= Net housing subsidy	7.3	- 9.8	- 20.3	- 37.4	- 51.0	- 67.4	- 75.9	- 80.1	- 91.8	- 93.0	- 85.2	- 88.8
Gross rent rebate subsidy	165.9	184.4	210.7	228.2	245.9	258.1	265.8	261.6	260.4	261.2	268.2	271.3
– Negative basic housing subsidy entitlements	10.5	17.4	25.5	41.2	54.2	69.7	76.5	80.8	91.8	93.1	85.8	90.5
= Net rent rebate subsidy	155.4	167.0	185.2	187.0	191.7	188.4	189.3	180.8	168.6	168.1	182.4	180.8
Combined housing subsidy	173.2	174.6	190.4	190.7	194.8	190.7	189.9	181.5	168.6	168.2	183.0	182.5

Source: National Assembly for Wales, derived from housing subsidy claims.

Notes: The combined housing subsidy is conventionally presented as the sum of positive basic housing subsidy entitlements and net rent rebate subsidy. Alternatively it could be expressed as the sum of net basic housing subsidy entitlements and gross rent rebate subsidy. This would make the role of negative housing subsidy entitlements more explicit. Figures for 2000/01 and 2001/02 are provisional.

Table 73 Rents and earnings in Wales

£ per week

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local authorities:																				
Subsidy guideline										22.98	24.73	27.31	29.12	31.31	33.58	34.50	35.24	36.21	37.47	38.94
Average rent	11.43	13.93	14.55	15.51	16.53	17.23	17.91	19.74	22.35	23.49	26.44	29.21	31.32	33.44	35.35	37.29	38.68	39.14	40.81	41.83
Housing associations:																				
Fair rents	13.53	15.19	16.17	17.77	18.67	20.86	22.15	24.58	26.06	30.08	32.02	34.60	35.37	38.52	40.08	42.71	44.75	46.68	–	–
Assured rents									26.00	30.73	34.64	39.55	42.51	43.43	42.16	42.44	41.87	42.47	43.59	–
Private tenants:																				
Unfurnished fair rents	10.10	11.15	11.77	13.29	14.12	16.40	17.48	20.96	21.98	23.87	26.65	29.29	31.51	34.08	35.63	39.18	40.57	41.35	–	–
Unfurnished market rents									29.75	35.38	42.25	46.37	51.13	53.92	58.65	57.26	59.04	60.59	47.87	–
Average male earnings																				
Average male earnings	120.3	134.7	140.2	148.9	159.6	167.9	180.4	193.1	209.8	224.7	239.3	254.3	258.6	272.3	284.4	295.0	312.3	327.0	326.4	335.5
Rent as a % earnings:																				
Local authority rents	9.5	10.3	10.4	10.4	10.4	10.3	9.9	10.2	10.7	10.5	11.0	11.5	12.1	12.3	12.4	12.6	12.4	12.0	12.5	12.5
H.A. fair rents	11.2	11.3	11.5	11.9	11.7	12.4	12.3	12.7	12.4	13.4	13.4	13.6	13.7	14.1	14.1	14.5	14.6	14.3	–	–
H.A. assured rents									12.4	13.7	14.5	15.6	16.4	15.9	14.8	14.4	13.4	13.0	13.4	–
Private fair rents	8.4	8.3	8.4	8.9	8.8	9.8	9.7	10.9	10.5	10.6	11.1	11.5	12.2	12.5	12.5	13.3	13.1	12.6	–	–
Private market rents									14.2	15.7	17.7	18.2	19.8	19.8	20.6	19.4	18.7	18.5	14.7	–

Sources: National Assembly for Wales, Welsh Housing Statistics, Housing and Construction Statistics, Regional Trends, Rent Officer Statistics, New Earnings Surveys, Welsh Federation of Housing Associations.

Notes: The housing association assured tenancy rents derived from the Welsh 'CORE' data are mean rents net of service charges for the financial year – the Welsh CORE system no longer operates. The housing association fair rent figures are inclusive of service charges and are derived from Housing and Construction Statistics and Rent Officer Statistics. Private market rents are those determined by the rent officer when referred for the purposes of housing benefit. From 1996 onwards these rent figures are affected by the new limits on rents eligible for housing benefit. Male earnings are average Welsh male manual earnings. Housing association fair rent, and private rent figures for 1998 are for the second quarter of the year. Fair rent figures for 1999 and 2000 were not available, at time of compilation, because of possible revisions to fair rents following the legal challenge to 'rent capping'. Market rent figures for 2000 were not available, at time of compilation.

Table 74 **Scottish gross housing investment***£ million*

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate
Cash	477	513	577	706	583	594	649	829	895	952	942	958	941	992	1,026	961	779	574	558	524	579
1999/2000 prices	1,137	1,117	1,174	1,374	1,079	1,043	1,106	1,341	1,356	1,345	1,235	1,183	1,125	1,156	1,179	1,073	843	604	571	524	569
GDP deflator	42.0	46.0	49.1	51.4	54.1	56.9	58.7	61.8	66.0	70.8	76.3	81.0	83.6	85.8	87.0	89.5	92.4	95.1	97.8	100.0	101.8

Sources: Serving Scotland's Needs: The Government's Expenditure Plans 1999/00 to 2001/02, The Scottish Office, Cm 4215, and earlier editions, Scottish Office, Scottish Homes; Investing in You: the annual report of the Scottish Executive, 2000; Scottish Executive.

Notes: Gross outturn capital expenditure by local authorities, new towns, Scottish Homes and its predecessors. Includes estimates for the use of capital receipts and revenue for local authority capital investment. Excludes transfer payments for new town stock sold to local authorities, NLF repayments, Corporation Tax and housing association use of private finance.

Table 75 **Scottish housing investment by agency**

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimates
<b>Gross investment:</b>															
Local authorities <sup>1</sup>	453	604	632	643	621	587	580	594	630	700	527	374	406	399	389
+ New towns	28	31	37	45	43	33	34	35	37	35	10	–	–	–	–
+ Housing Corporation	114	127	164												
+ SSHA	54	67	62												
+ Scottish Homes				294	288	470	581	367	361	342	313	212	200	208	208
<b>= Total gross investment (A)</b>	<b>649</b>	<b>829</b>	<b>895</b>	<b>982</b>	<b>952</b>	<b>1,090</b>	<b>1,195</b>	<b>996</b>	<b>1,028</b>	<b>1,077</b>	<b>850</b>	<b>586</b>	<b>647</b>	<b>607</b>	<b>660</b>
<b>Capital receipts:</b>															
Local authorities			289	332	297	270	293	284	290	244	213	240	212	218	219
+ New towns	26	32	34	47	47	36	28	39	35	152	102	–	–	–	–
+ Scottish Homes <sup>2</sup>			95	111	68	65	64	65	68	85	107	80	53	24	24
<b>= Total capital receipts (B)</b>	<b>204</b>	<b>288</b>	<b>418</b>	<b>490</b>	<b>412</b>	<b>371</b>	<b>385</b>	<b>388</b>	<b>393</b>	<b>471</b>	<b>422</b>	<b>320</b>	<b>265</b>	<b>242</b>	<b>242</b>
Loan repayments (C)				30	10	132	254	4	2	2	2	2	2	2	2
<b>= Net investment (A – B – C)</b>	<b>445</b>	<b>541</b>	<b>477</b>	<b>462</b>	<b>530</b>	<b>587</b>	<b>556</b>	<b>604</b>	<b>633</b>	<b>604</b>	<b>426</b>	<b>264</b>	<b>380</b>	<b>363</b>	<b>416</b>

Sources: The Government's Expenditure Plans, Cms 1515, 1919, 2214, 2514, 2814, 3214, 3614 and 3914, Scottish Executive and Scottish Homes.

Notes: 1. Gross local authority investment includes £114 million in 1995/96 and £69 million in 1996/97 for the purchase of new town stock. These expenditures are also reflected in the new towns' capital receipt figures. The 1997/98 and 1998/99 investment figures include spending supported by the Capital Receipts Initiative (see Table 76), excluding the identified revenue on New Housing Partnerships.

2. 1988/89 receipt figure is for predecessor bodies.



Table 76 Provision for local authority housing investment in Scotland

£ million

	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 estimate	2001/02 plans	2002/03 plans
HRA investment	254	291	341	452	476	486	492	476	448	475	504	579	433	308	351	345	349	361	–
Financed by:																			
Borrowing	121	169	211	267	202	162	200	205	145	171	182	291	248	180	176	160	160	180	180
Capital receipts	132	122	128	185	274	325	290	265	289	279	290	248	162	60	62	65	69	65	–
Revenue	1	–	2	–	–	–	2	6	14	25	32	40	23	68	87	120	120	116	–
Non HRA investment	167	117	112	152	156	157	129	111	132	119	126	121	94	56	51	51	55	55	–
Financed by:																			
Borrowing	141	88	101	144	149	150	122	106	128	114	119	113	88	52	–	–	–	–	–
Capital receipts	26	29	11	8	7	7	7	5	4	5	7	7	6	4	–	–	–	–	–
New initiatives:																			
New Housing Partnerships/ Community Ownership														10	30	41	115	100	104
Energy Efficiency/ Fuel Poverty														7	3	11	13	32	42
Rough Sleepers Initiative														4	5	7	10	10	
Empty Homes Initiative														2	7	5	5	5	

Sources: Scottish Office, Cms 2814, 3214, 3614, 3914 &amp; 4215, Scottish Executive.

Notes: In 1996/97 Scottish authorities were required to set aside 25 per cent of gross capital receipts against HRA debt. In 1997/98 the set aside requirement was increased to 75 per cent. Provision for non-HRA investment is now included within a combined local government services block. The 1997/98 and 1998/99 non-HRA housing investment figures are provisional estimates based on local authority returns to the Scottish Office. The figures for 1999/00 onwards are projections pro-rata to the combined local authority net capital allocations for all non-HRA services. HRA borrowing figures for 1995/96 and 1996/97 include £114 and £69 million respectively for the purchase of new town stock. For 1997/98 and 1998/99 the Energy Efficiency and New Housing Partnerships initiatives were financed by the share of the UK 'Capital Receipts Initiative' allocated by the Treasury to Scotland. 'Initiatives' funding includes provision for both capital and revenue expenditure.

Table 77 **Scottish Homes capital grants and private finance**

£ million

Programme	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 estimate
Housing associations:													
Capital programme (A)	202.6	194.8	220.4	255.1	263.1	268.6	278.5	255.5	173.8	165.1	171.7	181.1	177.4
+ Private finance (B)	5.4	42.9	42.3	62.5	72.5	81.4	118.0	92.4	73.8	85.0	105.3	116.2	111.9
= Total housing associations (Y)	208.0	237.7	262.7	317.6	335.6	350.0	396.5	347.9	247.6	250.1	283.0	297.3	289.3
Environmental etc. programmes (C)				11.7	11.1	9.4	8.6	7.9	5.5	6.6	7.8	7.7	8.7
Private developers (D)	2.0	8.1	14.6	15.8	28.4	33.1	29.2	29.9	21.4	20.2	21.9	18.7	13.9
+ Private finance (E)	4.5	37.0	44.8	68.5	76.0	102.7	90.0	98.9	63.6	78.6	93.2	50.7	9.4
= Total private developers (Z)	6.5	45.1	59.4	84.3	104.4	135.8	119.2	128.8	85.0	98.8	115.1	69.4	23.3
Total capital programme (A+C+D)	204.6	202.9	235.0	282.6	302.6	311.1	316.3	293.3	200.7	191.9	201.4	207.5	200.0
Total private finance (B+E)	9.9	79.9	87.1	131.0	148.5	184.1	208.0	191.3	137.4	163.6	198.5	166.9	121.3
Total capital investment (Y+C+Z)	214.5	282.8	322.1	413.6	451.1	495.2	524.3	484.6	338.1	355.5	406.9	374.4	321.3

Source: Scottish Homes Investment Bulletin 97/98, Scottish Homes, Scottish Executive.

Notes: Grants to housing associations and private developers are for both rent and sale schemes. Capital programme figures exclude investment in Scottish Homes dwellings and PES transfers from Scottish local authorities. They also exclude revenue grants. For the years prior to 1992/93 separate figures for expenditure on private developer and other environmental and social programmes are not available, and they are both included in the private developers' figures.

Table 78 Scottish local authorities consolidated housing revenue account

£ thousands

Item	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 near actual	2001/02 estimate
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimate
Expenditure:															
Loan charges	429,413	463,313	496,460	519,206	526,672	514,152	488,559	489,700	501,454	502,335	478,547	452,460	414,780	392,379	385,115
+ Supervision & management	78,349	88,159	101,387	113,759	117,874	124,734	136,826	142,200	146,697	169,559	176,086	186,846	195,638	201,859	212,460
+ Repairs & maintenance	211,929	219,919	231,180	255,074	271,924	288,125	302,823	327,500	344,849	345,070	371,248	384,104	395,457	409,053	414,408
+ Other expenditure	23,171	29,625	47,420	46,090	52,818	64,760	72,768	75,600	84,790	108,614	127,539	180,332	193,502	200,051	185,973
= Total	742,862	801,016	876,447	934,129	969,288	991,771	1,000,976	1,035,000	1,077,790	1,123,588	1,153,419	1,203,740	1,199,376	1,203,341	1,197,956
Income:															
Rental income	630,483	685,458	760,323	812,340	870,870	894,465	925,253	937,400	946,107	1,020,217	1,071,062	1,090,892	1,086,049	1,092,803	1,091,085
+ Housing support grant	41,900	54,521	65,373	58,317	55,570	47,470	35,852	24,200	21,900	19,430	16,428	12,613	10,647	9,727	8,465
+ General fund contribution	41,033	25,384	10,267	8,315	- 892	- 679	- 1,814	- 1,658	- 2,771	- 1,991	0	883	0	0	0
+ Other income	30,903	36,081	45,316	60,056	61,631	84,313	83,848	99,442	78,306	66,664	63,511	77,728	84,107	78,575	75,293
= Total	744,319	801,444	881,279	939,028	987,179	1,025,569	1,043,139	1,059,384	1,043,542	1,104,320	1,151,001	1,182,116	1,180,623	1,181,105	1,174,843

Source: Scottish Office Statistical Bulletins and Scottish Executive.

Notes: Excludes balances carried forward. General fund contributions are shown net of HRA transfers to general funds. Rental income relates to dwellings only; rents from garages etc. are included within other income.

Table 79 Average costs, rents and subsidies in Scottish housing revenue accounts

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	
Average annual cost per house (£)	688	826	852	893	987	1,124	1,240	1,351	1,405	1,463	1,609	1,640	1,782	1,946	2,029	2,092	2,179	2,247	
Percentage of costs met by:																			
Rents etc.	50	77	83	88	90	91	94	94	95	96	98	97	98	99	99	99	99	99	99
+ Housing support grant	37	9	6	6	7	8	6	6	5	4	2	3	2	1	1	1	1	1	1
+ General fund contributions	13	14	11	6	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-
= Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Convention of Scottish Local Authorities; Scottish Office Statistical Bulletins, Scottish Executive.

Table 80 Rents and earnings in Scotland

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
£ per week																				
Local authorities:																				
Subsidy assumption							15.85	17.45	18.93	21.30	23.97	26.36	30.32	34.86	37.48	38.60	39.38	40.56	41.77	42.61
Average rent	7.67	9.01	9.86	10.47	11.53	12.99	14.59	16.29	18.85	20.91	23.13	24.64	26.37	27.71	28.64	31.11	33.60	35.36	36.43	37.94
Housing associations:																				
Fair rents	9.38	13.63	14.73	16.88	18.79	16.94	20.56	22.73	23.37	26.37	24.35	26.69	28.60	31.78	34.35	36.38	37.15	39.40	40.01	
Assured rents										25.72	28.92	30.40	32.96	33.92	35.89	37.68	39.51	41.08	41.46	
Private tenants:																				
Fair rents	8.06	10.17	12.15	12.54	15.17	16.29	17.44	19.85	21.35	23.53	25.76	29.60	29.18	-	-	35.67	37.57	40.87	41.70	42.49
Housing benefit rents																55.29	57.84	59.88	62.10	64.18
Average male earnings	124.8	136.9	145.8	156.2	164.2	173.0	179.7	194.9	209.9	231.7	251.1	270.6	269.7	269.5	284.5	290.9	303.3	322.6	328.6	335.4
Rent as a % earnings:																				
Local authority rents	6.1	6.6	6.8	6.7	7.0	7.5	8.1	8.4	9.0	9.0	9.2	9.1	9.8	10.3	10.1	10.7	11.1	11.0	11.1	11.3
H.A. fair rents	7.5	10.0	10.1	10.8	11.4	9.8	11.4	11.7	11.1	11.4	9.7	9.9	10.6	11.8	12.1	12.5	12.2	12.2	12.2	
H.A. assured rents										11.1	11.5	11.2	12.2	12.6	12.6	13.0	13.0	12.7	12.6	
Private fair rents	6.5	7.4	8.3	8.0	9.2	9.4	9.7	10.2	10.2	10.2	10.3	10.9	10.8	-	-	12.3	12.4	12.7	12.7	12.7
Private benefit rents																19.0	19.1	18.6	18.9	19.1

Sources: Housing and Construction Statistics, Regional Trends, New Earnings Surveys, Scottish Executive, Scottish Homes, Joint Centre for Scottish Housing Research.

Notes: Local authority rents are for the April of each year; rent levels assumed in subsidy calculations refer to the financial year. The housing association assured and fair rent figures from 1990 onwards are derived from the SCORE database and are mean rents inclusive of service charges eligible for housing benefit. They are not, however, entirely comparable with the housing association fair rent figures derived from Housing and Construction Statistics for earlier years. Earnings figures are average male manual earnings for Scotland. Scottish rent officer statistics for private sector fair rents, and the 'appropriate' rents in housing benefit cases, were not collated for 1994 or 1995. The private fair rents figures for the years to 1993 are for unfurnished lettings only. The fair and market rent figures from 1996 are for all lettings.

Table 81 Financial provision for housing in Northern Ireland

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 estimated
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
Northern Ireland Housing Executive																	
Grant	131	146	157	170	121	127	139	126	127	123	123	136	147	155	160	155	156
+ Net lending	118	96	99	86	80	60	54	59	46	38	40	23	- 1	- 42	- 60	- 52	- 81
+ Receipts Initiative													2	13			
= Total	249	242	256	256	201	186	193	185	173	162	163	159	148	126	100	103	75
+ Housing associations	35	34	34	34	28	25	26	42	30	29	36	34	41	53	56	57	63
+ Renovation grants & enveloping	60	56	45	42	36	32	32	31	32	34	44	49	46	42	40	42	42
+ Administration & miscellaneous	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
= Total provision	346	335	337	334	268	246	253	260	239	225	245	243	237	223	198	204	183

Sources: Northern Ireland Expenditure Plans and Priorities, Cms 1517, 1917, 2216, 2516, 2816, 3216, 3616 & 4217, Department of the Environment for Northern Ireland, Department of Social Development.

Notes: The reduction in grant to the Northern Ireland Housing Executive (NIHE) in 1989/90 follows some £366 million of NIHE debt being written off. This had a neutral impact on the NIHE programmes. Provision for voluntary housing is net of capital receipts. NIHE net lending figures from 1997/98 onwards are negative, as debt repayments exceed planned new investment.

Table 82 **Gross housing investment in Northern Ireland**

£ million

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 estimated
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn
Northern Ireland Housing Executive:																	
New house building	82	64	57	58	51	39	40	35	35	36	48	42	36	16	8	4	3
+ Land etc. purchase	9	15	10	8	8	7	10	9	12	15	11	19	17	17	16	23	20
+ Estate renovation	79	68	80	83	76	71	66	71	79	79	73	64	64	61	63	60	57
+ Other	3	4	4	5	6	4	3	7	2	3	2	2	2	2	3	3	4
= Total	173	151	151	152	141	121	120	122	128	133	134	127	119	96	90	90	84
+ Voluntary housing	40	41	44	46	38	37	41	58	49	45	50	48	54	65	68	68	73
+ Renovation grants and enveloping	60	56	45	42	36	32	32	30	32	34	44	49	46	42	40	42	42
= Gross public investment (A)	273	248	240	240	215	190	193	210	205	212	228	224	220	203	198	200	199
Capital receipts:																	
Northern Ireland Housing Executive	42	34	30	36	47	43	34	37	45	56	56	60	71	71	81	108	80
+ Voluntary housing	5	7	9	12	10	12	14	16	19	16	15	14	13	12	11	11	10
= Total (B)	47	41	39	48	57	55	48	52	64	72	71	74	83	83	92	119	90
Net public investment (A – B)	226	207	201	192	158	135	145	158	141	140	158	150	135	120	106	81	109

Sources: Northern Ireland Expenditure Plans and Priorities, Cms 1517, 1917, 2216, 2516, 2816, 3216, 3616, 3916 &amp; 4217, Department of Social Development.

Note: Renovation grants and enveloping expenditure are financed from revenue in Northern Ireland.

Table 83 Rents and earnings in Northern Ireland

Year	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Average rent per week (£)																				
Northern Ireland Housing Executive	10.06	12.19	12.78	13.51	14.13	14.78	15.34	18.18	19.04	21.13	23.09	25.43	27.57	29.63	31.56	32.62	34.42	35.93	37.52	39.18
Housing associations															30.90	34.50	35.50	38.00	40.70	42.53
Average male earnings (£)																				
	110.0	116.9	124.4	134.2	143.8	149.3	162.4	171.6	181.0	198.0	214.8	230.8	234.3	241.7	250.2	261.4	269.2	284.4	296.6	306.2
Rent as a % earnings																				
Northern Ireland Housing Executive	9.1	10.4	10.3	10.1	9.8	9.9	9.4	10.6	10.5	10.7	10.7	11.0	11.8	12.3	12.6	12.5	12.8	12.6	12.7	12.8
Housing associations															12.4	13.2	13.2	13.4	13.7	13.9

Sources: Northern Ireland Housing Statistics, Northern Ireland Housing Executive, Regional Trends, Northern Ireland New Earnings Surveys.

Notes: Earnings figures are average Northern Ireland male manual earnings. NIHE rents are for the December of the year.

# **Section 3      Compendium of tables**

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**Homelessness and  
lettings**

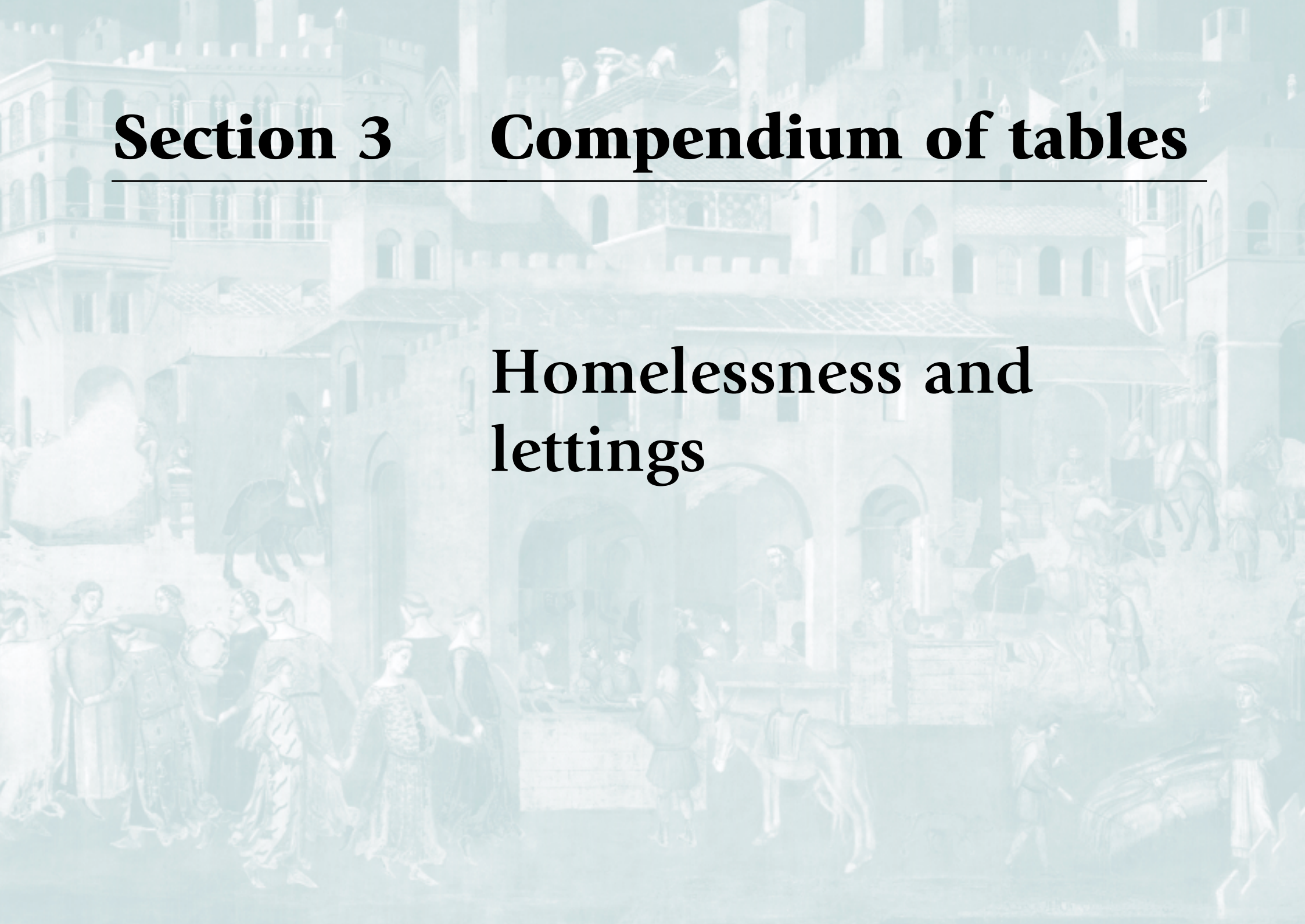




Table 84 Local authority homeless acceptances

Number of households

	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Not held to be intentionally homeless																	
England	60,400	91,010	100,490	109,170	113,770	122,180	140,350	144,780	142,890	132,380	122,460	121,280	116,870	102,410	104,490	105,490	106,160
+ Scotland	7,038	10,992	11,056	10,417	10,463	12,396	14,233	15,500	17,700	17,000	16,000	15,200	15,500	15,600	16,200	-	-
+ Wales	4,772	4,825	5,262	5,198	6,286	7,111	9,226	9,293	9,818	10,792	9,897	8,638	8,334	4,297	4,380	3,695	4,143
= Great Britain	72,210	106,827	116,808	124,785	130,519	141,687	163,809	169,573	170,408	160,172	148,357	145,118	140,704	122,307	125,070	109,185	110,303
Held to be intentionally homeless																	
England	2,520	2,970	3,070	3,270	3,730	4,500	5,450	6,940	6,350	5,660	4,570	4,690	5,120	4,970	6,140	7,340	9,140
+ Scotland	938	980	1,144	1,030	1,128	1,271	1,580	1,800	2,200	2,000	1,800	1,700	1,700	1,800	2,000	-	-
+ Wales	674	546	703	485	532	694	737	550	452	333	396	362	815	343	380	476	507
= Great Britain	4,132	4,496	4,917	4,785	5,390	6,465	7,767	9,290	9,002	7,993	6,766	6,752	7,635	7,113	8,520	7,816	9,647
All homeless acceptances																	
England	62,920	93,980	103,560	112,440	117,500	126,680	145,800	151,720	149,240	138,040	127,030	125,500	121,990	107,380	110,630	112,830	115,300
+ Scotland	7,976	11,972	12,200	11,447	11,591	13,667	15,813	17,300	19,900	19,000	17,800	16,900	17,200	17,400	18,200	-	-
+ Wales	5,446	5,371	5,965	5,683	6,818	7,805	9,963	9,843	10,270	11,125	10,293	9,001	9,149	4,640	4,760	4,171	4,650
= Great Britain	76,342	111,323	121,725	129,570	135,909	148,152	171,576	178,863	179,410	168,165	155,123	151,401	148,339	129,420	133,590	117,001	119,950

Sources: Department of the Environment, Transport and the Regions, Scottish Executive, Welsh Executive.

Notes: The 1990 figures for Wales include 2,000 households made homeless in Colwyn Bay by flooding in the February of that year. Scottish figures are for priority need homeless and potentially homeless cases only; 1999 and 2000 figures were not available at the time of compilation. The England and Wales figures for 1997 and 1998 reflect the changes in homeless legislation, and as a result no longer include 'non priority acceptances'. In 1996 these accounted for 3,310 acceptances in England and 3,501 acceptances in Wales.

**Table 85 Homeless households in temporary accommodation in England under the provisions of the 1985 and the 1996 Housing Acts***Number of households*

	1980	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Bed and breakfast	1,330	5,360	8,990	10,370	10,970	11,480	11,130	12,150	7,630	4,900	4,130	4,500	4,160	4,520	6,930	8,120	9,860
+ Hostels <sup>1</sup>	3,380	4,730	4,610	5,150	6,240	8,020	9,010	9,990	10,840	10,210	9,730	9,660	9,640	8,860	9,060	8,920	10,320
+ Private sector leasing								23,740	27,910	23,270	15,800	11,530	10,980	14,320	16,220	22,390	25,390
+ Other <sup>2</sup>		5,830	7,190	9,240	12,890	18,400	25,130	14,050	16,690	15,200	15,970	18,450	17,410	17,330	19,310	22,750	26,870
+ Homeless at home <sup>3</sup>								8,700	10,420	8,640	8,370	8,890	9,500	9,900	9,150	9,330	11,050
= Total	4,710	15,920	20,790	24,760	30,100	37,900	45,270	68,630	73,490	62,220	54,000	53,030	51,690	54,930	60,670	71,510	83,490

Sources: Homelessness Statistics, Department of the Environment, Transport and the Regions, Hansard 18/4/91, Column 186.

Notes: 1. Includes women's refuges.

2. Includes dwellings leased by local authorities from private landlords for years prior to 1991.

3. Figures for households accepted as homeless, but that remained in their existing accommodation pending rehousing, were not collected before 1991.

**Table 86 Reasons for homelessness in England***Percentages*

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Parents, relatives or friends no longer willing or able to accommodate	41	43	43	43	42	42	38	34	29	29	26	27	28	30
Breakdown of relationship with partner	18	19	17	17	16	17	19	20	22	24	25	25	24	23
Loss of private dwelling, including tied accommodation	15	15	16	14	14	15	17	19	20	21	22	23	22	23
Mortgage arrears	9	7	6	9	12	10	8	8	8	7	6	6	5	3
Rent arrears	4	4	5	4	3	2	2	2	2	2	2	3	3	3
Other	13	12	13	13	14	16	16	16	17	17	18	17	19	17

Source: Department of the Environment, Transport and the Regions, Homelessness Statistics.

Note: Figures may not total to 100, because of rounding.

Table 87 Homelessness: categories of need

Number of households

	Numbers of households											Percentages										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Priority need households:																						
Housholds with:																						
Dependant children	84,120	88,950	85,300	76,390	68,620	66,290	63,420	58,780	61,400	62,000	64,530	66	65	61	60	58	56	56	57	59	59	58
Pregnant member	17,470	18,830	18,530	16,500	14,060	13,430	12,930	10,470	10,520	10,300	10,810	14	14	13	13	12	11	11	10	10	10	10
Vulnerable member:																						
Old age	6,570	5,860	6,230	5,920	6,050	5,890	5,510	4,220	3,800	3,830	4,030	5	4	4	5	5	5	5	4	4	4	4
Physical handicap	3,950	4,430	5,440	5,400	6,050	6,550	6,250	5,310	5,040	5,220	5,340	3	3	4	4	5	6	6	5	5	5	5
Mental illness	4,220	4,750	6,070	6,490	7,100	7,430	8,180	7,030	7,130	7,600	8,520	3	3	4	5	6	6	7	7	7	7	8
Young	-	-	4,460	4,470	4,090	3,760	3,580	3,260	3,440	3,620	4,530	-	-	3	4	3	3	3	3	3	3	4
Domestic violence	-	-	6,470	7,060	7,370	8,430	8,220	6,780	6,330	6,110	6,540	-	-	5	6	6	7	7	7	6	6	6
Other	9,460	12,610	4,930	4,250	4,170	4,550	4,410	5,420	5,890	5,840	4,920	7	9	4	3	4	4	4	5	5	6	4
Homeless in emergency	2,300	1,820	1,270	1,150	980	1,160	1,090	1,140	940	940	1570	2	1	1	1	1	1	1	1	1	1	1
Total priority need (A)	128,090	137,250	138,700	127,630	118,490	117,490	113,590	102,410	104,490	105,460	110,790	100	100	100	100	100	100	100	100	100	100	100
Non-priority need (B)	12,260	7,530	4,190	4,750	3,970	3,790	3,310	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A + B)	140,350	144,780	142,890	132,380	122,460	121,280	116,870	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Department of Environment, Transport and the Regions, Homelessness Statistics.

Notes: Separate figures for domestic violence and young person cases are not available for 1991 or earlier years. Percentages do not always add to 100 as a result of roundings.

Table 88 Homelessness by region

*Number of households*

Region	Homeless acceptances										In temporary accommodation									
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
London	36,310	37,550	31,570	28,690	26,690	25,730	24,850	26,160	28,420	28,610	37,130	39,580	33,040	25,990	26,060	24,100	24,540	25,430	36,330	41,710
South East	13,750	13,030	12,630	12,850	13,570	13,700	12,070	12,860	12,570	14,310	7,890	8,110	7,190	7,130	6,420	6,550	7,170	8,820	8,220	11,220
South West	9,050	8,990	9,370	9,210	9,960	9,830	8,800	8,920	9,470	11,050	2,630	3,020	2,620	2,690	2,540	2,380	2,950	4,200	4,870	5,300
East	8,560	9,300	9,000	8,490	8,730	8,670	8,020	8,660	8,570	9,410	3,940	4,200	3,160	2,980	2,750	2,840	3,060	3,550	4,250	4,950
East Midlands	9,730	10,450	10,120	8,890	8,970	8,900	7,980	7,630	7,300	7,280	1,810	1,560	1,370	1,470	1,420	1,450	1,260	1,570	1,920	1,720
West Midlands	17,280	17,070	16,440	15,890	17,510	16,240	14,500	14,210	13,310	13,700	2,120	1,660	1,430	1,250	1,220	1,030	1,590	1,440	1,570	2,210
Yorkshire & The Humber	12,480	14,430	13,320	11,060	9,930	9,240	8,960	8,530	8,210	8,950	1,620	1,890	1,650	1,330	1,160	1,050	1,060	1,180	1,740	2,110
North East	7,870	7,570	6,800	6,060	6,050	5,780	4,430	4,360	4,830	5,130	430	470	490	430	430	430	670	850	1,110	1,330
North West	22,220	20,350	18,380	17,350	16,080	15,500	12,800	13,160	12,810	12,350	2,360	2,580	2,630	2,360	2,140	1,970	2,130	2,080	2,200	1,920
England	137,250	138,740	127,630	118,490	117,490	113,590	102,410	104,490	105,490	110,790	59,930	63,070	53,580	45,630	44,140	41,800	44,360	49,010	62,170	72,450

Source: Department of Transport, Local Government and the Regions, Homelessness Statistics.

Notes: Homeless acceptances figures are for priority need households only, and exclude households found to be intentionally homeless. Temporary accommodation figures are for the end of the year, and exclude households that are 'homeless at home' (see Table 85).

**Table 89a Rough Sleepers: local authority estimates of numbers of rough sleepers**

Number of rough sleepers	Number of authorities	% of authorities
No estimate	108	30.7
Nil - 10	156	44.3
11 - 20	43	12.2
21 - 30	22	6.3
31 - 40	8	2.3
41 - 50	5	1.4
Over 50	10	2.8
<b>Total</b>	<b>352</b>	<b>100.0</b>

**Table 89b Rough Sleepers: survey-based estimates of numbers of rough sleepers in areas covered by the Rough Sleepers Initiative, and other areas where counts have taken place**

	Numbers
Initial RSI zones – central	367
New RSI zones – London	324
New RSI zones – outside London	82
Other RSI areas	425
Other counts	111
<b>Total</b>	<b>1,309</b>

Source: Shelter report on rough sleeping submitted to the Social Exclusion Unit, 1998.

Table 90 Local authority dwelling stock, new dwellings and lettings in England

Thousands

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Stock of dwellings <sup>1</sup>	4,660	4,560	4,510	4,440	4,410	4,320	4,180	4,040	3,900	3,840	3,760	3,666	3,565	3,470	3,401	3,309	3,178	3,291
Vacant dwellings <sup>1</sup>	114	113	117	113	112	103	101	99	83	75	71	70	72	80	81	82	84	87
Vacant dwellings as % of stock	2.4	2.5	2.6	2.5	2.5	2.4	2.4	2.5	2.1	1.9	1.9	1.9	2.0	2.3	2.4	2.5	2.6	2.6
Completions	27	28	27	21	18	15	16	14	13	7	2	1	1	1	0	0	0	0
Lettings <sup>2</sup>	439	429	429	437	430	426	410	390	401	406	400	405	408	415	422	404	379	354
which are:																		
to existing tenants	184	183	189	190	186	184	174	162	161	168	170	170	169	165	162	144	129	118
to new tenants	255	246	240	247	244	242	236	228	240	239	230	234	239	250	260	259	249	236
Homeless households as % of new tenants	19	20	23	26	27	31	31	35	40	46	45	40	36	34	29	25	23	25

Sources: Department of the Environment Annual Reports, Expenditure Plans, Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: 1. Includes dwellings awaiting demolition, and from 1986/7 dwellings owned by authorities outside their own areas.

2. Includes non-secure lettings, and lettings to households displaced by slum clearance.

Table 91a Lettings to new tenants by local authorities

Thousands

Region	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Northern	26.2	24.4	24.5	23.6	24.0	24.2	23.0	21.3	22.5	22.2	24.4	27.0	27.9	28.3		
<i>North East</i>					22.3	22.6	21.4	21.3	20.7	20.6	22.3	24.9	25.8	26.2	25.1	25.4
Yorkshire & The Humber	37.7	36.1	35.3	34.2	34.6	32.1	31.5	30.8	30.5	29.8	33.5	35.6	37.8	37.6	37.9	38.8
North West	42.5	42.7	42.7	44.5	42.8	40.2	40.2	39.2	36.9	36.6	40.2	43.6	44.3	46.8		
<i>North West</i>					44.6	41.8	41.9	39.1	38.6	38.2	42.3	45.7	46.5	49.0	48.2	46.0
East Midlands	23.1	21.6	22.0	20.2	20.5	18.8	19.0	18.0	18.2	20.6	20.1	21.3	25.0	25.4	26.0	23.3
West Midlands	34.0	32.0	32.9	34.1	31.7	29.7	29.1	29.0	28.0	29.2	30.1	31.7	33.9	33.7	31.9	29.7
East Anglia	9.6	11.8	7.3	7.1	6.4	6.7	7.4	6.9	6.5	6.2	6.3	6.7	7.3	7.6		
<i>East</i>					15.5	15.4	17.8	16.3	16.0	17.0	16.7	17.4	18.1	18.2	18.3	17.5
London	50.1	33.5	31.8	32.7	33.2	35.1	43.9	49.4	45.2	44.5	41.5	40.1	40.4	37.3	32.0	28.1
South East	36.4	29.3	32.0	31.2	29.6	28.4	31.4	30.1	29.4	31.0	29.4	29.0	28.8	28.3		
<i>South East</i>					20.5	19.7	21.1	20.7	19.9	20.2	19.0	18.4	18.1	17.7	17.0	15.5
South West	15.5	15.6	15.1	14.4	13.4	13.3	14.1	14.0	13.1	14.4	13.8	14.6	14.9	14.3	12.9	11.3
England	275.1	247.0	243.6	242.0	236.3	228.6	239.6	238.6	230.2	234.3	239.3	249.7	260.4	259.5	249.5	235.6

Sources: Housing and Construction Statistics, Department of the Environment, Transport and the Regions.

Notes: Lettings figures are for lettings to new tenants only, including lettings for non-secure tenancies. The regional figures are compiled from local authority HIP returns, grossed up for incomplete responses. Data for 'standard' regions are shown from 1980/81 to 1997/98, and for government office regions from 1988/89 onwards.

Table 91b **Lettings to homeless households***Percentage of all lettings to new tenants*

Region	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Northern	10	11	15	18	18	20	22	26	23	19	17	15	13	8		
<i>North East</i>					18	20	22	26	23	19	18	15	13	6	2	2
Yorkshire & The Humber	10	15	15	18	18	20	23	28	31	28	22	18	15	13	14	11
North West	10	17	19	20	19	23	21	25	26	23	21	19	16	11		
<i>North West</i>					18	23	21	33	25	23	20	19	15	7	5	5
East Midlands	10	15	16	20	20	25	28	37	37	30	26	24	19	12	11	11
West Midlands	16	27	28	29	30	32	39	39	41	35	30	29	26	25	20	12
East Anglia	18	15	22	25	26	27	30	33	31	28	27	26	24	13		
<i>East</i>					23	28	29	34	34	30	30	27	24	15	18	15
London	27	47	52	53	51	46	48	42	48	45	44	41	41	32	30	32
South East	18	23	23	26	25	26	28	33	33	31	32	36	33	22		
<i>South East</i>					27	25	27	31	31	33	33	31	30	19	19	23
South West	23	27	29	34	32	34	34	36	38	35	35	33	30	16	16	16
England	16	23	25	27	26	28	31	34	35	31	29	26	23	16	14	13

Sources and Notes: As Table 91a. Percentages are for secure lettings to homeless households only. In addition the majority of non-secure lettings are made to homeless households, although the proportion has declined since 1995/96, reflecting the practice adopted by some authorities of letting 'introductory' tenancies. In 1997/98 non-secure lettings accounted for roughly a fifth of all lettings to new tenants. The figures for 1997/98 onwards are for lettings to priority need homeless, reflecting the change in homeless legislation. In 1996 non-priority homeless households accounted for 3 per cent of all homeless acceptances in England.



Table 92 Lettings to new tenants by size of dwelling in 1999/2000

Region	Local authority lettings								Housing association nominations				Lettings to homeless as a percentage of 2 bed+ lettings to new tenants			
	Homeless:				Other new tenants:				Homeless:		Other new tenants:		Local authorities		Housing	All social
	Secure:	Non-secure:		Secure:		Non-secure:		1 bed	2+ bed	1 bed	2+ bed	Secure %	Non-secure %	%	%	
	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed	1 bed	2+ bed				
London	3,573	5,352	3,678	4,633	4,936	1,838	2,452	1,482	1,118	3,315	3,110	3,041	74	60	76	68
South East	1,300	2,309	1,411	1,380	4,615	3,120	824	530	848	2,787	3,713	5,266	43	63	72	42
East	595	2,010	1,344	1,606	5,510	4,478	977	988	532	1,382	2,022	3,302	31	58	62	36
South West	506	1,289	768	1,501	2,549	2,204	1122	1,392	695	2,128	3,022	3,248	37	41	52	42
East Midlands	424	2,193	376	1,127	7,128	6,734	2,552	2,682	191	737	1,381	2,176	25	13	30	26
West Midlands	985	2,453	1158	2400	5,923	5,945	5,623	5,199	228	768	2,355	2,693	29	17	32	29
Yorkshire & The Humber	1,064	3,295	505	1,246	12,672	16,455	1,334	2,102	128	520	1,629	1,641	17	27	37	20
North West	349	1,787	1108	2,288	8,173	10,930	10,086	11,205	280	559	2,478	2,587	14	10	17	16
North East	164	224	699	2,246	1,205	2,053	7,122	11,629	104	139	623	988	10	9	16	15
England	8,960	20,912	11,047	18,427	52,711	53,757	32,092	37,209	4,124	12,335	20,333	24,942	28	26	33	31

Source: Local authority HIP returns, Department of the Environment, Transport and the Regions.

Note: Homeless households are priority need cases only.

Table 93 Housing association lettings in England

Thousands

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Stock	410	423	432	447	464	483	495	512	534	567	613	627	688	760	836	920	974	1,029	1,127	1,244
Lettings	51	52	55	58	60	62	64	67	70	76	77	86	109	134	132	136	139	145	146	148
of which:																				
New tenants	42	43	45	47	49	51	52	54	57	60	62	69	90	112	111	114	117	122	123	123
Existing tenants	9	9	10	11	11	11	12	13	13	16	15	17	19	22	21	22	22	23	24	25
Statutory homeless	-	-	-	-	-	-	-	-	-	-	9	15	23	28	26	26	22	16	16	16
Lettings to homeless as a % of all lettings to new tenants	-	-	-	-	-	-	-	-	-	-	14	21	25	25	23	23	19	13	11	13

Sources: Answers to Parliamentary Questions 16/7/91 and 2/2/94, Housing and Construction Statistics, Cm 2507, Cm 280, Cm 3207 & Cm 3607, CORE.

Note: For the years up to 1989/90 the lettings figures are Department of the Environment estimates. It should be noted that new housing association tenants include former council tenants transferring to a housing association letting. Stock figures are for December. 1996/97 to 1999/2000 figures are direct from CORE; figures for 1990/91 to 1995/96 are CORE based figures as published in the DoE Annual Reports.

Table 94a **Projected output from the Housing Corporation's Approved Development Programme (ADP) – approvals**

	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimated outturn	2001/02 forecast
Housing for rent:												
+ Mixed and public funded	9,630	39,970	43,310	43,911	40,009	23,792	31,435	17,806	17,311	19,908	18,337	17,941
+ Short life (Mini-HAG)	990	1,610	1,380	1,924	3,462	3,556	3,228	1,459	1,793	1,058	1,013	586
+ Housing Market Package	18,750											
= Total rent (A)	10,620	41,580	63,440	45,835	43,471	27,348	34,663	19,265	19,104	20,966	19,350	18,527
Sales and incentives:												
Tenants Incentive Schemes	1,650	3,240	4,800	6,687	6,353	6,817	7,445	3,614	3,106	449	155	182
+ Low cost home-ownership	1,540	4,820	7,790	11,556	9,689	7,809	8,954	4,726	4,681	3,494	3,146	3,879
= Total sales/incentives (B)	3,190	8,060	12,590	18,243	16,042	14,626	16,399	8,340	7,787	3,943	3,301	4,061
Total all approvals (A+B)	13,810	49,640	76,030	64,078	59,513	41,974	51,062	27,605	26,891	24,909	22,651	22,588

Sources: Housing Corporation ADP for 1994/95 and earlier years, Cms 2207, 2507, 2807, 3207, 3607, 3906, 4204, 4604 & 5105.

Notes: Mini-HAG and TIS figures include units financed through the special homeless programmes in 1990/91 & 1991/92. Rough Sleepers Initiative and City Challenge schemes are included within the mixed/public funded rent figures. Tenants Incentive Schemes include Purchase Grants from 1996/97 onward.

Table 94b Projected output from the Housing Corporation's Approved Development Programme (ADP) – completions

	1990/91 outturn	1991/92 outturn	1992/93 outturn	1993/94 outturn	1994/95 outturn	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn	2000/01 estimated outturn	2001/02 forecast
Housing for rent:												
+ Mixed and public funded	17,610	21,190	32,160	38,393	38,506	40,583	29,386	22,843	22,330	19,768	18,080	18,851
+ Short life (Mini-HAG)	990	1,610	1,380	1,924	1,098	1,482	2,000	2,777	1,500	1,194	900	1,000
+ Housing Market Package	18,430											
= Total rent (A)	18,600	22,800	51,970	40,317	39,604	42,065	31,386	25,620	23,830	20,962	18,980	19,851
Sales and incentives:												
Tenants Incentive Schemes	2,270	2,690	4,780	6,450	6,525	6,400	7,029	4,262	2,900	503	100	200
+ Low cost home-ownership	780	1,280	5,380	7,990	11,066	10,471	6,966	6,336	6,100	4,032	3,550	3,800
= Total sales/incentives (B)	3,050	3,970	10,160	14,440	17,591	16,871	13,995	10,598	9,000	4,535	3,650	4,000
Total all completions (A+B)	21,650	26,770	62,130	54,757	57,195	58,936	45,381	36,218	32,830	25,497	22,630	23,851

Sources and Notes: As Table 94a.

Table 95 Local authority and housing association lettings to new tenants

Thousands

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Local authorities	275	251	256	246	240	247	244	242	236	229	240	239	230	234	239	250	260	260	250	236
Housing association	42	43	45	47	49	51	52	54	57	60	62	69	90	112	111	114	117	122	123	123
Total	317	294	301	293	289	298	296	296	293	289	302	308	320	346	350	364	377	382	373	359

Sources: See Tables 90 &amp; 93.

Note: New housing association tenants include former council tenants transferring to housing associations.

Table 96 Welsh local authority lettings

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Stock (000s)	293	283	272	263	258	257	256	251	243	232	224	221	216	214	211	208	205	203	200	196
All lettings to new tenants	14,009	13,436	14,864	13,889	15,045	13,896	13,403	13,379	13,071	11,494	11,530	12,030	11,543	12,547	13,053	13,576	14,555	15,639	15,672	15,347
Lettings to homeless	1,531	1,460	1,696	1,597	1,766	2,149	2,054	1,872	2,424	2,429	2,473	2,674	2,754	2,471	2,058	1,949	1,681	880	1,269	1,383
Homeless lettings as a % of all lettings	10.9	10.9	11.4	11.5	11.7	15.5	15.3	14.0	18.5	21.1	21.4	22.2	23.9	19.7	15.8	14.4	11.5	5.6	8.1	9.0

Source: Welsh Housing Statistics.

Notes: Excludes new towns. Stock figures are averages for the financial year.

Table 97 Scottish local authority lettings

	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
New lettings	45,910	45,039	46,720	45,035	47,935	47,086	47,480	44,248	41,234	40,262	40,321	41,379	44,468	44,583	45,168
Percentage of new lets to homeless	13.6	16.3	15.3	14.3	14.3	16.0	20.0	21.4	23.8	22.7	20.4	20.5	19.1	20.1	21.2

Source: Scottish Executive.

Notes: New lettings include waiting list, homeless, National Mobility Scheme and other lettings, but excludes transfers and mutual exchanges. Figures also include lettings of general needs dwellings owned by other agencies to whose stock the local authority has nomination rights.

Table 98 Northern Ireland Housing Executive lettings and homelessness in Northern Ireland

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Allocations to applicants/ priority groups	9,966	10,621	12,824	13,152	12,491	12,417	11,877	10,940	11,357	11,357	11,637	11,170	10,489	10,280	10,455	8,826	10,164	10,946	10,643	8,496	8,588
Homelessness: presenting										6,675	9,187	10,081	10,099	9,731	10,068	10,468	11,092	11,672	11,552	10,997	12,694
accepted A1										3,110	4,404	4,158	4,061	3,971	4,014	4,319	4,708	4,956	4,997	5,192	6,457
Placed in temporary accommodation										741	1,849	1,771	1,790	1,865	1,747	2,151	2,141	2,123	2,249	1,937	2,455

Source: Department of the Environment for Northern Ireland.

Notes: Allocations to applicants ('allocation to priority groups' before 2000/01) comprise lettings to new tenants, and exclude transfers. Accepted 'A1' priority need corresponds to acceptances as priority need case elsewhere in the UK. Homeless legislation was only extended to Northern Ireland in April 1989. A new selection scheme was introduced in November 2000 resulting in a change in allocation headings to: Allocations to applicants, Housing Executive transfers and Housing Association combined transfers.

# **Section 3      Compendium of tables**

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**Help with housing costs**

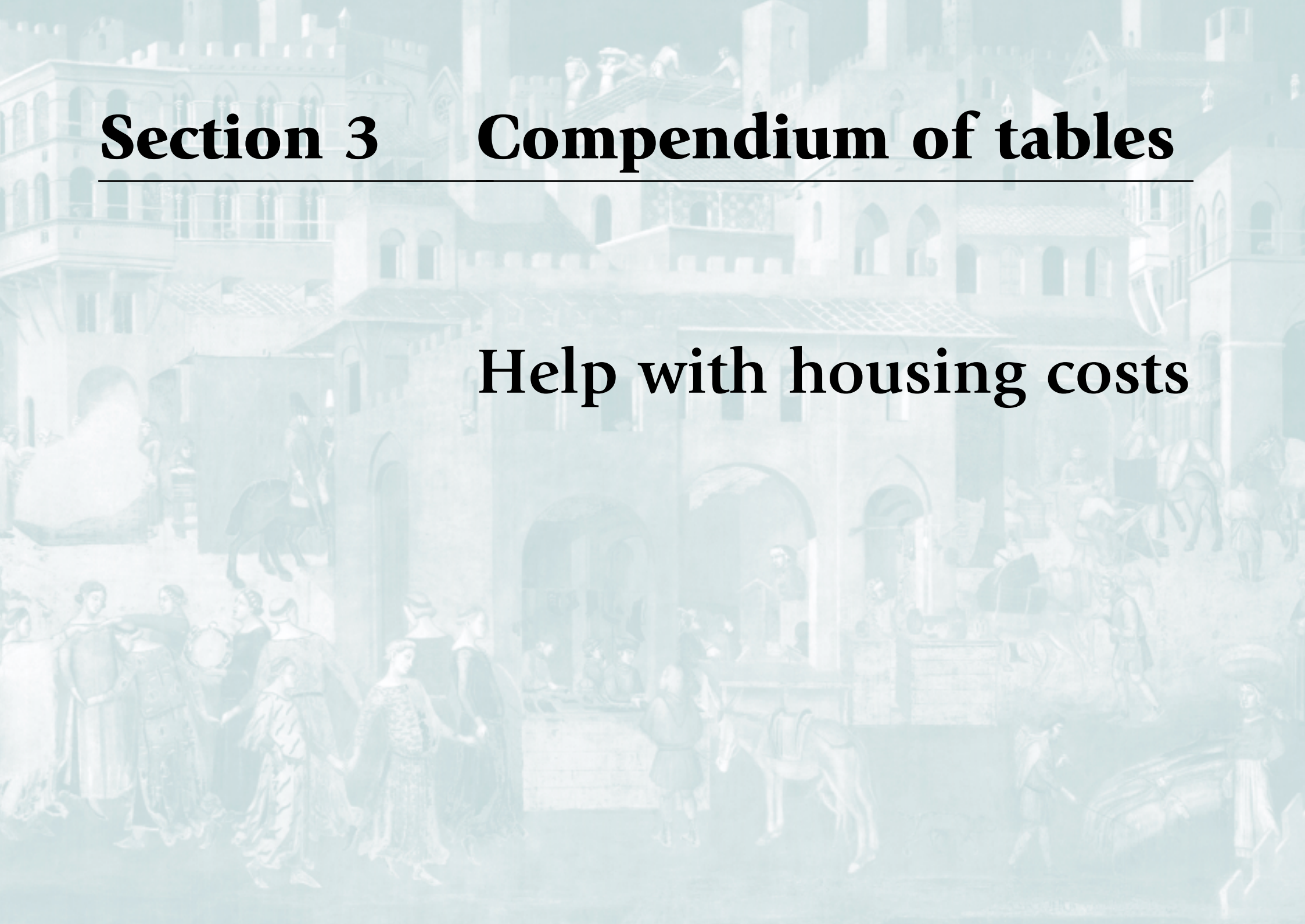


Table 99 **Mortgage interest tax relief**

	1970/71	1975/76	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Basic rate of relief (%)	32	35	30	30	29	27	25	25	25	25	25	25	20	15	15	15	10	10
Cost of tax relief (£m) (A)	298	1,004	2,188	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200	4,300	3,500	2,700	2,400	2,700	1,900	1,600
Of which:																		
Option mortgage scheme (£m) (B)	13	109	228	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
In excess of basic rate of income tax (£m)	–	–	130	260	300	400	350	420	470	–	–	–	–	–	–	–	–	–
Number of recipients (000s) (C)	2,960	4,820	5,860	8,100	8,450	8,750	9,200	9,400	9,600	9,700	9,800	10,000	10,400	10,500	10,600	10,700	10,800	10,900
Average tax relief (£) ((A-B)/C)	95	185	335	585	555	555	585	735	800	630	530	430	340	260	230	250	180	150

Sources: Inland Revenue Statistics, Parliamentary Questions.

Notes: The number of recipients is the number of tax units in receipt of mortgage interest tax relief. This does not include households assisted through the Option Mortgage scheme. The 1970/71 and 1975/76 figures are the author's estimates based on 95% of the number of mortgages (the average tax unit to mortgage ratio for the early 1980s); the figures on the number of tax units are not available. The Option Mortgage scheme provided the equivalent of mortgage interest relief (MITR) to lower income households that did not have a sufficient income to attract the tax liability against which MITR could be offset. It operated from 1968 to 1983. Relief at higher rates of income tax was abolished from 1991/92. The 1999/00 figures are provisional. MITR was abolished in April 2000. Some final costs were incurred in the 2000/01 financial year, but the precise figures are not available.

Table 100 Regional distribution of mortgage interest tax relief

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
Northern	80	70	95	100	140	180	200	210	250	310	350	310	230	200	160	130				
<i>North East</i>																110	100	110	80	70
Yorkshire & Humberside	155	150	160	210	260	340	350	360	370	460	510	450	340	300	280	210	190	220	160	130
North West	200	180	215	260	330	440	490	510	530	690	770	640	500	430	340	270				
<i>North West</i>																240	270	300	210	180
East Midlands	115	110	130	180	230	300	320	330	340	430	480	410	340	280	240	190	170	190	130	110
West Midlands	160	190	170	230	280	370	350	360	430	550	620	510	400	340	280	220	200	220	150	130
East Anglia	50	60	75	90	130	170	170	180	220	270	300	250	180	170	140	110				
<i>East</i>																280	240	240	170	140
London	280	290	260	400	500	670	620	650	780	980	1,100	710	740	580	390	310	270	290	200	170
Rest of South East	555	600	650	740	950	1,270	1,220	1,260	1,350	1,750	1,940	1,510	1,390	1,090	880	650				
<i>South East</i>																480	440	510	340	290
South West	140	170	140	230	300	400	380	400	520	660	730	570	480	400	350	260	230	270	180	150
England	1,735	1,820	1,900	2,440	3,120	4,140	4,100	4,260	4,790	6,100	6,800	5,360	4,600	3,790	3,060	2,350	2,090	2,340	1,640	1,380
+ Wales	65	80	80	110	150	200	210	220	180	240	270	230	190	150	130	110	100	110	80	70
+ Scotland	125	120	140	190	260	350	300	310	370	470	530	420	340	300	260	200	180	210	150	130
+ Northern Ireland	35	30	30	40	50	60	60	60	60	90	100	90	70	60	50	40	30	40	30	20
= United Kingdom	1,960	2,050	2,150	2,780	3,580	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200	4,300	3,500	2,700	2,400	2,700	1,900	1,600

Sources: Answers to Parliamentary Questions 17/3/93 and 29/11/93; Inland Revenue Statistics.

Notes: Figures exclude the Option Mortgage scheme that operated until 1983/84. Figures from 1996/97 onward are only available for government office regions, while figures for earlier years are for standard regions. For 1995/96 only figures are shown for both standard regions and government office regions. Where the standard and government office regions are identical the data is set out in a single row. Where the government office regions boundaries and/or names differ, the figures are shown in the row(s) below the closest corresponding standard region. The names of government office regions (where they differ from standard regions) are shown inset and in italics. Yorkshire & Humberside changed to Yorkshire & The Humber in the government office regions.

Table 101 **Distribution of mortgage interest tax relief by income band**

Income bands	Cost of mortgage tax relief (£ million) (A)										Numbers receiving tax relief (000s) (B)									
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
£0-5,000	270	260	340	310	310	190	170	220	140	90	490	620	840	840	1,090	980	940	1,020	990	750
£5-10,000	640	420	520	420	360	280	210	210	140	110	1,050	850	1,130	1,120	1,250	1,260	1,160	990	950	970
£10-15,000	1,520	1,170	1,360	1,050	770	550	480	540	300	230	2,060	1,920	2,670	2,540	2,320	2,200	2,110	2,190	1,740	1570
£15-20,000	1,670	1,450	1,340	1,050	770	590	550	520	360	310	2,110	2,180	2,400	2,330	2,150	2,210	2,370	2,020	2,070	2,090
£20-25,000	1,240	1,120	600	560	520	440	360	460	310	310	1,530	1,600	1,050	1,220	1,360	1,590	1,520	1,730	1,700	2,010
£25-30,000	750	590	300	260	280	260	260	280	220	200	850	870	510	570	720	900	1,040	1,030	1,160	1,300
£30-40,000	770	590	370	320	260	210	200	250	240	180	710	850	610	640	650	740	810	920	1,190	1,130
£40,000 +	840	500	370	330	230	180	170	220	200	170	600	710	590	640	560	620	650	800	1,000	1,070

Table 101 (continued) **Distribution of mortgage interest tax relief by income band**

Income bands	Average tax relief (£ per annum) (A/B)										Percentage of total tax relief by income band									
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
£0-5,000	550	430	410	370	290	200	180	220	150	130	3.5	4.3	6.5	7.2	8.9	7	7.1	8.1	7.3	5.6
£5-10,000	610	490	460	380	290	220	180	220	150	120	8.3	6.9	10	9.8	10.3	10.4	8.8	7.8	7.3	6.9
£10-15,000	740	610	510	410	330	250	220	240	160	140	19.7	19.2	26.2	24.4	22	20.4	20	20	15.7	14.4
£15-20,000	800	660	560	450	360	260	230	260	180	150	21.7	23.8	25.8	24.4	22	21.9	22.9	19.3	18.8	19.4
£20-25,000	810	700	570	460	380	270	240	270	180	150	16.1	18.4	11.5	13	14.9	16.3	15	17	16.2	19.4
£25-30,000	880	680	590	460	390	290	250	270	190	160	9.7	9.7	5.8	6	8	9.6	10.8	10.4	11.5	12.5
£30-40,000	1,090	690	610	500	410	290	250	280	200	160	10	9.7	7.1	7.4	7.4	7.8	8.3	9.3	12.6	11.3
£40,000 +	1,400	700	630	510	400	300	260	280	200	160	10.9	8.2	7.1	7.7	6.6	6.7	7.1	8.1	10.5	10.6

Sources: Inland Revenue Statistics, Parliamentary Questions 12/7/93 and 2/11/93.

Note: The numbers receiving relief are defined as the number of tax units.



Table 102a Subsidies for local authority housing in Great Britain

£ million

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
England:																					
Exchequer subsidy	1,423	881	444	335	381	482	459	445	535	636	1,156	873	508	121	- 108	- 408	- 481	- 563	- 781	- 937	- 1,001
+ Rate fund transfers	309	327	252	291	288	258	277	279	309	83	- 19	- 19	- 25	- 17	- 19	- 28	- 44	- 47	- 65	- 76	- 70
= Total net subsidy	1,732	1,208	696	626	669	740	736	724	844	719	1,137	852	483	104	- 127	- 436	- 525	- 610	- 846	- 1,013	- 1,071
Wales:																					
Exchequer subsidy	68	35	10	9	7	10	9	11	12	15	7	- 10	- 16	- 31	- 45	- 63	- 76	- 80	- 92	- 91	- 90
+ Rate fund transfers	22	12	12	8	5	4	4	8	8	- 2	6	0	0	0	0	0	0	0	0	0	0
= Total net subsidy	90	47	22	17	12	14	13	19	20	13	13	- 10	- 16	- 31	- 45	- 63	- 76	- 80	- 86	- 91	- 91
Scotland:																					
Exchequer subsidy	228	162	105	72	67	64	44	42	55	65	58	56	47	36	24	22	19	16	13	11	10
+ Rate fund transfers	80	106	125	123	139	98	75	41	25	10	8	- 1	- 1	- 2	- 2	- 3	- 2	0	0	0	0
= Total net subsidy	308	268	230	195	206	162	119	83	80	76	67	55	47	34	23	19	17	16	13	11	10
Great Britain:																					
Exchequer subsidy	1,719	1,078	559	416	455	556	512	498	602	716	1,221	919	539	126	- 129	- 449	- 538	- 627	- 860	- 1,017	- 1,081
+ Rate fund transfers	411	445	389	422	432	360	356	328	342	91	- 5	- 20	- 26	- 19	- 21	- 31	- 46	- 47	- 65	- 76	- 70
= Total net subsidy	2,130	1,523	948	838	887	916	868	826	944	808	1,217	897	514	107	- 149	- 480	- 584	- 674	- 925	- 1,093	- 1,152

Sources: See Tables 64, 65, 71, 72 and 78 in the Review. Additional information from Department of the Transport, Local Government and the Regions.

Notes: Figures for transfers between the General Fund and the Housing Revenue Account for the years to 1989/90 are the net result of transfers in and out of the HRA. Figures for housing subsidy in England and Wales from 1990/91 are for net basic housing subsidy (positive housing subsidy entitlements less negative subsidy entitlements). Housing benefit subsidy is not included in this table.

Table 102b **General subsidies per local authority dwelling***£ per annum*

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
England:																					
Exchequer subsidy	286	179	93	72	84	106	103	102	126	155	291	225	134	33	- 30	- 116	- 140	- 168	- 240	- 302	- 344
+ Rate fund transfers	62	66	53	63	63	57	62	64	73	20	- 5	- 5	- 7	- 5	- 5	- 8	- 13	- 14	- 20	- 25	- 24
= Total net subsidy	348	245	146	135	147	163	165	166	198	175	286	220	127	28	- 35	- 124	- 153	- 182	- 260	- 327	- 368
Wales:																					
Exchequer subsidy	231	124	37	34	27	39	35	44	49	65	31	- 46	- 74	- 145	- 213	- 303	- 371	- 394	- 462	- 467	- 471
+ Rate fund transfers	75	42	44	31	19	16	16	32	33	- 9	27	0	0	0	0	0	0	0	0	0	0
= Total net subsidy	306	166	81	65	47	54	51	76	82	56	58	- 46	- 74	- 145	- 213	- 303	- 371	- 394	- 462	- 467	- 476
Scotland:																					
Exchequer subsidy	255	182	119	82	78	75	52	51	68	85	78	77	67	54	37	35	30	26	22	19	18
+ Rate fund transfers	89	119	141	141	161	115	89	49	31	13	11	- 1	- 1	- 3	- 3	- 5	- 3	0	0	0	0
= Total net subsidy	345	301	260	223	239	190	141	100	99	100	90	76	67	51	35	30	27	26	22	19	18
Great Britain:																					
Exchequer subsidy	279	177	94	72	80	99	92	92	113	140	247	191	114	27	- 29	- 103	- 126	- 150	- 213	- 263	- 296
+ Rate fund transfers	67	73	66	73	76	64	64	60	64	18	- 1	- 4	- 6	- 4	- 5	- 7	- 11	- 11	- 16	- 20	- 19
= Total net subsidy	345	250	160	145	157	163	156	152	178	158	246	186	109	23	- 33	- 110	- 137	- 162	- 229	- 283	- 315

Sources: As Table 102a.

Notes: Average figures per dwelling are calculated by dividing the figures in Table 102a by the average HRA stock figures for the year.

**Table 103 Mortgage interest taken into account for income support and jobseeker's allowance**

	1980	1981	1982	1983	1984	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average mortgage interest:																				
£ per week	10.18	12.18	13.87	11.93	15.18	18.96	19.31	18.33	24.18	33.41	43.27	43.98	41.92	37.81	39.16	36.98	33.6	37.16	32.93	33.65
£ per annum (A)	529	633	721	620	789	986	1,004	953	1,257	1,737	2,250	2,287	2,180	1,966	2,036	1,923	1,747	1,933	1,712	1,750
Number of claimants (000s) (B)																				
	134	196	235	242	277	356	334	300	281	310	411	499	555	529	499	451	378	335	308	280
Total mortgage interest																				
per annum (£ million) (A x B)	71	124	170	150	219	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527	490

Sources: Annual Statistical Enquiries, Parliamentary Question 9/7/91, Income Support Quarterly Statistics, Jobseeker's Allowance Quarterly Statistics.

Notes: All figures are for the May of the year. Figures to 1990 show mortgage interest liabilities taken into account in calculating eligibility for income support, and in earlier years, supplementary benefit. From 1990 onwards the figures are based on actual help provided, and are net of non-dependant deductions etc. From 1988 to 1995 the average figure for weekly mortgage interest was somewhat depressed by the regulation restricting new claims to 50% of eligible mortgage costs during the first 16 weeks of a claim. The figures from 1996 reflect the further restrictions on initial help with mortgage costs introduced in October 1995. The 1997 and 1998 figures also reflect the introduction of the jobseeker's allowance. No 1985 figures are available.

**Table 104 Range of mortgage interest taken into account for income support and jobseeker's allowance**

*Percentage of all claimant cases not affected by restrictions during initial period of claim*

Full weekly interest payment liabilities	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
£0 - £20	54	43	30	30	32	35	32	33	37	34	39	35
£20 - £40	28	29	27	28	28	30	30	30	29	30	31	33
£40 - £60	11	13	18	17	16	16	17	16	15	18	17	18
£60 - £80	3	7	9	9	9	9	9	9	8	9	8	9
£80 - £100	1	3	5	4	6	5	6	5	3	5	4	4
£100 +	2	6	10	13	9	6	6	7	3	4	3	3
Average amount (£ per week)												
	24.46	34.42	46.34	46.01	44.31	39.69	40.49	37.78	33.87	37.16	32.93	33.81

Sources: Annual Statistical Enquiries, Income Support Statistics Quarterly Enquiries, Jobseeker's Allowance Statistics Quarterly Enquiries, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: Figures for the years to 1995 show the full weekly interest liabilities of claimant cases not affected by the restrictions applied in the initial period of an income support claim. From 1996 the figures are for actual help provided, and are net of non-dependant deductions etc. From 1997 they include all jobseeker's allowance cases in receipt of housing costs help, including a small number in receipt of partial help due to restrictions during the initial period of a claim.

Table 105 Average mortgage interest taken into account for income support by region

Government office region	Number of cases (000s)											Average mortgage interest (£ per week)										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North East	-	-	-	23	23	23	21	18	16	16	14	-	-	-	23.52	23.20	25.41	24.51	22.60	24.87	22.27	24.27
North West	-	-	-	73	70	69	64	55	49	46	42	-	-	-	27.00	25.57	27.66	26.76	24.46	27.83	24.88	26.00
Yorkshire & The Humber	-	-	-	45	44	42	38	32	29	27	25	-	-	-	27.18	25.93	27.41	26.76	24.44	27.34	25.14	26.02
East Midlands	-	-	-	35	34	32	28	24	22	21	19	-	-	-	33.59	30.67	33.25	31.39	29.14	32.90	29.32	29.85
West Midlands	-	-	-	55	51	48	44	38	33	31	27	-	-	-	31.91	28.63	30.72	29.18	26.98	30.78	27.91	28.63
East	-	-	-	55	50	46	41	33	29	26	24	-	-	-	52.17	46.47	48.16	45.37	41.20	44.85	40.30	40.73
London	-	-	-	81	79	74	67	56	49	44	39	-	-	-	63.16	56.46	57.20	54.10	49.36	54.37	47.77	48.89
South East	-	-	-	79	72	66	58	46	39	35	30	-	-	-	58.07	52.46	53.44	49.77	45.43	49.70	43.69	44.14
South West	-	-	-	53	48	43	40	31	26	24	21	-	-	-	45.42	40.33	41.61	39.61	36.27	39.62	34.90	35.43
England	270	366	446	499	472	442	398	334	292	268	241	35.45	45.57	45.30	43.48	39.20	40.63	38.43	34.86	38.42	34.06	34.74
Wales	26	27	34	34	33	32	29	25	22	21	19	23.58	34.80	33.67	29.41	26.93	28.36	26.55	24.54	28.55	25.40	26.15
Scotland	14	18	19	22	24	24	23	20	20	19	19	32.64	35.33	32.59	27.74	25.51	28.15	26.73	24.27	28.20	25.33	26.92
Great Britain	310	411	499	556	529	499	451	379	334	308	280	34.33	44.41	44.02	41.92	37.81	39.16	36.98	33.62	37.16	32.93	33.65

Source: Hansard, Answer to Parliamentary Question by Ms Armstrong, 9/5/95, Department of Social Security.

Note: From 1993 figures are for housing costs payable to claimants. Earlier figures are for mortgage interest taken into account when calculating total income support entitlement. The 1993 and subsequent figures are thus not directly comparable with those earlier years. Government office region figures are not available for the years prior to 1993.

Table 106 Housing benefit – numbers of claimants and average claim in Great Britain

	1980/81	1985/86	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01 <sup>1</sup>
Number of claimants (000s):													
Rent rebates	1,330	3,710	2,944	2,981	3,023	3,060	3,007	2,953	2,887	2,762	2,635	2,495	2,356
Rent allowances	240	1,150	1,044	1,219	1,315	1,519	1,660	1,798	1,875	1,829	1,791	1,776	1,836
Rate rebates, Council Tax & Community Charge benefit	3,350	7,020	6,898	6,506	6,646	5,450	5,606	5,676	5,643	5,491	5,323	5,174	5,090
Average payment (£ per annum):													
Rent rebates	240	606	1,030	1,184	1,375	1,505	1,654	1,763	1,830	1,882	1,929	2,298	2,137
Rent allowances	199	619	1,323	1,694	1,999	2,268	2,454	2,621	2,751	2,824	2,876	3,229	3,011
Rate rebates, Council Tax & Community Charge benefit	82	209	319	178	236	317	332	349	374	406	426	452	489

Sources: Parliamentary Questions 10/3/92 & 13/3/92, Social Security Departmental Reports Cms 2213, 2513, 2813, 3213 & 3613, Social Security Statistics 1991 to 1996, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: From 1985/86 figures include Supplementary Benefit cases. This accounts for part of the substantial increase in numbers and the average benefit payment that year. Rate rebate figures are for the years 1989/90; Community Charge benefit figures are for the years 1990/91 to 1992/93 and Council Tax benefit figures are for 1993/94 onwards. Average benefit payments from 1988/89 onwards are derived from Social Security Statistics and Housing Benefit and Council Tax Benefit Summary Statistics and relate to the August of each, except for 1991/92 to 1995/96, where May figures are given. Average figures for numbers of claimants from 1988/89 are derived from the DSS Annual Reports; figures for earlier years are derived from the Parliamentary Questions.

1. Numbers of claimants in 2000/01 are the DSS's published forecasts.

Table 107 **Housing benefits expenditure and plans for Great Britain**

£ million

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	outturn	estimated outturn	estimated outturn	plans	plans	plans
Rent rebates <sup>1</sup> :																		
England	1,950	2,001	2,144	2,318	2,711	3,351	3,812	4,178	4,355	4,537	4,634	4,536	4,437	4,389	4,342	4,298	4,142	3,959
+ Scotland	263	296	315	364	404	446	490	528	549	564	617	659	678	681	707	743	608	627
+ Wales	134	135	148	156	168	186	210	227	250	261	270	268	266	273	280	292	300	309
+ New towns	72	74	111	102	86	85	82	87	76	68	48	33	23	19	10	3	0	0
= Total rent rebates	2,419	2,506	2,718	2,940	3,368	4,068	4,593	5,019	5,228	5,430	5,569	5,495	5,405	5,362	5,339	5,336	5,050	4,896
+ Rent allowances	996	1,030	1,055	1,359	1,779	2,426	3,284	4,195	4,875	5,446	5,810	5,681	5,665	5,815	5,918	6,513	7,213	7,831
+ Income Support: mortgage costs <sup>2</sup>	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527	490	450	450	450
= Total housing benefits	3,766	3,871	4,059	4,652	5,686	7,419	9,018	10,424	11,143	11,892	12,246	11,836	11,718	11,704	11,747	12,299	12,713	13,177
+ Rate rebate, Community Charge and Council Tax benefit	1,635	1,701	1,373	1,520	2,115	1,398	1,685	1,929	2,077	2,189	2,311	2,395	2,452	2,517	2,620	2,831	3,014	3,172
= Total housing & related benefits	5,401	5,572	5,432	6,172	7,801	8,817	10,703	12,353	13,220	14,081	14,557	14,231	14,170	14,222	14,367	15,130	15,727	16,348
Total all social security benefits	44,913	46,697	47,333	50,174	56,509	66,395	75,313	82,422	84,849	88,697	92,212	93,346	95,570	99,148	100,895	106,745	110,243	114,138

Sources: Social Security Departmental Reports, Cms 1914, 2215, 2515, 2813, 3213, 3913, 4214 & 4614. Annual Statistical Enquiries etc. for income support & jobseeker's allowance mortgage costs (see Table 103). Department for Work and Pensions.

Notes: 1. Rent rebate figures for England and Wales are gross expenditure, before deducting the contribution to their cost made by rent surpluses.

2. Eligible mortgage costs for income support (and jobseeker's allowance) calculation of entitlement for years to 2000/01. Author's estimates for subsequent years.

Table 108a Numbers of recipients and average housing benefit in Great Britain: all cases

£ per week

	Numbers of recipients (000s)											Average housing benefit per recipient (£ per week)										
	1988	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1988	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
England:																						
Rent rebates	2,475	2,328	2,423	2,442	2,414	2,380	2,325	2,242	2,135	2,009	1,811	16.26	23.35	27.30	29.95	31.86	34.39	35.70	37.30	38.00	40.00	42.30
Rent allowances	848	959	1,149	1,319	1,453	1,573	1,663	1,628	1,590	1,576	1,530	18.73	32.96	39.02	44.34	48.12	51.51	53.46	55.40	56.60	57.90	59.10
Scotland:																						
Rent rebates	496	466	461	458	450	434	424	405	388	375	349	13.76	19.87	22.13	23.79	24.84	26.25	28.60	31.90	32.70	34.40	36.00
Rent allowances	77	72	78	85	100	109	122	128	132	131	131	19.92	29.72	33.72	36.67	39.84	42.07	43.69	42.20	42.60	44.40	46.10
Wales:																						
Rent rebates	161	151	154	153	152	151	149	145	141	135	127	16.87	22.57	25.86	28.12	30.49	32.23	33.61	35.00	35.00	36.90	38.90
Rent allowances	44	54	63	72	81	88	92	91	89	87	84	17.44	29.44	33.80	38.97	41.41	42.80	45.18	45.40	46.40	47.80	49.20
Great Britain:																						
Rent rebates	3,132	2,945	3,038	3,053	3,016	2,964	2,898	2,792	2,664	2,519	2,288	15.85	22.76	26.45	28.95	30.74	33.09	34.56	35.91	37.00	39.00	41.20
Rent allowances	969	1,085	1,290	1,476	1,634	1,770	1,878	1,847	1,811	1,795	1,746	18.78	32.57	38.45	43.61	47.28	50.49	52.42	54.15	55.10	56.40	57.60

Source: Social Security Statistics, Housing Benefit and Council Tax Benefit Summary Statistics.

Notes: All figures based on May in each year. Rent rebates cover local authority and new town tenants. Rent allowances cover housing association and private tenants.

Table 108b **Numbers of recipients and average housing benefit in Great Britain: cases also in receipt of income support***£ per week*

	Numbers of recipients (000s)											Average housing benefit per recipient (£ per week)										
	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
England:																						
Rent rebates	1,515	1,347	1,324	1,417	1,492	1,508	1,522	1,472	1,409	1,327	1,260	18.61	22.98	26.76	30.77	33.31	35.21	38.03	39.66	40.83	42.10	44.40
Rent allowances	492	516	594	748	900	1,016	1,106	1,164	1,111	1,057	1,044	21.72	31.28	37.69	43.91	49.41	52.87	56.66	58.66	60.47	62.10	64.10
Scotland:																						
Rent rebates	280	263	254	254	264	266	267	259	249	237	231	15.73	20.39	23.05	25.14	26.47	28.01	29.09	32.63	35.37	38.80	34.80
Rent allowances	43	44	45	48	54	67	74	82	86	87	87	24.77	29.54	34.51	37.64	41.77	43.30	46.89	48.25	49.64	51.00	51.10
Wales:																						
Rent rebates	97	86	86	89	93	94	96	95	92	89	86	19.34	23.26	26.14	29.29	31.04	33.37	35.26	36.79	36.91	34.00	40.70
Rent allowances	28	31	35	42	50	57	63	66	65	62	62	19.84	26.15	32.31	36.94	40.96	44.66	46.10	49.11	48.53	49.00	52.60
Great Britain:																						
Rent rebates	1,891	1,696	1,664	1,760	1,849	1,868	1,885	1,826	1,749	1,654	1,577	18.16	22.60	26.16	29.88	32.23	34.09	36.62	38.52	39.90	41.17	42.79
Rent allowances	563	592	674	838	1,004	1,140	1,243	1,311	1,261	1,206	1,193	21.88	30.88	37.20	43.20	48.58	51.90	55.55	57.52	59.51	60.63	62.55

Sources: Social Security Statistics, Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Notes: All figures based on May in each year. Rent rebates cover local authority and new town tenants. Rent allowances cover housing association and private tenants.



Table 108c Numbers of recipients and average housing benefit in Great Britain: cases not also in receipt of income support

£ per week

	Numbers of recipients (000s)											Average housing benefit per recipient (£ per week)										
	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
England:																						
Rent rebates	960	964	1,004	1,006	950	906	875	853	834	808	749	12.54	16.28	18.88	22.44	24.69	26.28	28.14	28.87	30.21	30.70	32.40
Rent allowances	356	411	364	401	419	438	445	500	518	533	532	14.59	19.07	25.25	29.93	33.45	37.09	38.92	41.33	43.45	45.00	46.50
Scotland:																						
Rent rebates	216	204	212	206	193	184	175	165	156	151	144	11.22	14.26	16.09	18.44	20.16	20.26	21.88	22.28	24.23	29.50	28.20
Rent allowances	34	41	27	31	31	33	34	40	42	45	44	13.77	16.32	21.95	27.62	27.94	32.87	31.66	34.65	36.14	37.10	33.60
Wales:																						
Rent rebates	65	65	65	65	61	58	57	55	53	52	48	13.18	16.56	17.86	21.15	23.64	25.83	27.09	28.13	28.23	25.20	30.20
Rent allowances	16	24	19	21	22	24	24	27	26	27	26	13.13	17.02	24.21	27.43	32.67	33.53	34.41	35.84	35.80	35.70	39.40
Great Britain:																						
Rent rebates	1,241	1,232	1,280	1,277	1,204	1,149	1,106	1,073	1,043	1,011	941	12.33	15.95	18.37	21.73	23.91	25.29	27.12	27.82	29.22	30.24	31.65
Rent allowances	406	476	411	452	473	494	503	566	585	605	602	14.47	18.72	24.98	29.66	33.05	36.64	38.21	40.60	42.58	44.00	45.25

Sources and Notes: See Table 108b.

Table 109a **Housing benefit for housing association and private tenants**

Tenure	Numbers of cases								
	1992 (000s)	1993 (000s)	1994 (000s)	1995 (000s)	1996 (000s)	1997 (000s)	1998 (000s)	1999 (000s)	2000 (000s)
Housing associations	340	412	509	610	723	781	840	897	931
Private tenants	952	1,068	1,125	1,160	1,155	1,066	971	898	815
of which:									
Regulated tenancies	381	339	294	258	217	194	166	144	124
Deregulated tenancies	571	729	826	893	929	869	800	749	687

Source: Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Notes: Separate statistics for housing association tenants receiving housing benefit have only been collected since May 1992. All figures are for the May of the year. From 1994 onwards, figures for the number of private tenants include a small number of other cases that cannot be classed as regulated, deregulated or housing association tenancies. Previously such cases were apportioned to other categories. It should also be noted that these figures, particularly for 1992 and 1993, probably underestimate the number of housing association claimants.

Table 109b **Average weekly rents and housing benefit for housing association and private tenants**

	1992 £	1993 £	1994 £	1995 £	1996 £	1997 £	1998 £	1999 £	2000 £
Average weekly rents									
Housing associations	35.50	39.90	43.60	47.60	50.00	53.50	56.50	58.40	59.80
Private tenants	43.90	49.90	54.20	57.90	60.70	62.50	63.70	65.00	66.90
Average weekly housing benefit									
Housing associations	32.20	35.80	39.50	43.10	46.27	48.60	50.70	52.80	54.20
Private tenants	40.70	46.80	51.10	54.40	53.15	58.00	58.90	60.10	61.50

Sources and Notes: See Table 109a.

Table 109c **Housing association tenants in receipt of housing benefits**

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Thousands	210	220	250	265	285	300	315	320	330	350	375	420	485	540	625	725	783	840	889	926
Percentages	48	50	52	53	54	55	56	54	53	53	53	56	59	61	65	69	71	75	79	79

Source and Notes: Estimates by Alan Holmans for years to 1994. They are estimates of averages for the whole year, and do not therefore exactly match the figures in Table 109a, which are for the May of the year. Also the administrative figures for the initial years in Table 109a are thought to underestimate the numbers for housing associations. The increase shown in the proportion of housing association households receiving housing benefit in the years from 1998 do not correspond with survey data, and should therefore be treated with caution.

Table 110 Characteristics of housing benefit recipients in Great Britain in 1999

Thousands

Characteristics	All households	All aged 60 & over <sup>1</sup>	All aged under 60	Disability Premium	Aged under 60 also receiving: Lone Parent Premium	Unemployed with JSA	Others under 60
<b>Tenure</b>							
Local authority tenants	2,519	1,206	1,313	431	484	184	214
Housing association tenants	897	354	543	168	217	61	97
Private tenants	897	209	688	170	218	158	142
<b>Dependants and non-dependants</b>							
Households with children:	1,388	26	1,362	197	918	80	167
of which with:							
1 child	595	17	579	86	419	26	48
2 children	456	5	451	60	303	27	61
3 children	225	3	222	32	137	16	36
4 (+) children	112	2	110	18	59	11	22
Households with non-dependants <sup>2</sup>	349	140	209	84	53	24	49
<b>Sources of income<sup>3</sup></b>							
Employment/self-employment	496	25	471	28	202	2	239
Family credit	263	1	262	4	148	1	109
Occupational/personal pension	582	557	25	17	1	–	7
Incapacity benefit	421	94	327	297	2	–	29
Disability living allowance							
mobility component	479	196	283	283	–	–	–
care component	427	157	270	269	–	–	1
Widow's benefit	40	9	31	13	6	–	12

Source: Housing Benefit and Council Tax Benefit Management Information System, Department for Work and Pensions.

Notes: 1. Aged 60 and over cases include benefit units where either claimant or partner is aged 60 or over.

2. Number of non-dependants in households.

3. Individual households may have more than one source of income. Only a selected range of income sources are shown.

Table 111 Housing benefit caseload and payments by tenure and region at May 2000

Region	Number of recipients:				Income support (or JSA) status		Average weekly housing benefit:		
	Local authority tenants	Housing association tenants	Private tenants	All tenures	Receiving income support or jobseeker's allowance	Not receiving income support or jobseeker's allowance	Local authority tenants	Housing association tenants	Private tenants
	000s	000s	000s	000s	000s	000s	£	£	£
North East	177	36	40	254	165	89	35.30	47.90	50.80
North West	288	137	125	549	374	175	39.50	49.00	54.80
Yorkshire & The Humber	243	54	73	370	242	128	34.00	55.40	50.90
East Midlands	154	45	46	245	157	88	37.10	49.70	47.90
West Midlands	215	94	55	365	241	123	38.90	49.00	55.90
East	154	68	60	282	172	110	42.90	54.40	60.30
London	329	159	127	615	434	180	58.00	71.50	89.40
South East	147	137	102	386	224	162	46.00	57.70	68.60
South West	105	86	86	276	169	107	40.90	50.60	57.40
England	1,811	815	715	3,342	2,178	1,163	42.30	55.90	62.70
Wales	127	36	48	212	144	68	38.90	46.60	51.20
Scotland	349	79	52	480	303	177	36.00	40.30	54.90
Great Britain	2,288	931	815	4,033	2,626	1,408	41.20	54.20	61.50

Source: Housing Benefit and Council Tax Benefit Summary Statistics, Department of Social Security.

Table 112 Escaping the housing benefit poverty trap: Gross weekly earnings levels at which housing benefit entitlement ceases

*£ per week*

Household type	Housing benefit allowances	Earnings disregards	Rent levels:						
			£30	£40	£50	£60	£70	£80	£90
Gross earnings levels at which housing benefit entitlement ceases									
Single person >25	53.05	5.00	108.47	128.47	151.09	173.72	196.34	218.97	241.59
Couple >18	83.25	10.00	157.61	180.23	202.86	225.48	248.11	270.73	293.36
Lone parent + 1 child <16	99.00	25.00	74.65	90.37	124.46	165.70	215.98	266.26	316.53
Lone parent + 2 children < 16	130.45	25.00	69.75	85.14	112.36	150.35	199.97	250.24	300.52
Lone parent + 3 children < 16	161.90	25.00	64.85	80.24	100.27	138.25	183.95	234.23	284.51
Couple + 1 child <16	129.20	10.00	90.17	124.01	165.10	215.38	265.65	315.93	340.27
Couple + 2 children <16	160.65	10.00	84.95	111.91	149.89	199.36	249.64	299.92	350.19
Couple + 3 children <16	192.10	10.00	80.05	99.81	137.80	183.35	233.63	283.90	334.18
Couple + 4 children <16	223.55	10.00	75.15	90.93	125.70	167.34	217.61	267.89	318.17
Couple + 5 children <16	255.00	10.00	70.25	85.64	113.60	151.59	201.60	251.88	302.15

Notes: All figures based on standard income support and housing benefit rates as they apply from April 2001. The figures for lone parent households are for post April 1998 claimants. Figures are for cases without child care costs eligible for assistance under the working families tax credit scheme. The housing benefit allowances and earnings disregards are set against net earnings.

Table 113 **Help with housing costs: income support and housing benefits in Northern Ireland***£ million*

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
NIHE tenants	–	–	77	81	87	97	107	120	134	148	165	175	179	181	184	187	180	190	194	200
+ Private and housing association tenants	–	–	15	17	18	23	27	32	40	47	55	65	75	83	89	98	107	110	117	124
= All tenants	5	86	92	98	105	120	134	152	173	195	220	240	254	264	273	285	287	300	311	324
+ Home-owners	–	–	7	9	8	11	14	–	18	17	15	18	20	16	16	13	14	15	15	16
= Total	7	91	99	107	113	131	148	168	191	212	235	258	274	280	289	300	301	315	326	340

Sources: Northern Ireland Expenditure Plans and Priorities, Northern Ireland Social Security Statistical Branch, Northern Ireland Department of Social Development.

Notes: Income support and supplementary benefit figures for help with mortgage costs in Northern Ireland are from surveys undertaken in May each year, except 1997 which is for November.

For years where figures are not available for help with home-owner housing costs, a trend based estimate has been included in the total help with housing costs figures for Northern Ireland. From 1997/98 figures for help with mortgage costs include assistance given as part of the jobseeker's allowance scheme, as well as income support.

Table 114a Assistance with housing costs for home-owners, council and private tenants in Great Britain

£ million

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01		
General subsidies																			
Home-owners	1,925	4,690	4,610	4,790	5,340	6,810	7,600	6,010	5,130	4,240	3,450	2,660	2,270	2,660	1,880	1,600			
+ Council tenants	2,130	916	868	826	944	808	1,217	897	510	101	- 155	- 484	- 584	- 674	- 925	- 1,093	- 1,152		
+ Private tenants					130	55	105	135	330	360									
= Total	4,055	5,606	5,478	5,616	6,414	7,673	8,922	7,042	5,970	4,701	3,295	2,176	1,686	1,986	955	507	- 1152		
Means tested assistance																			
Home-owners	71	300	351	335	286	353	539	925	1,141	1,210	1,040	1,016	867	660	648	527	490		
+ Council tenants	841	2,296	2,419	2,506	2,718	2,940	3,368	4,068	4,593	5,019	5,228	5,430	5,569	5,495	5,405	5,362	5,339		
+ Private tenants	145	705	797	814	833	1,074	1,388	1,892	2,562	3,188	3,608	3,867	3,777	3,522	3,229	3,082	2,928		
= Total	1,057	3,301	3,567	3,655	3,837	4,367	5,295	6,885	8,296	9,417	9,876	10,313	10,213	9,677	9,282	8,971	8,757		
All forms of assistance																			
Home-owners	1,996	4,990	4,961	5,125	5,626	7,163	8,139	6,935	6,271	5,450	4,490	3,676	3,137	3,320	2,528	2,127	490		
+ Council tenants	2,971	3,212	3,287	3,332	3,662	3,748	4,585	4,965	5,103	5,120	5,073	4,946	4,985	4,821	4,480	4,269	4,187		
+ Private tenants	145	705	797	814	963	1,129	1,493	2,027	2,892	3,548	3,608	3,867	3,777	3,522	3,229	3,082	2,928		
= Total	5,112	8,907	9,045	9,271	10,251	12,040	14,217	13,927	14,266	14,118	13,171	12,489	11,899	11,663	10,237	9,478	7,605		

Sources: See Tables 51, 99, 100, 102a, 103 and 107 in the Review.

Note: All figures are for Great Britain. Figures for means tested assistance to private tenants exclude estimated costs of rent allowances to housing association tenants.

Table 114b Assistance with housing costs for home-owners, council and private tenants in Great Britain

£ million at 1999 prices

	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	
General subsidies																		
Home-owners	4,905	8,448	8,031	8,012	8,513	10,072	10,270	7,673	6,308	5,132	4,077	3,038	2,532	2,876	1,965	1,647	0	
+ Council tenants	5,427	1,650	1,512	1,382	1,505	1,195	1,645	1,145	627	122	- 183	- 553	- 651	- 729	- 967	- 1,125	- 1,152	
+ Private tenants					207	81	142	172	406	436								
= Total	10,332	10,098	9,543	9,393	10,225	11,348	12,057	8,990	7,341	5,690	3,894	2,485	1,880	2,147	998	522	- 1,152	
Means tested assistance																		
Home-owners	181	540	611	560	456	522	728	1,181	1,403	1,465	1,229	1,160	967	714	677	543	490	
+ Council tenants	2,143	4,136	4,214	4,191	4,333	4,348	4,551	5,193	5,648	6,075	6,179	6,202	6,211	5,942	5,651	5,521	5,339	
+ Private tenants	368	1,270	1,388	1,361	1,329	1,588	1,875	2,416	3,150	3,859	4,263	4,416	4,212	3,809	3,376	3,173	2,928	
= Total	2,692	5,946	6,214	6,113	6,117	6,458	7,155	8,790	10,200	11,398	11,671	11,779	11,390	10,464	9,704	9,237	8,757	
All forms of assistance																		
Home-owners	5,086	8,989	8,643	8,572	8,969	10,594	10,999	8,854	7,711	6,597	5,306	4,199	3,499	3,590	2,643	2,190	490	
+ Council tenants	7,570	5,786	5,726	5,573	5,838	5,543	6,196	6,339	6,275	6,197	5,995	5,649	5,560	5,213	4,684	4,395	4,187	
+ Private tenants	368	1,270	1,388	1,361	1,536	1,669	2,017	2,588	3,555	4,295	4,263	4,416	4,212	3,809	3,376	3,173	2,928	
= Total	13,024	16,044	15,757	15,506	16,342	17,806	19,212	17,780	17,541	17,088	15,565	14,264	13,270	12,611	10,702	9,759	7,605	

Sources and Notes: As Table 114a. Cash figures adjusted by the 'all items' in the retail prices index.