Housing Associations in 2001: profile of the sector

Summary

1. Introduction

Housing Associations in 2001: profile of the sector, presents the data collected in the Housing Corporation's Regulatory and Statistical Return, completed annually by all Housing Associations (HAs) as a regulatory requirement.

The commentary in this document is organised into sections that relate to the data tables.

2. Housing Associations in 2001

At 31 March 2001 there were 2043 HAs operating in England (excluding 52 co-ownership societies), a net decrease of 33 HAs over the year before (table 2.1.). Forty one new HAs registered during the year, largely as a result of the Large Scale Voluntary Transfer (LSVT) programme and the formation or growth in membership of group structures. However, this was counterbalanced by a greater number of smaller HAs that de-registered or were removed from the register.

A total of 1,391,700 self contained units were owned by HAs at 31 March 2001, 9% more than in 2000. The annual growth rate was less than in 1998/1999 and 1999/2000 when the stock increased at 11% and 10% respectively, but remained higher than in 1996/1997 and 1997/1998 with increases of only 5% and 6% (tables 2.1. and 3.1.). Similarly, the number of shared housing bedspaces owned by HAs also increased over the year, from 103,800 at 31 March 2000 to 109,100 in March 2001 – an increase of 5% (tables 2.2. and 4.1.).

At 31 March 2001, 88% of HAs owned self contained stock while 42% owned shared housing bedspaces, in both cases a slightly lower number of HAs than in previous years. The average stockholding of HAs increased faster than the total stock of self contained and shared housing bedspaces over the year. The average stockholding of self contained units increased by almost 11% over the year from 616 units in 2000 to 681 units in 2001 implying a growing concentration of stock in larger HAs. Those with 2,501-10,000 units in ownership experienced the highest increase in average stockholdings, growing by 2% compared with the previous year. Again, this is likely to be a direct impact of the LSVT programme as the vast majority of LSVT HAs have entered the sector into this size band. In the case of shared housing bedspaces, the average stockholding increased by 6% over the year from 50 in 2000 to 53 at 31 March 2001. However, when analysed by size of stockholding, only HAs that owned 1,001-2,500 bedspaces increased their average stockholding (by 7%). This pattern is consistent with earlier years when only this size group expanded their holdings compared with fluctuating averages over time in other size bands.

As a result of the change in balance of registrations and de-registrations towards new larger HAs, the number of HAs with less than 250 self contained units in ownership declined by 4%. Even so, the vast majority of HAs continued to be classified as small in terms of their self contained stockholdings (81% of HAs in 2001 compared with 82% in 2000). HAs with more than 250 self contained units in ownership increased in number over the year by 5%. Notably, the number with between 2,501-10,000 units increased most rapidly, by 12% over the year (table 2.1.). This is not surprising in light of the fact that the average size of newly registered LSVT HAs was 6,494 units.

In the case of both self contained and shared housing bedspaces, the ownership of stock has continued to become concentrated in large HAs. Ninety six per cent of self contained units were owned by the 19% of HAs with more than 250 units in ownership (table 2.1.). The 8% of HAs with

more than 2,501 self contained units in ownership at 31 March 2001 owned 79% of self contained units compared with 78% in 2000 and 74% in 1999. This trend is reflected in the fact that the number of units owned by HAs with 2,501-10,000 units in 2001 increased by just over 14% over the year, above the average rate of increase. Ownership of shared housing bedspaces similarly become increasingly concentrated, 65% were owned by the 5% of HAs with more than 250 bedspaces in ownership (table 2.2.), compared with 62% in 2000 and 1999.

The trend towards greater geographical diversity of HAs with respect to ownership of self contained units continued into 2001 (table 2.4.). The percentage of HAs operating within only one local housing authority area at 31 March was 71% compared to 73% in 2000 and 74% in 1999. While the number of HAs owning stock in only one or two areas continued to decrease, the numbers operating in 3-5 and 11-100 areas increased in comparison with the previous year. It is likely that geographic diversity has increased more than these figures based on ownership suggest. This is because of management activities and the growing prevalence of group structures that can provide services on a regional or even national scale.

3. Self contained housing stock

Of the 1,391,700 self contained units owned by HAs at 31 March 2001, 94% were directly managed by the owning HA, although this average varied amongst HAs of different sizes - ranging from 75% amongst HAs with 26-100 owned units to 97% amongst those with 2,501-10,000 units in ownership (table 3.15.).

The differential between the total number of self contained units owned by HAs and those owned within England continued to grow, to 1,800 units at 31 March 2001. This indicates that, to a small extent, HAs are increasingly successful in diversifying across borders in terms of ownership. Within England, the number of self contained units owned in metropolitan areas increased at above the national rate of growth for self contained units between 31 March 2000 and 2001 (9%) and at a faster rate than in non-metropolitan areas - 11% compared with 7% respectively. As a result, following year on year decreases in the percentage of all self contained stock located in metropolitan areas since 1994, the percentage of all stock found in metropolitan areas actually increased between 2000 and 2001. Nevertheless, more stock continued to be located in non-metropolitan areas, 58% compared with 42% in metropolitan areas (table 3.3.).

Changes in the geographical distribution of HA owned stock in 2001 largely resulted from the pattern of LSVTs that had taken place over the year to 31 March 2001. Only in the East of England and North East regions did no LSVT take place, reflected in the fact that the rate of growth in these regions was particularly low - increases of only 3% and 1% respectively. In contrast, significant numbers of units were transferred into HA ownership in the South East, South West, West Midlands, Yorkshire and the Humber and North West regions. Smaller numbers of stock were transferred in other regions. The number of units increased at just above the average rate of 9% in the South West, and at double the average rate of growth in the West Midlands and Yorkshire and the Humber (table 3.2.). Only these two regions significantly increased their percentage share of the national stock over the year, because of the dramatic rates of growth that took place.

The importance of HA housing continued to increase into 2001 as self contained housing owned by HAs accounted for a third of all social housing compared with 30% in 2000. However, the relative importance of HA owned stock within the profile of all social housing stock varied between regions from highs of 51% in the South East and 48% in the South West to 19% in the North East and 18% in Yorkshire and the Humber. Again, this pattern largely reflects the pattern of LSVTs that have

taken place over the previous ten year period, historically concentrated in the Southern regions during the earlier years of the programme (table 3.2.).

As in earlier years, the self contained stock continued to consist largely of one, two and three bedroom dwellings, although the actual numbers of dwellings with two, three and four or more bedrooms increased at a faster rate than the total stock over the year. Generally, as the size of HA increased, so too did the percentages of three and four or more bedroom dwellings within the overall self contained stockholdings of HAs (table 2.3.). Profiles of self contained stock by property size continued to vary between regions in 2001: London had the highest percentage of properties with four or more bedrooms; the South East and Merseyside had the highest percentages of three bedroom dwellings; the East Midlands had the highest percentage of two bedroom dwellings; and, Yorkshire and the Humber had the highest percentage of one bedroom dwellings. The percentages of bedsits were highest in London, the South East and North East (table 3.4.).

39,400 of the self contained dwellings owned by HAs at 31 March were vacant. This equated to a national vacancy rate of 2.8% of the total self contained stock. This was lower than 2000 when the vacancy rate had reached a high of 3% following year on year increases since 1995. The number of vacant self contained units increased at a slower rate than the overall stock, at 5% compared with 9%. Although the number of vacant homes not available for letting continued to increase, by 15% over the previous year, the number of units that were vacant and available for letting fell by 3% (table 3.1.).

At 31 March 2001, half of HAs had no vacancies and around three quarters had vacancy rates of 3% or less. However, this varied by size of self contained stockholding. As the size of HA increased, so too did its likelihood of having an above average vacancy rate. Predominantly, however, it was only smaller HAs that had more than 10% of their stock vacant (table 3.6.).

Geographically, vacancy rates increased northwards through the country at 31 March 2001, reflecting both the pattern of unfitness and the general concentration of demand for housing in all tenures in the South of England. The highest vacancy rate at 5.3% was in Merseyside compared with the lowest in the East of England at 1.5%. However, in comparison with 31 March 2000, vacancy rates were higher only in Yorkshire and the Humber, West Midlands and Merseyside regions, following an upward trend in the latter two.

Although half of vacant units were available for letting nationally, the percentage available for letting was lower in London, West Midlands, North West and Merseyside regions. Only in Yorkshire and the Humber and the North East regions was the percentage of dwellings vacant and available for letting higher in 2001 than in 2000 (table 3.7.).

Vacancy rates were higher than average in metropolitan areas (table 3.8.) and an increasingly higher percentage of units were not available for letting in these areas - 56% compared with the national average of 50%. The percentage of units not available for letting were higher than average in London, West Midlands and Merseyside. However, when compared with 2000, the percentage of vacancies that were not available was higher only in the West Midlands and Greater Manchester in 2001 (table 3.8.).

The likelihood of vacant units not being available for letting increased as the duration of vacancy lengthened - 80% of units vacant for three weeks or less were available for letting compared with only 17% of those vacant for over one year (table 3.9.). Thirty eight per cent of all units vacant at 31 March 2001 remained vacant after six months compared with 33% at 31 March 2000, although in 2001 they were slightly less likely to be available for letting than in the previous year (table 3.10).

HAs owned 201,000 self contained sheltered units for older people with support needs at 31 March 2001, almost 5% more than in 2000. However, because sheltered units increased at a slower rate than self contained units generally, they accounted for only 14% of the total stock, the lowest percentage over the preceding decade following a downward trend (table 3.11.). As in earlier years, HAs that owned between 6-1,000 and over 10,000 units were most likely to have above average percentages of sheltered units within their overall stock profiles (table 3.13).

Between 31 March 2000 and 2001, the number of sheltered units increased in all regions except the East Midlands where the size of sheltered stock remained static. Regionally, the South East continued to have the biggest share - 18% of all sheltered units - although to a lesser extent in 2001 than earlier years. Almost two thirds of sheltered units were found in non-metropolitan areas in 2001, slightly less than previously - 65% in 2001 compared with 66% in 2000 (table 3.12.).

The percentage of HA owned units that were built or modified to wheelchair user standards remained the same as in 2000 after steady increases prior to this. Nevertheless, the actual number of wheelchair standard user units reached 24,000 at 31 March 2001, 13% more than in the previous year and a faster than average increase compared with all self contained units (table 3.11.). Generally, as the size of HA decreased, the relative importance of wheelchair user units within overall stockholdings increased (table 3.13.).

Between 31 March 2000 and 2001, the number of wheelchair standard units decreased in the North West and remained static in the East Midlands. In all other regions, numbers of units increased although at different rates of growth. Despite a faster rate of growth in metropolitan than non-metropolitan areas between 2000-2001 - 17% compared with 10% respectively - more wheelchair user units were found in non-metropolitan areas - 43% of units in 2001 compared with 42% in 2000 (table 3.14.).

168,800 of the self contained units owned by HAs at 31 March 2001 were built or modified to accessible general housing standards. This was 43% more than in 2000. As a result of this rapid increase, accessible general housing units accounted for 12% of the total stock of self contained units owned by HAs compared with only 9% in 2000 (table 3.11.). Generally, accessible housing units became more important as a percentage of all stock owned, as the size of a HA's stock increased (table 3.13.).

4. Hostel and shared housing stock

While the overall number of shared housing bedspaces continues to increase steadily year on year, the typology of these bedspaces in terms of their target client group and registration status under the Registered Care Homes Act 1986 has changed over time. In 2001, almost three quarters of owned bedspaces were provided for tenants requiring a supported style of housing management. This proportion remained consistent with that in 2000, although changes in the typology of supported housing provision took place. Notably, the number of shared housing bedspaces that were dual registered or registered under Part II of the 1986 Registered Homes Act (nursing homes) increased dramatically over the year, by more than 100%. As a result, these specialist units accounted for 11% of all shared housing bedspaces in 2001. These activities fall outside of the definition of shared housing and their growth in importance reflects the extent to which HAs are becoming involved in activities traditionally linked to local authority provision and specialist care and nursing agencies (table 4.3.). Because of a 15% decrease in the number of general needs bedspaces over the year, only 16% were for the general needs client group compared with 19% in 2000.

At 31 March 2001, bedspaces accounted for an average of 7% of the total stock owned by HAs compared with 7.5% in the previous year. This reflects the slower rate of growth over the year in shared rather than self contained housing (table 4.2.). The vast majority of the 109,100 shared housing bedspaces were not managed directly by the owning HA. Only amongst HAs with between 251-1,000 bedspaces in ownership did the proportion of bedspaces directly managed exceed 20% in 2001. The overall trend is therefore away from direct management of bedspaces as they have become increasingly specialised (table 4.13).

At 31 March 2001, 10% of shared housing bedspaces were vacant, the same percentage as in 1998, 1999 and 2000. The number of vacant bedspaces increased at the same rate as the overall stock of shared housing bedspaces. Importantly, however, the number and proportion of bedspaces vacant and available for letting decreased over the year to account for 63% of all vacancies in 2001, compared with 70% in 2000 and 73% in 1999. The implication is therefore that utilisation of the available stock increased over the year but the proportion actually available for letting has fallen (table 4.1.).

More HAs owning bedspaces had no vacancies on 31 March 2001 than on 31 March 2000 - 29% compared with 28% of HAs (table 4.7.). Thirty nine per cent of HAs had above average vacancy rates within their stock of bedspaces. However, a lower percent had vacancy rates of more than 30% than in the previous year - 7% compared with 9% in the year before (table 4.7.).

Shared housing bedspaces continued to be quite evenly distributed between metropolitan and non-metropolitan areas, although the stock grew more rapidly than average in metropolitan areas resulting in a slight increase in its share of stock over the year to 31 March 2001. Only Merseyside experienced a decrease in the number of shared bedspaces. All other regions experienced an increase although at very different rates of growth. The South West, East Midlands, West Midlands, the North East and to a lesser extent London, all experienced rates of growth in bedspace stock above the national average. The South East region experienced the lowest rate of growth over the year at just under 2%, followed closely by the East of England region with growth of just over 2%. Notably, almost a third of shared housing bedspaces were found in London at 31 March 2001, compared with only around a fifth of the self contained stock (table 4.5.).

At 31 March 2001, the number of shared housing bedspaces that were sheltered and very sheltered for older people with support needs fell to its lowest since 1993 following a 8% decrease over the year. As a result, sheltered bedspaces as a proportion of all bedspaces, accounted for only 11% of all shared bedspaces in 2001 compared with 13% in 2000 (table 4.8.). Generally, as the total stock of shared bedspaces in ownership has increased in size, the percentage of those that are sheltered has decreased (table 4.9.).

Sheltered housing has traditionally been more concentrated in non-metropolitan areas and this concentration has intensified over time. At 31 March 2001, two thirds of sheltered bedspaces were located in non-metropolitan areas. This compares with, for example, 1994 when 54% of sheltered housing was found in these areas. Notably, this change has not resulted from an increase in stock in non-metropolitan areas but rather from a decrease in metropolitan areas, from 7,000 bedspaces in 1994 to 4,100 by 2001. Regionally, the number of sheltered bedspaces increased over the year only in the South West and the North East. In all other regions totals remained static or decreased (table 4.10.). Sheltered bedspaces as a proportion of all bedspaces were less important in all regions in 2001 than in 2000. They accounted for an above average percentage of bedspaces in the South East, South West, East Midlands, East of England, North East and the North West regions (table 4.11.).

The numbers of bedspaces developed to accessible general housing and wheelchair user standards also fell between 31 March 2000 and 2001, by 11% and 4% respectively. As a result, only 5.1% of

all bedspaces were accessible in 2001, the lowest proportion since 1998. The percentage of wheelchair user standard bedspaces also fell from a peak of 13% in 2000 to 12% of all shared bedspaces in 2001 (table 4.8.).

The number of wheelchair standard bedspaces increased over the year only in the West Midlands, by 25% as compared with 2000. Numbers remained static over the year in the South West, East of England, North East and North West. In all other regions the number of wheelchair user standard bedspaces decreased. Overall, there was a shift in the location of wheelchair user bedspaces towards non-metropolitan areas compared with 2000, as a result of a slower rate of decrease in non-metropolitan than metropolitan areas (decreases of 4% and 5% respectively) rather than because of an increase in non-metropolitan areas. Fifty nine percent of wheelchair user units in 2001 were located in non-metropolitan areas (table 4.12.).

5. Supported Housing

Information about supported housing is not categorised into accommodation type. At 31 March 2001, HAs owned 108,600 housing units that were intended for people requiring a supported style of housing management (units held freehold or on a lease of two years or more). Generally, the ownership of supported housing was concentrated in HAs with over 250 self contained units in ownership (table 5.1.).

The size of the supported stock grew by almost 9% compared with the year before, while the number of units directly managed grew at the faster rate of almost 10%. As a result, 59% of the supported stock was directly managed at 31 March 2001 compared with 58% at 31 March 2000 (table 5.1.). HAs also managed more units owned by other organisations at 31 March 2001 than at the end of the previous year, 8% more than in 2000 - 900 units in total. Just over half of this management activity was undertaken by HAs with fewer than 101 self contained units in ownership (table 5.1.).

At 31 March 2001, the vacancy rate amongst the owned stock of supported housing was 8.7%. Although this rate was similar to that in 2000, the percentage of stock that was vacant and available for letting was lower and that not available for letting was higher in 2001. The overall vacancy rate therefore masks the fact that the percentage of stock vacant and not available for letting had continued on an upward trend (table 5.4.). This appears to be a general trend across the shared and supported housing stock – of fewer units available for letting but a higher percentage not available.

Single homeless people continued to be the dominant supported housing client group housed by HAs in 2001, although to a lesser extent than in 2000 and 1999 because of the very slow rate of growth over the year, of less than 1%. Conversely, accommodation for older people with support needs, the dominant client group prior to 1999, grew at an above average rate over the year and as a result, became the second largest client group in 2001, following below average rates of growth between 1998/99 and 1999/00.

Accommodation provided for young people at risk or leaving care increased at the fastest rate over the year. This is not surprising in light of the government's emphasis on this group in social inclusion policies and the new duties given to statutory agencies and housing departments. It is likely that some of the resources previously channelled into general services for single homeless people are now being used to provide services specifically for this group of young people, in part as a preventative strategy.

A new category of supported housing clients, asylum seekers, was introduced in the 2001 breakdown. Six hundred asylum seeker units were provided by HAs with support in 2001. The

probable re-categorisation by HAs of this accommodation from refugee to asylum seeker helps to explain the 40% decline over the year in accommodation for refugees (table 5.7.).

The weighted average net supported housing weekly rent charged by HAs at 31 March 2001 was £62.53, 1% higher than in 2000. Average rents charged by HAs with fewer than 100 self contained units (owning 6% of the assured stock) and those with over 10,000 self contained units in ownership (that owned 14% of the assured stock), were above the overall average (table 5.6.).

6. General needs rents

The average assured net weekly rent charged by large HAs for general needs tenancies at 31 March 2001 was £54.49, 1% higher than in 2000. The average secure net weekly rent charged was £50.34, almost 4% higher than in 2000. Secure rents thus continued to increase at a faster rate over the year, reflecting the trend towards convergence of costs between the two tenancy types.

This trend is further illustrated by the fact that the average assured net weekly rent at 31 March 2001 was 8% higher than the average secure rent charged, compared with differences of 11% in 2000 and 14% in 1999 (table 6.1.). As a percentage of all general needs tenants charged assured and secure rents, those paying secure rents also continued to decline - accounting for 16% of assured and secure tenants in 2001 compared with 18% in 2000 and 19% in 1999.

The general pattern of average rents charged by size of HA shows that the larger the HA, the lower the rent. In the case of both assured and secure rents, HAs owning more than 10,000 self contained units were responsible for 26% of all assured tenancies and 36% of all secure tenancies. In both cases they charged below average rents (table 6.2.).

The difference between average assured and secure self contained rents charged on general needs properties by HAs generally decreased as the size of HA increased. Whereas assured rents charged by small HAs (with less than 250 units/ bedspaces in ownership and management) were 15% higher than their secure rents, for large HAs it was only 8% (table 6.3.).

Both average assured and secure rents charged for shared housing bedspaces at 31 March 2001 were lower than the averages charged for self contained units. This is not surprising as self contained rents cover whole properties whereas shared housing rents cover only a portion of a property. At £44.54, the average assured rent was 22% lower for shared housing tenants and at £36.98, the average secure rent was 36% lower for shared housing tenants. Ninety four percent of general needs shared housing tenants paid assured rents in 2001. Small HAs charged lower assured rents and higher secure rents for shared housing bedspaces than large HAs. Secure rents charged by large HAs were 29% lower than assured rents, whereas assured rents charged by small HAs were 17% lower than secure rents at 31 March 2001 (table 6.3.).

7. Acquisitions and developments

The total number of self contained units acquired by HAs during the year to 31 March 2001 was 99,800 although only around a third of these were new to the social housing sector (table 7.1.). HAs also acquired 8,300 additional shared housing bedspaces over the year but in contrast, the vast majority of these were new to the social sector. This highlights the extent to which the local authority stock, and hence gains via LSVTs, are composed of largely self contained dwellings.

The total number of self contained units acquired by HAs over the year to 31 March 2001 was 28% lower than during the previous year. This decrease resulted from a fall in acquisitions of all types although the differential resulted largely from a 35% drop in the number of units transferred into the sector through the LSVT programme and tenants choice procedures.

During 2000/01, HAs acquired 19,800 newly built self contained homes, the lowest number of new build units added to the HA stock following a downward trend since 1994/95. The number of units purchased by HAs was also the lowest since 1994/95. Within this total, the number of units purchased in a satisfactory condition reached its lowest point since it peaked in 1995/96. Whilst the overall total number of units purchased requiring rehabilitation over the year had been comparable with 1999/00, the number of those that had been successfully rehabilitated by 31 March 2001 was higher than during the previous year. Therefore, although 500 less units had been purchased by HAs during 2000/01 than 1999/00 comparatively, 100 more units were actually available for letting at 31 March in 2001.

Generally, as the existing size of self contained stockholding increased, so too did the average number of self contained units acquired over the year by HAs (table 7.2.). This correlation masks the fact that HAs with 2,500-10,000 units owned 67% of the stock acquired over the year. This was not surprising in light of the fact that 77% of these units were transferred from local authorities and the average size of transfer over the year had been 6,414 units.

The total number of shared housing bedspaces acquired over the year to 31 March 2001 was the highest over the period 1993/94 to 00/01. This resulted from an increase in newly built provision, purchased provision and acquisitions resulting from voluntary transfers and tenants choice procedures. Indeed, both the numbers purchased and transferred from other sectors were the highest over the eight year period. Of those purchased, the number purchased in satisfactory condition had increased to its highest number following an upward trend since 1996/97 (table 7.1.).

Importantly, during 2000/01 HAs had built and purchased 3,746 new self contained units for rent without use of Social Housing Grant (SHG), 12% of all self contained units built and purchased over the year. In addition, they had rehabilitated or made improvements to 7,286 existing rental units without SHG over the year (table 7.3.). Generally, as the size of a HA's self contained stock increased, so too did its propensity to undertake non-SHG subsidised activities (table 7.5.).

Although overall, the output of non-SHG funded self contained units was not as high in 2000/01 as in earlier years (between 1995 and 1997), the number of non-SHG funded shared housing bedspaces was at its highest during 2000/01 in comparison with earlier years (table 7.4.).

HAs built and purchased 3,792 additional non-SHG funded bedspaces during the year (53% of the additions). Importantly, both the numbers of non-SHG funded bedspaces built and purchased reached their highest level during 2000/01. In light of the growth of specialist non-social housing activities being undertaken by HAs within the stock of bedspaces, most notably the increase in registered care and nursing home provision, growth in non-SHG subsidised activity is not surprising. However, HAs also rehabilitated or reimproved 858 existing shared housing bedspaces without SHG over the year, a significantly higher number than in any other year since 1993 (table 7.4.).

Self contained stock acquired or improved without SHG during 2000/01 was more likely to be let at sub-market than market rents, 82% compared with 18% respectively. As in earlier years, the difference in rental patterns in the non-SHG shared housing bedspace stock was not as distinct, 56% were let at sub-market rents compared with 44% at market rents. Patterns did, however, vary - rehabilitated and newly built self contained stock was much more likely to be let at sub-market rents

than purchased stock, while purchased and rehabilitated shared housing bedspaces stock was more likely to be let at sub-market rents than newly built stock (table 7.6.).

In addition to the rental stock, HAs also acquired units for sale without the use of SHG over the year. 285 units were acquired for sale during the year, the highest number since an exceptional peak in this activity during 1997/98 (table 7.8.). Notably, half of the unsubsidised units acquired for sale between 31 March 2000 and 2001 had remained unsold by the end of the year, a higher proportion than in the previous year (table 7.4.). However, the number of all homes ready for sale (subsidised and unsubsidised) but remaining unsold at 31 March 2001 was the lowest since 1990/91 (table 7.9.). Forty percent of these had remained unsold for more than six months compared with 41% in the previous year.

8. Sales, transfers and demolitions of HA stock

Between 31 March 2000 and 2001, HAs sold 12,191 units under a variety of initiatives. This was six percent less than 1999/00 but 8% more than in 1998/99. Sales over the year largely resulted from Right to Buy (RTB) and Right to Acquire options (58% of sales completed), although initial sales of shared ownership dwellings had also accounted for a significant percentage (30% of sales completed) (table 8.1.).

Over the year to 31 March 2001, HAs completed 7,100 Right to Buy sales. Although this was 100 units fewer than during the previous year, the total remained significantly higher than in any other year since 1988/89 (table 8.6.). HAs owning between 2,501-10,000 units made the vast majority of these sales, the size bracket into which most LSVT HAs fall. This reflects the fact that the driving force behind these sales is largely ex-local authority tenants who are exercising a preserved Right to Buy option within the sector (table 8.7.).

The total number of initial shared ownership sales made over the year was 3,718 - 15% fewer than in 1999/00. However, the number of non-SHG funded units sold was higher by 31 units, a 9% increase. Ninety one percent of initial sales were of Homebuy units which replaced Do It Yourself Shared Ownership (DIYSO) and Tenants Incentive Schemes (TIS) in April 1999. Consequently, only 9% of initial sales were shared ownership and LSE sales for the elderly (table 8.2.).

HAs also disposed of 3,242 shared ownership units over the year as leaseholders successfully staircased their ownership to 100%. Although lower than during 1999/00, this total exceeded totals in years prior to 1999. Ninety percent of the staircased units disposed of during 2000/01 were not SHG funded (table 8.4.).

HAs also completed 1,134 outright sales over the year to 31 March 2001 – 9% of the total sales made (table 8.1.). This was 13% more sales of this kind than in 1999/00 and 258% more than during 1998/99. Two thirds of the units sold outright over 2000/01 were non-SHG subsidised units compared with just over a third during the previous year. Outright sales activity was concentrated amongst HAs with more than 2,500 self contained rental units in ownership in the case of both SHG and non-SHG funded units. Notably, outright sales activity amongst HAs with less than 26 units was totally unsubsidised (table 8.5.).

Geographically, the pattern of sales differed between types of sale. In the case of outright and shared ownership sales, more were made over the year in metropolitan than non-metropolitan areas. In the case of RTB and voluntary sales, this pattern was reversed - 73% of these sales were made in non-metropolitan areas (table 8.10.).

The number of outright and shared ownership sales were highest (and also higher than the previous year) in London, the South East and North West regions. A third of all sales of these types were completed in London. The lowest level of sales activity was in the North East and Merseyside, both with only a 2% share of total sales completed in each region (table 8.10).

Fifty one percent of RTB sales were made in regions of the South - London, South East and the South West. Whilst rapidly increasing house prices and a buoyant economy may have impacted on the decision of all tenants to exercise their option to buy, it is also the case that a higher number of ex-local authority units have been transferred into HA ownership in these regions. Notably, the number of RTB and voluntary sales made during 2000/01 were higher than the previous year in London, East Midlands, West Midlands and North West regions (table 8.10).

In addition to sales, units also left the HA sector as a result of demolition. Over the year to 31 March 2001, HAs demolished 2,640 self contained units. This was 21% less than during 1999/00 but 35% more than during 1998/99. This activity was concentrated amongst HAs with more than 1,000 self contained rental units in ownership, many of which are likely to be LSVT HAs that often rationalise the ex-local authority stock post-transfer (table 8.12).

9. Shared ownership

In addition to the rental stock, HAs owned shares in 92,300 shared ownership and Leasehold Schemes for the Elderly (LSE) units at 31 March 2001, 100 units less than in the previous year. Almost all of these units were managed within the sector although 7% were managed by HAs on behalf of other owning HAs (table 9.1.). Of the total stock, the proportion of units that were SHG funded continued to decline to its lowest level since 1997 so that in 2001, 79% of shared ownership units were SHG funded.

Within the overall total, the subset of shared ownership dwellings increased slightly in number over the year, reaching its highest level during the period 1996-2001. While the number of SHG funded units declined, the number of non-SHG funded units continued to increase. As a result of this on-going shift, subsidised units accounted for 85% of the shared ownership stock at 31 March 2001, the lowest percentage since 1996 (table 9.1.).

Compared with 2000, there was an overall fall in the number of LSE units owned by HAs over the year ending 31 March 2001, a reduction of 500 units, following a general downward pattern since 1998. Although the number of both SHG and non-SHG funded units fell over the year, subsidised units decreased at a slightly higher rate. The result was that the percentage of LSE units that was subsidised reached a low of 54% in 2001 (table 9.1.).

At 31 March, LSE units were more likely to be directly managed by the owning HA than shared ownership units, 96% compared with 92% respectively. Where LSE units were not directly managed, they were likely to be managed by a non-HA organisation whereas shared ownership units that were not directly managed were more likely to be managed by another HA within the sector (table 9.1.).

Overall, the ownership of shared ownership units continued to be concentrated amongst HAs that owned more than 2,500 self contained rental units. These HAs owned nearly half of the shared ownership stock but notably, HAs with no self contained rental stock owned 20% of the shared ownership stock. This pattern reflects that of earlier years although changes over the year differed between SHG subsidised and unsubsidised units. Whilst the number of non-SHG funded units continued to grow only amongst HAs of these sizes, the stockholding of subsidised units grew amongst HAs with 1-5, 26-1,000 and over 10,000 units (table 9.2.).

As in earlier years, shared ownership and LSE dwellings were more likely to be located in non-metropolitan areas than in metropolitan areas - 57% compared with 42% of the total stock respectively at 31 March 2001 (table 9.3.). Between 31 March 2000 and 2001, the total stock of shared ownership and LSE dwellings increased only in the regions of London, South East, East Midlands and Merseyside. In contrast, stock decreased over the year in the South West, West Midlands and North West regions (table 9.3.).

10. Stock managed on behalf of others

At 31 March 2001, HAs managed but did not own 151,900 self contained units and 21,100 shared housing bedspaces. The number of self contained units managed on behalf of others fell by 3.6% over the year following a year on year upward trend up to 31 March 2000. The number of shared housing bedspaces managed by HAs in 2001, however, increased by 21% over the year to its highest level since 1996 (table 10.1.).

Sixty percent of self contained units managed, were managed on behalf of other HAs within the sector. This was a much higher percentage than in earlier years and for the first time in 2001, had exceeded the number and percentage of stock managed on behalf of non-HAs. Indeed, the number of units managed on behalf of other HAs increased by 27% between 2000 and 2001, whereas the number of units managed on behalf of non-HAs decreased by 29% over the same year (table 10.1). A significant proportion of this increase is likely to be a result of the internal management relationships of the growing population of HA group structures.

At 46%, the percentage of shared housing bedspaces managed on behalf of other HAs was also much higher than in earlier years, although management activity on behalf of other non-HAs continued to account for more than half of shared housing management activity. The relative increase in management activity on behalf of HAs resulted from the fact that HA owned units in management increased at a faster rate than non-HA owned units – a 35% increase compared with 11% over the year (table 10.1.).

31,000 of the self contained units managed on behalf of others, 20% of all units managed, were being managed under temporary accommodation schemes. This was slightly more than in 2000, following an upward trend. The net increase resulted from larger numbers of units managed under Housing Associations as Managing Agents (HAMA), Private Sector Leasing (PSL) and non-specified schemes, balanced against lower numbers of HAMA Plus and Shortlife units (table 10.4.).

In contrast, the number of temporary shared housing bedspaces accounted for 25% of all bedspaces managed on behalf of others, although the actual number of temporary bedspaces fell by 400 bedspaces over the year to a total of 5,300 at 31 March 2001 (table 10.4.).

The total number of shared ownership units managed by HAs on behalf of others in 2001 was 18,100 – 32% lower than in 2000 but a higher number of units than during earlier years. This reduction resulted from a significant drop in the number of units managed on behalf of local authorities – from 8,300 in 2000 to 43 units in 2001. Fifty one percent of shared ownership units in management were managed for other HAs, a higher percentage than in previous years (table 10.7.).

11. Lettings

HAs made 150,000 lettings over the year to 31 March 2001. The number and percentage of these that were the first lettings of new dwellings (new-lets) fell to its lowest point over a decade - accounting for only 19% of all lettings made during 2000/01 (table 11.1).

While the overall profile of lettings by source of referral remained largely the same as during 1999/00, the number of lettings to existing tenants, those nominated by local authorities and direct applicants did increase over the year (table 11.1.). Local authority nominations formed the largest source of HA tenants during 2000/01, although their importance has been declining since 1995/96 – 41% of all lettings were made to local authority nominated tenants in 2000/01 compared with 51% during 1995/96. Direct applicants formed the second largest group of tenants by source of referral during 2000/01. In contrast, their importance has increased year on year from 24% of lettings made in 1993/94 to 36% in 2000/01.

In terms of household types, only the number of lettings made to households with children decreased between 1999/00 and 2000/01 within the profile of lettings made, whilst the number of lettings made to all other household types increased. Between 31 March 2000 and 2001, the highest percentage of lettings was made to single person households (under 60 years) - a third of all lettings, following a growing trend. Although the percentage of lettings made to single parent households fell from 25% in 1998/99 to 23% by 2000/01 - they continued to be the second largest household group to whom lettings were made over the year (table 11.1).

Eleven percent of the total lettings made over the year involved households determined as statutorily homeless immediately prior to letting. This was the highest number and percentage since 1996/97 (table 11.1).

As would be expected, the percentages of lettings made over the year in metropolitan and non-metropolitan areas generally reflected the distribution of the self contained stock. Relatively, however, a slightly higher percentage of lettings were made in non-metropolitan areas - 59% of all lettings compared with 58% of the self contained stock at 31 March 2001. This split masked large regional differences between percentage shares of the national stockholding and of lettings made during 2000/01. As in the previous year, a lower percentage of lettings were made in London, South East and South West than their respective shares of the stock. Notably, London was the only metropolitan area to have a lower percentage share of lettings than stock (table 11.3.).

The number of lettings made, calculated as a percentage of stockholding, provides us with indicative regional turnover figures. Nationally, the number of lettings made between 31 March 2000 and 2001 equated to 13% of the self contained stock at 31 March 2001, the same percentage as during 1999/00. This percentage and hence turnover, was lower than average in London, South East and South West regions - London having the lowest notional turnover of 9%. The highest notional turnover rates occurred in Yorkshire and the Humber where 18% of the stock was let, and the East Midlands and North East regions where 19% of their share of the stock was let. In the case of the East Midlands, this was a higher percentage than during the previous year, whereas the notional turnover was lower in Yorkshire and the Humber during 2000/01 than during 1999/00 (table 11.3.).

The percentage of HA tenants working full time reached 22% during 2000/01, its highest level for the decade following a decline during the early to mid 1990s. Similarly, the percentage of tenants that were unemployed reached it lowest level over the ten year period - 17% compared with 29% in 1991/92 and a high of 37% between 1993/94 and 1995/96 (table 11.4.).

The percentage of lettings made to households with at least one member in full or part time employment was slightly higher during 2000/01 than during 1999/00 - 25% compared with 24% respectively. Incomes of the working households housed by HAs during 2000/01 also continued to increase compared with earlier years. During 2000/01, 65% of households earned more than £175 per week and 25% earned more than £275 per week, compared with 60% and 20% respectively during 1999/00 (table 11.5.).

The overall profile of lettings made by ethnic origin of households during 2000/01 remained much the same as during the previous year although the origin of slightly more households was not known than previously. Households of White: British/ European/ other origin remained by far the largest household group, accounting for 86% of lettings made, with Black: African Caribbean households as the second largest group - 5% of the lettings made. Only in the case of Black: British/ other households did the number of lettings made over the year decrease in comparison to the 1999/2000. Numbers of lettings made to households in all other ethnic origin groups increased, although only to their highest point over the previous ten year period in the case of White: British/ European/ other households (table 11.6.).

12. Paid Staff

HAs employed 81,100 full time equivalent (FTE) paid staff at 31 March 2001, 7% more than in 2000. This continued an upward trend although at a slower rate of growth than at 31 March in 1999 and 2000 - 13% and 8% respectively. Fifty five percent of the FTE staff were employed as housing staff, involved in the management, maintenance, development and sale of properties amongst other things, the same proportion as in 2000. The number of FTE staff employed in housing management and maintenance in 2001 increased at above the average rate over the year (13%), whilst the number of staff undertaking other housing functions, including development and sales declined. Similarly, within the 45% of FTE staff undertaking non-housing roles, the number of care staff increased at above the average rate of growth (11%) compared with below average rates of growth in those undertaking administrative, service and other functions (table 12.1).

Generally, as the average size of self contained stock holding increased, so too did the number of FTE paid staff employed by HAs (table 12.2.). Half of HAs employed five or less FTE employees at 31 March 2001. Together these were responsible for the ownership of only 1% of the total stock of self contained dwellings. This was a slightly lower percentage than in 2000 as a result of a fall in the number of HAs that did not employ any paid staff. However, a significantly larger percentage of HAs employed more than ten FTE paid staff in 2001 than in 2000 - 42% compared with 30% respectively. These were responsible for the ownership of 98% of the self contained stock (table 12.2.).

The average ratio of staff per 100 dwellings in management in 2001 fell back to the same level as in 1999 at 4.9, ending an upward trend. The general pattern in 2001 was one in which staffing ratios decreased as the size of stock in management increased. Only amongst HAs with more than 2,500 units in management were staffing ratios below average (table 12.4). The profile of stock in management, however, had a direct impact on staff management ratios. As the percentage of shared housing within overall stock profiles increases, so too did the ratio of FTE staff per 100 dwellings/ bedspaces. Only HAs with fewer than 20% of bedspace stock in management had below average staff management ratios (table 12.5). This relationship reflects the fact that a significant proportion of shared housing is used to house tenants requiring a supported style of management, which is characteristically more management intensive.

The ethnic profile of staff employed by HAs (where disclosed) at 31 March 2001 remained the same as in the previous year with employees of White: British/ European/ other origin constituting

85% of the total paid staff. Employees of Black: African/ Caribbean origin formed the second largest ethnic grouping employed by HAs, although they accounted for only 6% of all employees (table 12.6). This overall profile hides some changes that had taken place over the year. Only the number of employees considered White: Irish decreased over the year, numbers increased in all other ethnic groups although at different rates. The average rate of increase in the number of paid staff whose ethnic origin was known was 9% between 31 March 2000 and 2001. The number of employees that were Black: African/ Caribbean increased at the fastest rate over the year, by 16%, although numbers also increased at above the average rate within the Black: British/ European/ other, Black: Asian/ SE Asian and Other groups of ethnic origin (table 12.6).

13. Profile of the HA sector in 2001: Summary

The number of Housing Associations:

- The number of Housing Associations operating in England declined slightly by 33 to 2043 as at 31 March 2001.

Self contained housing:

- The number of self contained units owned by Housing Associations increased by 9% to almost 1.4 million. The number of shared housing bedspaces increased by 5% to 109,100.

- There is a growing concentration of ownership. Seventy-nine percent of self-contained units were owned by the 8% of Housing Associations with more than 2,500 units.

- Housing Associations provided a third of all social housing as at 31st March 2001 but the proportion differed considerably between regions with 51% Housing Association stock in the South East and only 18% in Yorkshire and the Humber.

- 2.8% of the stock was vacant as at 31st March 2001 – lower than the year before – but the proportion available for letting was also lower.

- The number of sheltered units increased in all regions except the East Midlands – but the percentage of self contained units that were of wheelchair standard remained constant and the proportion that was sheltered declined. Accessible general housing units accounted for just over 12% of the total stock.

Hostel and shared housing:

- Almost three quarters of shared housing bedspaces were for supported housing. The vast majority of this type of accommodation was not managed by the owning Housing Association.

- Vacancy rates for shared housing bedspaces remained constant at 10%.

- Almost one third of the shared housing bedspaces were in London, as compared to 20% of the self-contained stock.

Supported housing:

- The supported housing stock grew by 9% to 108,600 units/ bedspaces. Vacancy rates were constant but the proportion available for letting declined.

- The majority of supported housing was available for single homeless people. The second largest category was accommodation for older people. The amount of accommodation available for older people grew most rapidly.

General needs rents:

- Assured rents for self contained general needs accommodation rose by 1% to £54.49. Secured rents rose by 4% to £50.34.

- Average self contained rents were generally lower for larger Housing Associations.

- Rents for assured shared housing bedspaces averaged £44.54, whilst the average rent for secure bedspaces was £36.98.

Acquisitions and developments:

- Almost 100,00 self-contained units were acquired by Housing Associations during the year to 31st March 2001 mainly as a result of LSVTs. Only one third of these units were new to the social sector stock.

- This total included fewer than 20,000 newly built self-contained homes.

- Within that total, Housing Associations built and purchased about 3,750 new self-contained units without the use of SHG – over 80% of which were let at sub-market rents.

- The average size of transfers during the year was around 6,400 units.

- 8,300 additional shared housing bedspaces were acquired during the year, the vast majority of which were new units.

Sales, transfers and demolitions:

- HAs sold over 12,000 units during the year, including over 7,000 Right to Buy sales.

- Initial shared ownership sales accounted for around 3,700 sales, while there were around 1,130 outright sales.

- HAs demolished nearly 2,650 self-contained units – mainly owned by LSVT associations.

Shared ownership:

- HAs owned shares in 92,300 shared ownership and LSE units. The number of SHG funded shared ownership and LSE units fell, while the number of non-SHG funded shared ownership units increased.

Stock managed on behalf of others:

- HAs managed nearly 152,000 self-contained units, over 21,000 shared housing bedspaces and more than 18,000 shared ownership units on behalf of others. Sixty per cent of self-contained and 46% of shared housing bedspaces were managed for other HAs.

Lettings:

- HAs made 150,000 lettings during the year. Only 19% of these were new lettings – the lowest number for over a decade.

- 41% of these lettings were to local authority nominations.

- A third of all lettings were to single people under 60 years old, while 23% were to single parent families. 11% went to statutorily homeless households.

- The average turnover rate was about 13% with a low of 9% in London and a high of 19% in the North East and the East Midlands.

- Among new tenants 22% were in full-time employment with a further 7% in part-time employment.

Staff:

- HAs employed 81,100 full-time equivalent staff - 7% up on the year before. Of the total, 55% were housing staff.

- The average ratio of staff per hundred dwellings was 4.9. Larger HAs tended to have lower ratios.

Further information

This commentary is written by Dawn Marshall with Christine Whitehead of the Cambridge Centre for Housing and Planning Research, University of Cambridge. The tables and appendices were compiled by Jane Kincey and Daniel Banks of Dataspring within the Cambridge Centre for Housing and Planning Research. The whole process was undertaken in collaboration with Pragati Somaia, Caroline Smart and Richard Zaluski of the Housing Corporation and many thanks are extended to them for their assistance.

A detailed analysis of the data returned in the 2001 Regulatory and Statistical Return can be found in Dataspring Discussion Paper 6, **A Snapshot of the Housing Association Sector in 2001**. This is available from: The Publications Secretary, Department of Land Economy, University of Cambridge. 19 Silver Street, Cambridge. CB3 9EP. Telephone: 01223 337147.