

Analysis of distribution and rents of properties with five or more bedrooms, 2006/07

A Dataspring Brief Report on behalf of the
Tenant Services Authority



Analysis of distribution and rents of properties with five or more bedrooms, 2006/07

A Dataspring Brief Report on behalf of the
Tenant Services Authority

Christine Whitehead, Bingjiang Cao, Tiffany Lundy and
Connie P.Y. Tang

April 2008

Further Information:
Dataspring,
Cambridge Centre for Housing and Planning Research,
University of Cambridge,
19 Silver Street, Cambridge,
CB3 9EP
Tel: 01223 337118
www.dataspring.org.uk

Summary

Introduction

This paper examines aspects of the provision of larger social rented dwellings by Housing Associations (HAs). It concentrates on 5-bedroom and 6+ bedroom units, and clarifies the numbers of dwellings provided; the structure of ownership; the spatial distribution of the dwellings and the rents charged.

Methodology

The main source of data on larger properties is the Regulatory and Statistical Return (RSR). Until 2005/06 data covered bedroom sizes only up to 4+ bedroom properties. In 2006/07 the RSR classification was extended to include 4, 5 and 6+ bedroom units. It is therefore now possible to clarify the basic attributes and location of larger properties by area and by owning HA and to make a more detailed analysis of the rents charged.

Key findings

The spatial distribution of the stock of larger units

- In 2006/07, the total number of larger units owned by HAs was 5,422. These units accounted for only 0.36% of the total general needs stock. Within the total, over 81% (4,430) were 5-bed units, and less than 20% (992) were 6+ bed units.
- The largest number and concentration of large units was in London, 36% of the total of larger units in England, as compared to only 16% of the general needs stock overall. The North West, the West Midlands and Yorkshire and the Humber also had relatively high proportions of larger units. Southern regions excluding London had relatively fewer units.
- In only ten local authorities (LAs) were there more than 100 larger units. Five of these LAs were in London, accounting for 53% of the total larger stock in London. The LA with the largest stock outside London was Birmingham. The top two LAs, Tower Hamlets in London and Birmingham, accounting for over 20% of larger social rented dwellings.
- Areas with highly concentrated holdings of larger stock were mostly located in inner urban areas where the proportions of general needs stock were also high.

The distribution of ownership of larger units among HAs

- Over one quarter of the 272 HAs reported general needs stock in their ownership on March 31 2007 did not own any larger units. Another 42% held nine or fewer units.
- There were 27 HAs owning 50 larger units or more. Together these owned 45% of the total larger units. The owner with the largest stock was Midlands Heart in Coventry, which owned 314 units.
- Fourteen of the top 27 HAs have their Head Offices located in London. The other 13 have their Head Offices located in the rest of the country in which the main stock holdings were concentrated in the same areas.
- London has the largest number of HAs (63) where larger units are located, followed by the South East (56).

The spatial pattern of rents for larger dwellings

- Average rents for 5-bed units were below £90 per week in almost 60% of LAs. In a further 35% (62 LAs, 21 of which were in London) average rents were £100 or over. Only in 3% (8 LAs, of which four were in London) were average rents above £115.
- Average rents for 6+ bed units were £115 or above per week in 20% of LAs (31 LAs, 15 of which are in London). In a further 28% (52 LAs, including the other nine in London) average rents were below £90 per week.
- Generally, London, the South East, and to a lesser extent the East of England, had higher rents, especially for 5-bed units. In the northern regions, nearly all 5-bed units had rents below £90 per week. Average rents for 6+ bed units were somewhat higher in some LAs particularly those in the North West.
- Looking at samples of HAs within London, the lowest minimum rents for units having 5+ bedrooms were in east central London, followed by north London and east London. In south and west London, all boroughs had minimum rents above £100 per week.

Rents for larger units at HA level

- Across all HAs, the average rent for 5 bed properties was £90.62 while that for 6 bed properties was £101.60. There was little difference between rents charged by those with the largest holding and by those owning small numbers of units.
- Among the 14 HAs for which detailed individual rent data were collected, the highest maximum rent levels of 5-bed units were found in properties owned by Family Mosaic in London, with the most expensive property at £464 per week. The lowest rent was charged by Riverside, which manages properties in LAs in the North West and had the cheapest 5-bed units at £46.47 per week.
- For 6+ bed units, the cheapest rent charges was again by Riverside, at £62/66 per week while the most expensive rent of £573.78 was in London and owned by the Home Group.

Target rents

- In almost 80% of LAs that had HAs owning 5-bed units and in over 70% of those owning 6+ bed units, average net rents were below target rents. In only 5% of LAs were average rents more than 10% above target for 5-bed units and in 15% for 6+ bed units (which include larger units with higher target rents).
- In LAs in London, average rents for larger properties were generally below target rents. On the other hand, in over one third of LAs in the South West and the East Midlands rents for 5-bed units were at or above the +10% range. Among 6+bed units, 50% of the LAs in the North West had actual rents at or above the 10% point, perhaps reflecting holdings of 7 and 8+ units.
- Generally, there were relatively few numbers of LAs where average rents of larger units were more than 10% above target rents, suggesting that HA rents are generally in line with the rent restructuring regime.

Conclusions

The majority of larger dwellings are owned by a small number of HAs. They are also particularly concentrated in LAs in London, the North West and Birmingham. Rents for larger dwellings follow a fairly consistent spatial pattern with the highest rents in London and the lowest in northern regions. Actual rents are generally below target rents particularly for properties in London.

1. The question

This paper explores an important current policy issue: namely the extent to which housing associations (HAs) are providing dwellings for large family households who require four bedrooms or more, and the extent to which there is a shortfall in such provision.

Secondly, the paper examines rents that are to be charged for larger dwellings. A traditional argument has been that large families will generally be in higher than average housing need, and therefore rents should be kept relatively low. This view was reflected in the weights given to larger dwellings in the rent restructuring formula introduced in 2002. At that time, the weight given to four plus bedroom units was 1.10 (against 1.0 for two bed properties), an extremely low differential compared to market ratios which reflect capacity to pay as well as the size, location and quality of the properties. After the review of the rent restructuring regime, a revised weighting system was introduced distinguishing four, five and six plus bedroom units and changing the weights to 1.1 for three bed, 1.2 for four bed, 1.3 for five bed and 1.4 for six plus bed to replace the old weights of 1.05 for three bed and 1.1 for four plus bed units.¹

The analysis of larger properties has been restricted by the property size categorisation in the Regulatory and Statistical Return (RSR). Until the 2005/06 fiscal year, data were collected only for up to four plus bedroom properties. All larger properties were banded together so only the rents of four plus bed units could be analysed. In 2006/07, the RSR classification was extended to include four, five and six plus bed units. It is therefore now possible to clarify the basic attributes and location of larger properties by area and by owning HA, and to make a more detailed analysis of the rents charged.

The aim of this paper is to provide a baseline description of the available stock of larger units; the ownership structure of these units; their spatial distribution; and the rents charged for these properties. The paper concentrates on five bedroom and six plus bedroom units.

¹ Office of the Deputy Prime Minister (2004) *Three-year Review of Rent Restructuring: Consultation*. London: ODPM.

2. The spatial distribution of the stock of larger units

The RSR 2006/07 identifies 5,422 dwellings owned by HAs as at 31 March 2007. Within this total, 4,430 (81.7%) were five bedroom units, and 992 (18.3%) were six plus bedroom units. In total, five and six plus bedroom units accounted for only 0.36% of the total general needs stock held on that date. Of these, only 0.07% had six bedrooms or more.

Table 1 shows the regional distribution of the available stock.

Table 1: Five plus bedroom stock by region in England, 2006/07

Region	No. of HAs	5 bed	6+ bed	5+ bed	General needs	5 bed	6+ bed	5+ bed
London	63	1553	380	1993	246,894	0.63%	0.15%	0.78%
South East	56	211	42	253	217,478	0.10%	0.02%	0.12%
South West	35	157	30	187	132,408	0.12%	0.02%	0.14%
East Midlands	27	148	40	188	85,139	0.17%	0.05%	0.22%
East of England	45	338	82	420	153,305	0.22%	0.05%	0.27%
West Midlands	38	622	154	776	181,979	0.34%	0.08%	0.43%
Yorkshire & Humber	20	450	84	534	120,573	0.37%	0.07%	0.44%
North East	16	252	15	267	98,528	0.26%	0.02%	0.27%
North West	54	699	165	864	289,669	0.24%	0.06%	0.30%
<i>England</i>	<i>284</i>	<i>4430</i>	<i>992</i>	<i>5422</i>	<i>1,525,973</i>	<i>0.29%</i>	<i>0.07%</i>	<i>0.36%</i>

The largest numbers of large units are in London, followed by the North West, the West Midlands, and Yorkshire and the Humber. The North East, South East, South West and the East Midlands all have fewer than 300 five plus bedroom HA units in the region. As a result, a disproportionate number of larger units are to be found in London, 36% of larger units as compared to only 16% of the general needs stock overall. The only other regions with slightly above 'average' stock are the West Midlands and Yorkshire and the Humber. The distribution across regions of six plus bedroom units is more even, with only London showing a significant concentration.

The regions with particularly disproportionately low holdings are the South East at less than 5% as compared to 14% of the general needs stock; the South West with 3% as compared to 9%; and the North East but only for six plus bedrooms (2% as compared to 6%). More generally, outside London, there are proportionally fewer larger units in the South of the country.

At the local authority (LA) level, only in ten LAs have more than 100 larger units. These are listed in Table 2. Of these LAs, five are in London, accounting for 53% of the total larger stock in London and not far short of 20% of the total stock in England. A single LA in London (Tower Hamlets) and one LA outside London (Birmingham) account for over 20% of larger social rented dwellings. Overall, the ten LAs with more than 100 units account for around 38% of the total stock for larger units.

Table 2: LAs with more than 100 units with five plus bedrooms

LA	Region	No. of stock	% of 5+ bed
Tower Hamlets	London	502	9.3
Birmingham	West Midlands	470	8.7
Bradford	North East	211	3.9
Hackney	London	157	2.9
Newham	London	145	2.7
Manchester	North West	136	2.5
Sunderland	North East	130	2.4
Lambeth	London	114	2.1
Liverpool	North West	113	2.1
Brent	London	101	1.9
<i>Total</i>		<i>2079</i>	<i>38.3</i>

The numbers of five plus bedroom dwellings is generally higher where the total number of general needs stock is also higher. All of the top ten LAs also have relatively high proportions of social housing as well as of larger units.

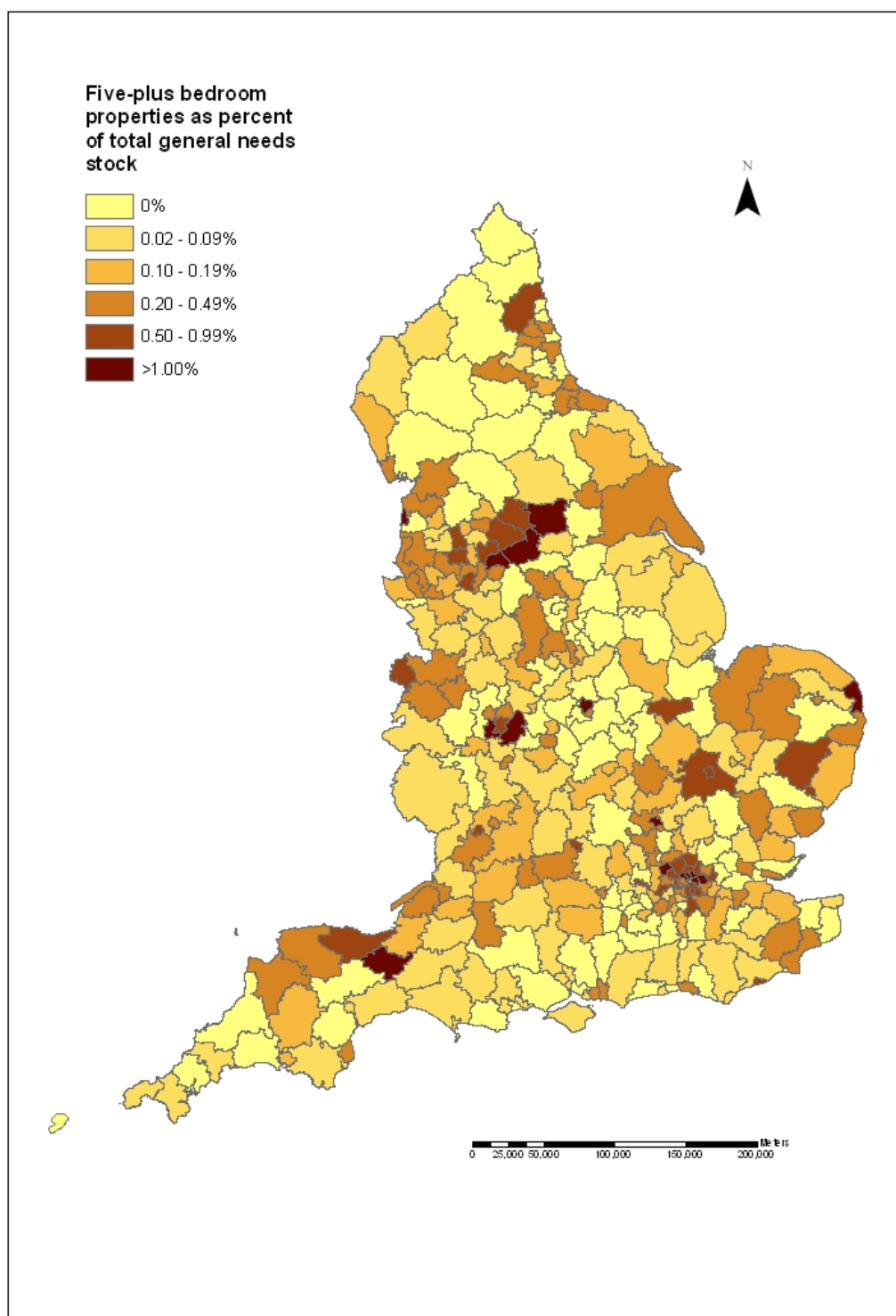
Table 3 shows the distribution of larger stock in relation to general needs stock by LA area. In more than a quarter of LAs, there are no larger social rented housing units at all. In some 60% of authorities, the proportion of social rented housing that is larger units lies between 0.02% and 0.5%. The vast majority of these LAs hold very small numbers of such stock although three of the LAs in the top ten in terms of absolute numbers Manchester, Sunderland and Liverpool are in this category. Among the 16 LAs where 1% or more of the stock is five plus beds are six of those with 100+ units, but also seven with fewer than 50 units. Together, they account for 1,967 units, 36% of the total larger stock.

Table 3: Number of LAs - larger units as a proportion of total stock

Proportion of total stock	>1%	0.50-0.99%	0.20-0.49%	0.10-0.19%	0.02-0.09%	0.0%	Total
No. of LAs	16	31	77	57	77	96	354

The picture is therefore one of highly concentrated holdings of larger stock mostly in inner urban areas. They are also mostly in areas with high proportions of general needs and higher proportions of BME population. However, it is important to remember that there are many other LA areas with these attributes where there are very few or even no larger social rental units available.

Figure 1: Proportion of general needs stock with five or more bedrooms for LAs across England



Another relevant way of analysing basically the same material is to distinguish between stock located in London and that located elsewhere in the country. Table 4 shows the number of LAs, inside and outside London, grouped by the numbers of units in those authorities, while Table 5 provides more detail breakdown of the numbers of dwellings as available between five bed and six plus bed units. They both reflect the high concentrations of stock in a small number of authorities particularly in London.

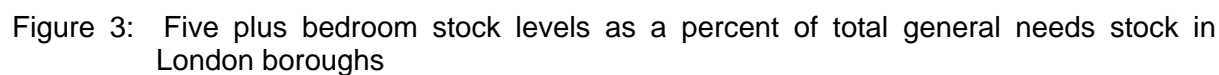
Table 4: Number of LAs by scale of larger stock in London and the rest of England

Region boundary	300 +units	101-300 units	51-100 units	31-50 units	21-30 units	11-20 units	1-10 unit	Total
Within London	1	4	8	5	5	3	4	30
Outside of London	1	6	6	13	11	28	163	228
<i>Total</i>	<i>2</i>	<i>10</i>	<i>14</i>	<i>18</i>	<i>16</i>	<i>31</i>	<i>167</i>	<i>258</i>
Within London (%)	3.3	13.3	26.7	16.7	16.7	10	13.3	100
Outside of London (%)	0.4	2.6	2.6	5.7	4.8	12.3	71.5	100
<i>Total (%)</i>	<i>0.8</i>	<i>3.9</i>	<i>5.4</i>	<i>7</i>	<i>6.2</i>	<i>12</i>	<i>64.7</i>	<i>100</i>

Table 5: Total stock by five, six plus beds by those LAs

Region boundary	300 + units	101-300 units	51-100 units	31-50 units	21-30 units	11-20 units	1-10 unit	Total
<i>Inside London</i>								
Total stock: 5 bed owned by LAs within London	376	384	474	152	116	33	18	1553
Total stock: 6+ bed owned by LAs within London	126	133	78	23	11	5	4	380
Total stock: 5+ bed owned by LAs within London	502	517	552	175	127	38	22	1933
<i>Outside London</i>								
Total stock: 5 bed owned by LAs out of London	393	706	385	435	198	314	446	2877
Total stock: 6+ bed owned by LAs out of London	77	133	84	64	68	63	123	612
Total stock: 5+ bed owned by LAs out of London	470	839	469	499	266	377	569	3489

Figure 2 brings out the picture of concentration in London clearly. Over 36% of larger stock (1,933 units) is concentrated in London. The top five LAs in London in terms of stock are Tower Hamlets, Hackney, Newham, Brent and Lambeth. Three of these LAs are clustered in northeast central London. Figure 3 shows these data normalised with respect to the total number of general needs stock in each LA. This brings out a slightly different picture that highlights North London as having the highest proportion of five plus bedroom dwellings. Southwest London ranks the lowest, both in terms of absolute numbers of five plus bedroom dwellings and as a proportion of the general needs stock.



3. The distribution of ownership of larger units among HAs

Tables 6 and 7 provide summaries of the ownership pattern of the 284 HAs reporting five plus bedroom stock in England, by size of holding and numbers of dwellings owned by HAs in the relevant categories.

Table 6: Number of HAs owning larger units grouped by numbers of units owned

Total	300+ units	101-300 units	51-100 units	31-50 units	21-30 units	11-20 units	01-10 unit
No. of HAs	1	8	18	30	23	48	156

Table 7: Total stock in each group of HAs owning larger units

Property Type	300+ units	101-300 units	51-100 units	31-50 units	21-30 units	11-20 units	01-10 unit	Total
Total stock: 5 bed	251(6)	819(18)	938(21)	942(21)	464(10)	556(13)	460(10)	4430(100)
Total stock: 6+bed	63(6)	210(21)	165(17)	233(23)	88(9)	111(11)	122(12)	992(100)
<i>Total</i>	<i>314</i>	<i>1029</i>	<i>1103</i>	<i>1175</i>	<i>552</i>	<i>667</i>	<i>582</i>	<i>5422</i>

HAs reporting ownership of general needs stock are categorised into seven groups based on the number of larger units in their ownership (Table 6). First, it should be noted that 89 HAs own no larger units – over one quarter of the 272 HAs reporting general needs stock in their ownership on March 31 2007. A further 156, 42% of the relevant HAs hold nine or fewer units. At the other extreme, 314 units are owned by one HA, Midland Heart. Forty five percent of the stock is owned by the top 27 HAs, i.e., those that own 50 units or more; and around two thirds (66.8%) of all five plus bedroom properties are owned by 3.6% of the HAs that provided a return for 2006/07.

Table 7 shows there is relatively little difference between the ownership structure of five bed units as compared to six plus units but with a slightly higher proportion of six plus beds among those with largest holdings (the proportions are given in brackets in Table 7).

There are 25 HAs that own 50 larger units or more. Fourteen of these have their Head Offices located in London; while thirteen have Head Offices located in the rest of the country (Table 8 lists these Associations). Among those outside London, seven are in the North East (including for instance, Places for People which hold stock in 22 LAs across the country) and a further three in the West Midlands. Together, these account for 70% of the stock held by HAs with Head Offices outside London. It is also worth noting that none of these HAs are LSVT associations.

Table 8: HAs owning 50 units or more five plus bedroom units in 2006/07

	Inside London	Holdings		Outside London	Holdings
1.	Circle 33	143	1.	Midland Heart (Coventry)	314
2.	East Homes	140	2.	Manningham (Bradford)	159
3.	London and Quadrant	125	3.	Places for People (Preston, Lancs)	114
4.	Family Mosaic	123	4.	Home Group (Gosfield, Newcastle)	98
5.	Southern HGL	117	5.	Riverside (Liverpool)	74
6.	Metropolitan HT	108	6.	Adactus (Leigh, Lancs)	69
7.	Peabody Trust	75	7.	Ashiana (Didsbury, Manchester)	61
8.	Notting Hill	66	8.	Mosscafe (Manchester)	56
9.	Bethnal Green and Victoria	65	9.	West Pennine (Bolton)	55
10.	Asra Greater London	59	10.	Moseley and District (Birmingham)	53
11.	Newlon	55	11.	Cross Keys (Peterborough)	53
12.	Stadium	55	12.	Caldmore area (Walsall West Midlands)	52
13.	Tower Hamlets	54	13.	South Sunderland (Sunderland)	51
14.	Ujima	52			
	<i>Total stock</i>	<i>1237</i>		<i>Total stock</i>	<i>1209</i>

We turn next to the regional spatial distribution of ownership based on the location of HA stock. Looking back to Table 1 we can see that, while there are 284 HAs owning larger units, region by region, there are 354 HAs involved – so there are a considerable number of HAs holding stock in more than one region. London has the largest number of HAs with larger units at 63, followed by the South East at 56. As we have already seen, London equally has the largest stock of larger units. However, in the South East, actual stock holdings are very low suggesting that many of the identified HAs either own very small numbers and that there may be something of an ‘overspill’ from London HAs. The other region with more than 50 HAs is the North West where there are higher than average holdings in the region.

Table 9 provides an overview of the spatial distribution of the top 27 HAs by looking at the number of regions and LAs in which they hold stock both within and outside London. The most obvious aspect of the picture is that the vast majority (17) have stock in only one region and only two hold stocks in more than two regions. Outside London, it is also only these two HAs (Places for People and the Home Group) that own stock in more than ten LAs.

Table 9: Spatial distribution of stock of the top 27 HAs owning more than 50 five plus bed units, 2006/07

	Inside London	Outside London			Inside London	Outside London	
HA	No. of LA	No. of LA	No. of region	HA	No. of LA	No. of LA	No. of region
<i>Head Office inside London</i>				<i>Head Office outside London</i>			
Circle 33	7	3	1	Midland Heart	0	10	2
East Homes	3	0	0	Manningham	0	1	1
London and quadrant	13	1	1	Places for People	3	22	5
Family Mosaic	12	0	0	Home Group	0	14	4
Southern HGL	3	3	1	Riverside	0	10	2
Metropolitan HT	8	1	1	Adactus	0	4	1
Peabody Trust	12	0	0	Ashiana	0	5	1
Notting Hill	6	0	0	Mosscafe	0	2	1
Bethnal Green and Victoria	1	0	0	West Pennine	0	3	1
Asra Greater London	11	1	1	Moseley and District	0	1	1
Newlon	7	0	0	Cross Keys	0	1	1
Stadium	9	1	1	Caldmore area	0	1	1
Tower Hamlets	1	0	0	South Sunderland	0	1	1
Ujjima	9	0	0				

Overall, what is clear from this analysis is that larger holdings are very heavily concentrated in a small number of LAs often with more than one HA operating in the area, particularly in London. Thus, both ownership and availability are highly spatially specific.

4. The spatial pattern of rents for larger dwellings

We now turn to the patterns of rents charged for larger properties. Tables 10 and 11 show the spatial pattern of average rents in terms of the number of LA areas in each region for five bedroom and six plus bedroom properties, respectively. Overall, average weekly rents for five bedroom units are above £115 in only 3% of LAs (eight LAs, of which four are in London). A further 35% (62 LAs, 21 of which are in London) have average rents of £100 or over. Nearly 60% of LAs have average rents for five plus bedroom units below £90 per week.

Table 10: Number of LAs with average weekly rents for five bedrooms in each rent group²

Region	£115+	£100+	£90+	Below £90	Total
London	4	21	4	1	30
South East	3	25	6	9	43
South West	-	4	7	23	34
East Midlands	-	1	1	15	17
East of England	1	9	10	17	37
West Midlands	-	-	2	22	24
Yorkshire and the Humber	-	1	-	12	13
North East	-	-	-	12	12
North West	-	1	1	34	36
<i>Total</i>	<i>8</i>	<i>62</i>	<i>31</i>	<i>145</i>	<i>246</i>

Table 11: Number of LAs with average weekly rents for six plus bedrooms in each rent group

Region	£115+	£100+	£90+	Below £90	Total
London	16	9			25
South East	9	12	2	1	24
South West	-	6	6	2	14
East Midlands	-	3	1	5	9
East of England	3	6	4	10	23
West Midlands	2	2	3	11	18
Yorkshire and the Humber	-	-	2	6	8
North East	-	-	1	3	4
North West	1	4	4	18	27
<i>Total</i>	<i>31</i>	<i>42</i>	<i>23</i>	<i>56</i>	<i>152</i>

For six plus bedroom units, rents are £115 or above in 20% of LAs in which there are six plus bed units (31 LAs, 16 of which are in London); on the other hand, 28% (42 LAs, including the other nine London LAs) have average rents below £90 per week.

The regional pattern is very clear, with higher rents in London and the South East (and to a lesser extent the East of England) especially for five bedroom units. In the Northern regions, almost all five bedroom units have rents below £90 per week. Average rents for six plus bedroom units are higher in some authorities, especially in the North West.

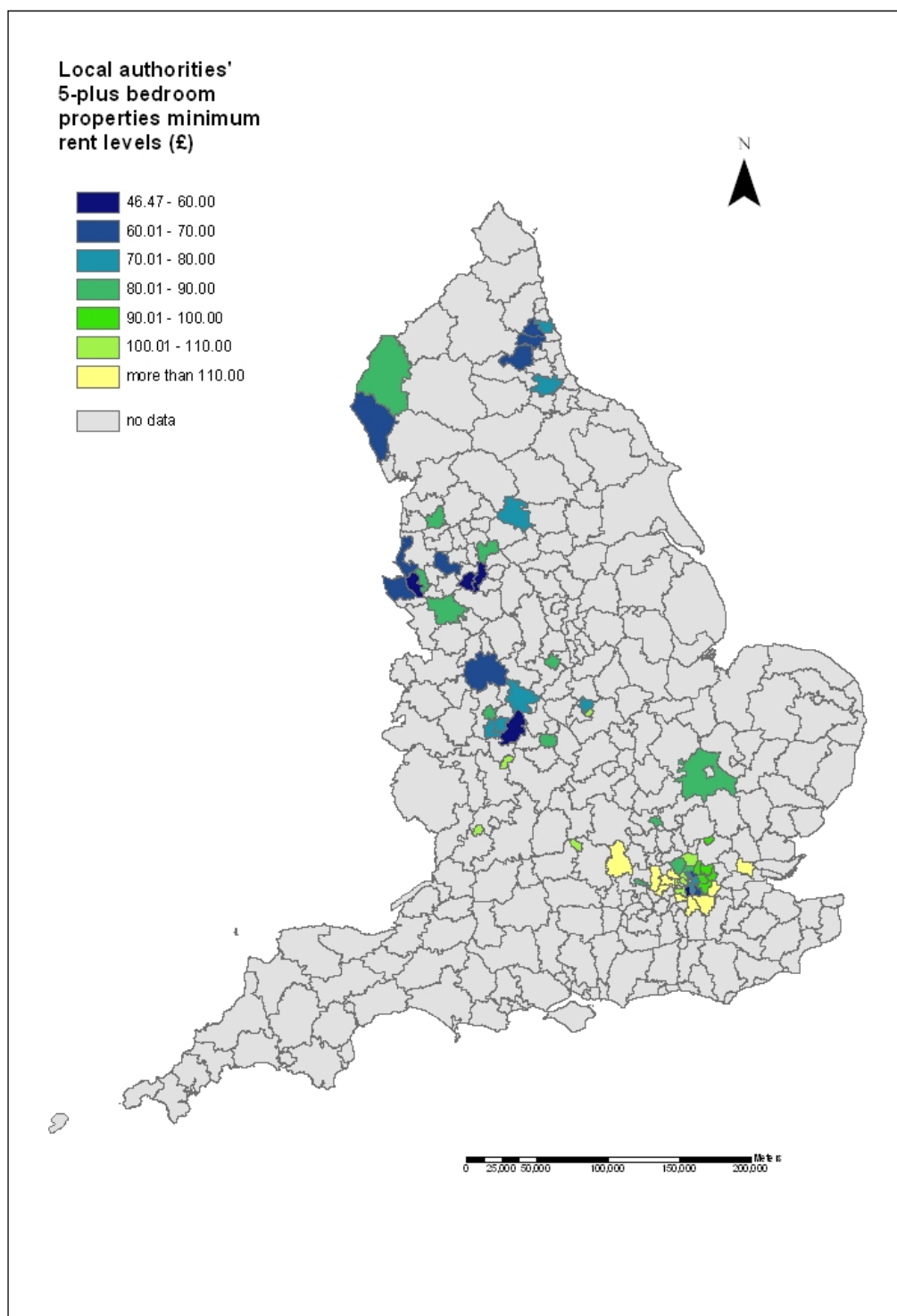
It is possible to provide some more detail on rents based on data from 14 of the 27 HAs with the largest stock of larger units, using minimum rent information collected directly from the relevant HAs. Figure 4 gives an indication of the spatial variation in rents at the LA level for

² Groups are defined based on RSR net rents free of service charges.

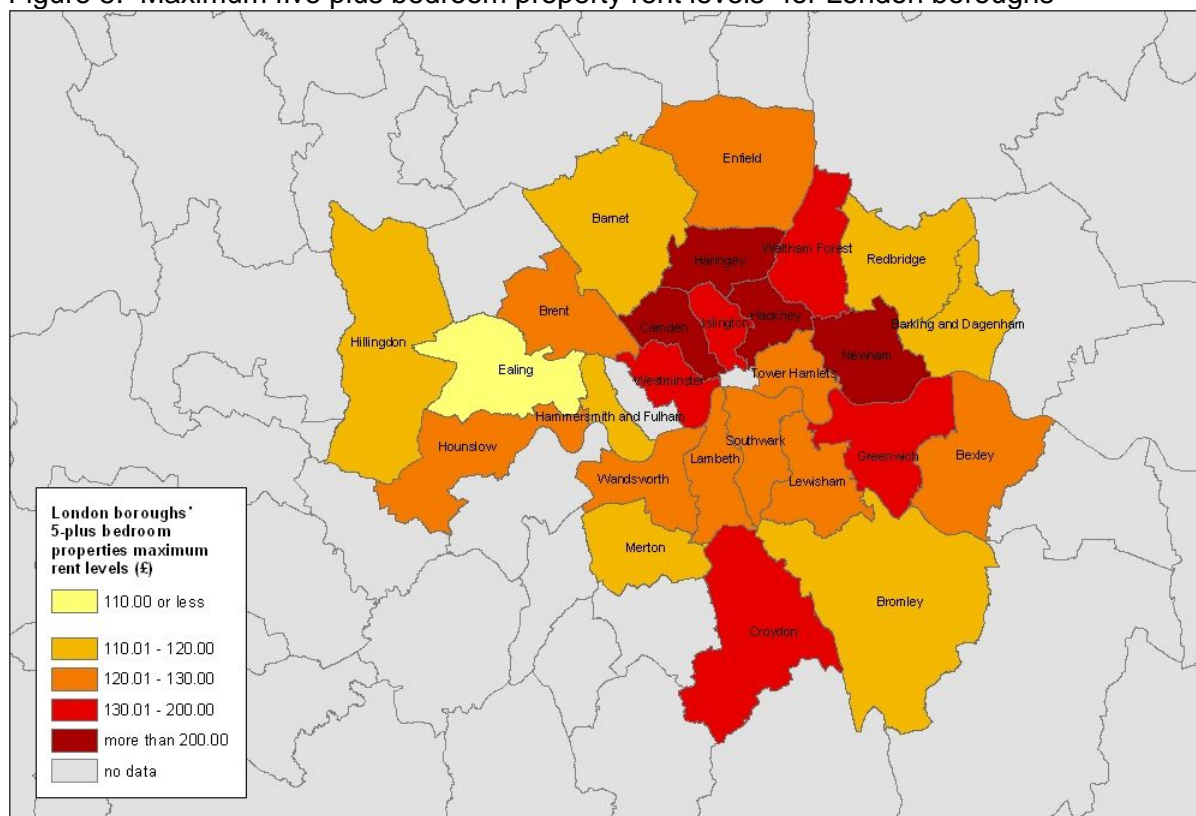
LAs where these HAs operate. The picture reflects the general pattern of rents with particularly low minima in parts of the North West and, to a lesser degree, the North East, and the highest minima concentrated in the South and East.

Because a number of London HAs provided data on the rent levels for individual properties in London boroughs, we can also look at the picture in London in rather more detail by looking at maxima, minima and differences between the two by London borough. Figure 5 maps maximum rents levels for four plus bedroom properties by borough and shows that the highest rents are in northeast central London. These boroughs also possess the largest numbers of units. Looking at minimum rents (Fig. 6), the lowest is in east central London, followed by north London, and east London. In south and west London, all boroughs have minimum rents higher than £100 per week. The difference between minimum and maximum rents is the highest in north and east London boroughs, corresponding to the boroughs for which there are most likely five plus bedroom properties. Where there are fewer properties, as in the south and west, there is correspondingly less difference (Fig. 7).

The general picture therefore suggests that six plus bedrooms are mainly held for more specific reason, with rents set individually, while ownership of five bedroom units is more closely related to overall rent patterns.

Figure 4: Minimum rent levels for LAs with five plus bedroom properties³

³ Data collected from 14 of the top 27 HAs with five plus bedroom properties according to the 2007 RSR.

Figure 5: Maximum five plus bedroom property rent levels⁴ for London boroughs

⁴ Rent levels are based on rents provided from the top 14 of the five plus bedroom housing providers in the country.

Figure 6: Minimum five plus bedroom property rent levels for London boroughs

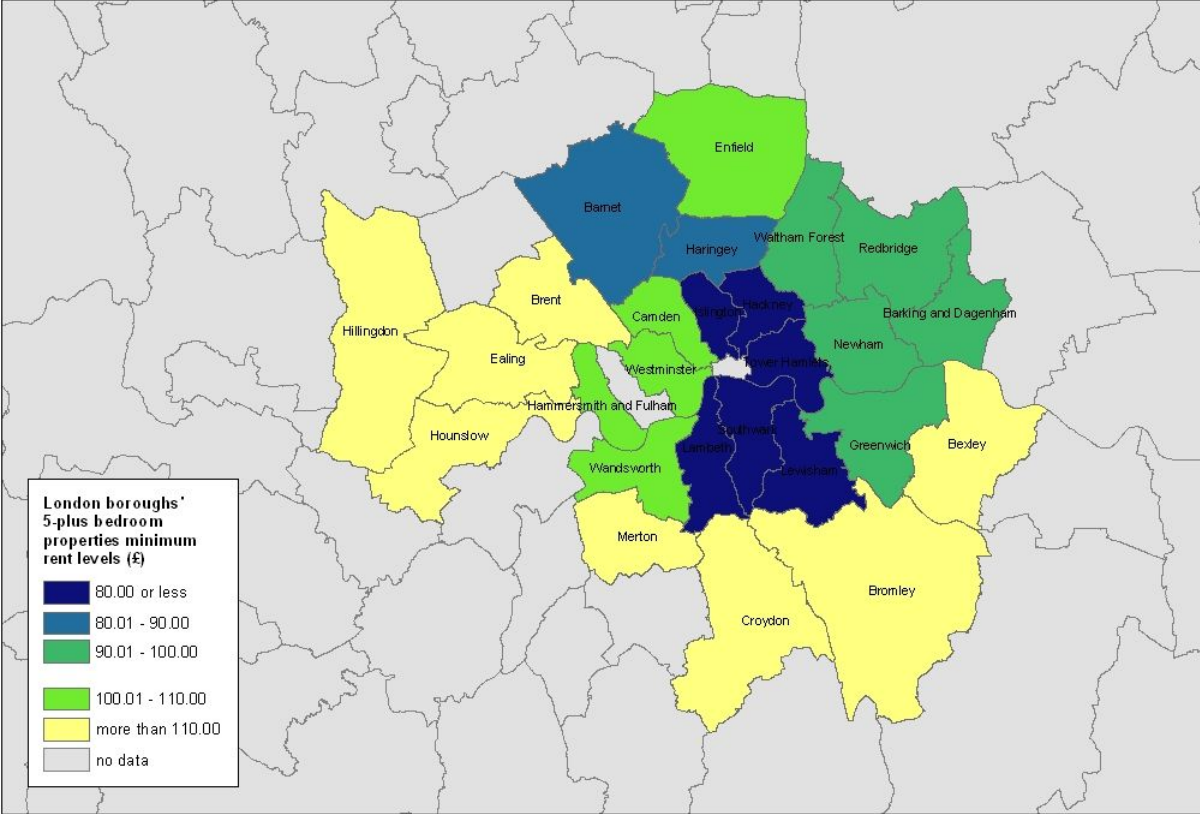
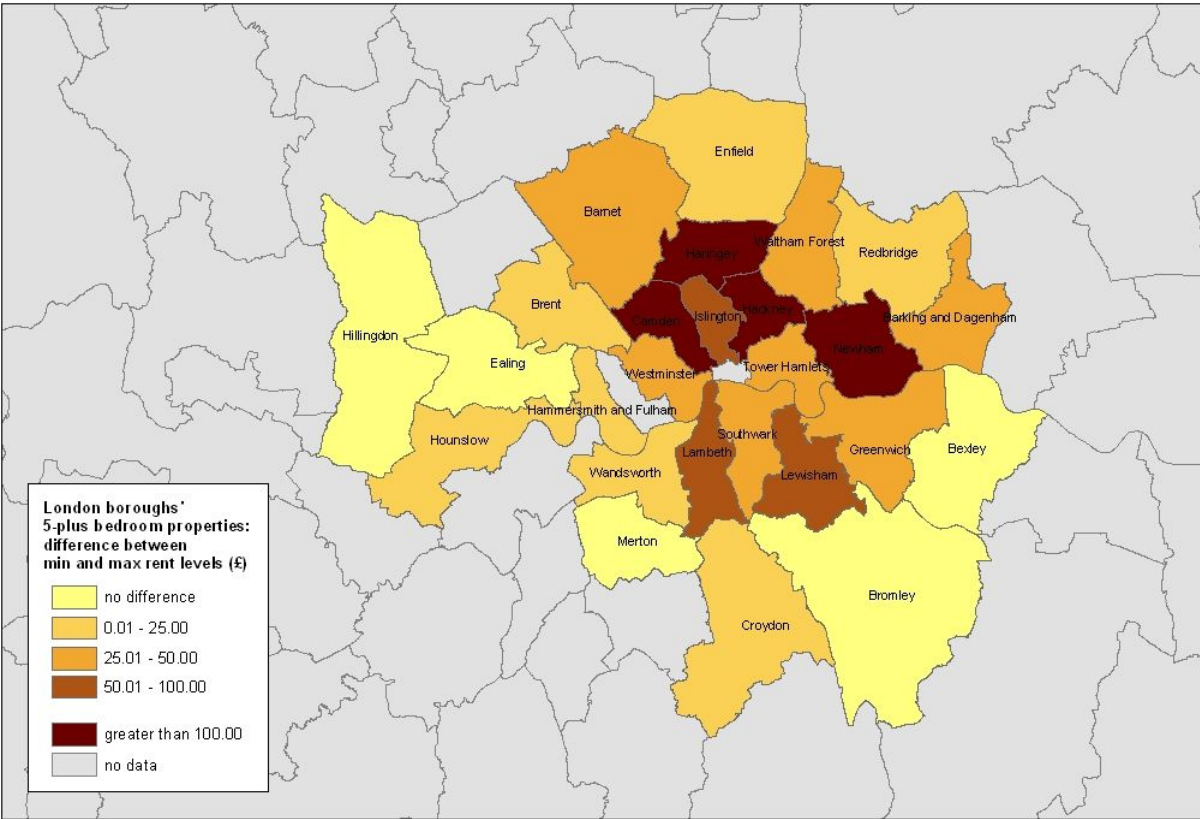


Figure 7: London boroughs' five plus bedroom property rent differences between maximum and minimum rents



5. Rents for larger units at HA level

Table 12 shows the average rents for five and six plus bedroom units charged by all HAs, by the group with holdings of 50+ units and the 14 HAs that provided individual data. The average rent for five bedroom units is only just over £90 while that for six plus bedroom units, it is over £102 per week. Those with 50+ units set average rents rather higher than the average although those which provided individual data are very close to the average.

Table 12: Average weekly rents for larger properties by HA groupings, 2006/07

Group of HAs	No. of stock		Average rent (£)	
	5 bed	6+ bed	5 bed	6+ bed
Top 14 HAs	1185	222	90.37	101.60
Top 27 HAs	1989	411	93.11	103.61
All HAs	4430	992	90.62	101.60

As already stated, in the 2007 RSR, there were 27 HAs with 50 or more five plus bedroom units accounting for nearly 30% of the five plus bedroom stock in England. To clarify the distribution of these rents on larger properties, they were all asked to provide individual property data. Fourteen HAs responded positively. These 14 HAs were concentrating in urban areas, including London and Birmingham, and relatively more data were provided for the North than for the South. Eight of these HAs held properties across a number of LAs.

Table 13 summarises the evidence provided by these HAs. It suggests considerable internal consistency in rent setting within HAs although there are clear outliers particularly with respect to six plus bedroom properties where there may be property specific reasons. It also shows very considerable differences between HAs partially but not wholly based on location.

Table 13: Rent levels and structures for top 14 providers of larger units in England

HA Name	Total Stock	No of LAs in which operate	5 bed average	6+ bed average	5 bed minimum	5 bed maximum	6+ bed minimum	6+ bed maximum
Adactus	77	4	£68.35	£75.26	£55.00	£89.91	£67.79	£83.40
ASRA	59	12	£122.11	£128.81	£111.79	£161.49	£102.91	£205.46
Circle 33	213	14	£108.44	£119.21	£68.56	£125.06	£78.98	£322.00
Cross Keys	65	1	£73.97	£85.98	£69.36	£84.28	£79.89	£91.20
Family Mosaic	143	13	£132.64	£123.67	£56.17	£464.00	£90.14	£339.07
Home Group	91	22	£81.94	£241.46	£63.41	£114.56	£80.65	£573.78
London & Quadrant	157	18	£112.70	£123.85	£67.27	£132.50	£110.69	£188.50
Manningham	159	1	£86.43	£93.49	£77.87	£99.91	£87.27	£100.71
Midland Heart	316	10	£90.08	£91.54	£46.77	£149.96	£68.72	£118.95
Mossacre	45	2	£78.65	£84.27	£69.89	£86.95	£78.10	£90.35
Peabody	79	12	£113.98	£122.20	£82.39	£126.39	£116.52	£132.41
Riverside	115	15	£83.72	£81.89	£46.47	£119.98	£62.66	£98.94
Tower Hamlets	54	1	£106.31	£110.78	£92.65	£112.52	£96.70	£113.85
South Sunderland	51	1	£59.30	-	£56.87	£65.73	-	-

Family Mosaic, Asra, Peabody, and London & Quadrant, all are London-based, are shown to have the highest rent levels. London-based Tower Hamlets and Circle 33 also have high average rents. Home Group, which provides properties across country, has mid-range rent levels.

The highest maximum rent levels are found in properties owned by Family Mosaic and Home Group, with outliers at the high end at £464 per week for the most expensive five bedroom property and £573.78 per week for the most expensive six plus bedroom property, respectively. At the other end of the spectrum, lows are not so extreme. The lowest rent was charged by Riverside, which manage properties in LAs in the North West and has low values of £46.47 per week for the cheapest five bedroom property and £62.66 for the cheapest six bedroom property.

Overall, the evidence on rents shows rather more heterogeneity among five and six plus bedroom units than for the core two and three bedroom stock. There are also large ranges of rents within HAs as compared to the majority of property sizes. This may well reflect greater differentiation between units.

6. Target rents

Target rents in 2006/07 for five bedroom units were £120.83 and for six bedroom units £126.59 per week.⁵ Seven and eight plus bedroom units had higher target rents, but these sizes cannot be distinguished within the RSR.

Table 14 shows the regional average ratios of average actual to target rents for five and six plus bedroom units. It also shows the numbers of LAs where average rents are below target for these property sizes and the numbers where they are above. It shows that the vast majority of current actual rents on larger properties are below target levels.

Table 14: Regional ratios of net rent to target rent for larger properties, 2006/07

Region	Net Rent/Target Rent		No. of LAs with net rent < target rent		No. of LAs with net rent > target rent	
	5 bed	6+bed	5 bed	6+ bed	5 bed	6+ bed
London	0.87	0.86	30	24	16	12
South East	0.98	0.99	32	15	21	10
South West	1.01	1.03	26	9	21	7
East Midlands	1.01	0.98	12	4	8	6
East of England	0.97	0.99	27	14	19	13
West Midlands	0.98	0.99	19	12	12	7
Yorkshire and the Humber	1.00	0.99	10	7	9	4
North East	0.91	0.91	15	4	8	3
North West	0.97	0.99	27	14	19	19

Target rents vary considerably from region to region, with obvious spatial patterns. First, most average actual are less than target rents. This applies in almost 80% of authorities for five beds and for over 70% over for six plus beds. On the other hand, only 5% of authorities have average actual rents more than the 10% above the target for five beds. The figure for six plus bedrooms was higher, at 15%. However, it must be remembered that the data do not make it possible to distinguish seven and eight plus bedroom units for which higher target rents are set.

Concentrating more on those that are above target rents, Tables 15a and 15b show the numbers of LAs where the averages are at or above target rents by +10% and +5% respectively.

In London, actual rents by LAs are almost all below +10% of the target rent and indeed below the target rent. At the other extreme, in the South West and the East Midlands, over one third of authorities have rents for five bedroom units at or above the +10% range. Among six plus bedroom units, the region which stands out is the North West where not far short of 50% of LAs had actual rents at or above the 10% point. The East of England and the West Midlands have around 30% of such LAs.

⁵ Housing Corporation (2005) *Rents, Rent Differentials and Service Charges for HAs*. Circular 05/05.

Table 15a: The pattern of actual rents in relation to target rents - whether within 10% of target rents

Region	Number of LAs with 5 bed				Number of LAs with 6+ bed			
	RSRNetRent /RSRTarget Rent >1.1	RSRNetRent/RSRTarget Rent =1.1	RSRNetRent/RSRTarget Rent <1.1	Total	RSRNetRent /RSRTarget Rent >1.1	RSRNetRent/RSRTarget Rent =1.1	RSRNetRent/RSRTarget Rent <1.1	Total
London		1	29	30	1		24	25
South East	2	6	34	42	4	4	16	24
South West	4	8	22	34	2	1	11	14
East Midlands	2	4	11	17	2	1	6	9
East of England	1	7	29	37	3	5	14	22
West Midlands		4	20	24	4	2	12	18
Yorkshire and the Humber		3	10	13	1		7	8
North East		2	10	12		1	3	4
North West	4	3	29	36	5	7	14	26
Total	13	38	194	245	22	21	107	150

Table 15b: The pattern of actual rents in relation to target rents - whether within 5% of target rents

Region	Number of LAs with 5 bed				Number of LAs with 6+ bed			
	RSRNetRent /RSRTarget Rent >1.05	RSRNetRent/RSRTarget Rent =1.05	RSRNetRent/RSRTarget Rent <1.05	Total	RSRNetRent /RSRTarget Rent >1.05	RSRNetRent/RSRTarget Rent =1.05	RSRNetRent/RSRTarget Rent <1.05	Total
London	1		29	30	1		24	25
South East	8	2	32	42	8		16	24
South West	11	2	21	34	3		11	14
East Midlands	5	1	11	17	2	1	6	9
East of England	7	1	29	37	7	1	14	22
West Midlands	3	1	20	24	6		12	18
Yorkshire and the Humber	3		10	13	1		7	8
North East	2		10	12	1		3	4
North West	6	1	29	36	12		14	26
Total	46	8	191	245	41	2	107	150

The differences between the numbers at or above +10% (Table 15a) and at or above 5% (Table 15b) are relatively small in that almost the same numbers of LAs have rents of five and six plus units below +5% as for 10%. Where the differences lie is in the numbers that are at or above the +5% as compared to five bed and for six plus beds rents lie within the range +5% to 10%, suggesting that very few are out of line with the rent structuring regime.

Six HAs provided target rent data for individual properties (Table 16). The results are in line with the figures based on the RSR in Table 12. Five of the six HAs that provided data (83%) ratios below at or below, while one (Home Group) had a ratio positive ratio of almost 20%.

Table 16: Net rents target rents ratios for six of the top 27 providers of five plus bedroom properties in England⁶

HA Name	Net rents/target rents ratio: HA average
Riverside	0.89
Peabody	0.92
Manningham	0.96
Cross Keys	0.98
Midland Heart	1.00
Home Group	1.19

Overall, rents for larger units are generally below target rents, especially in London and to a lesser extent for six plus bedroom units. There is however a small number of LAs where rents are above target, and a tiny number where they are more than 10% above that target. Some of these may simply reflect even larger units in ownership.

⁶ Data collected from six of the top 27 HAs with five plus bedroom properties according to the 2007 RSR.

7. Conclusions

The picture provided by the new data available on the provision of larger dwellings and the rents charged for these properties suggests:

- The absolute number of larger units provided is very small, around 5,400, of which more than 80% have five bedrooms
- The number of larger units provided is generally accounted for a tiny proportion of social rental stock in either a given LA or a given HA
- Larger dwellings are concentrated in relatively few LAs mostly located in urban areas
- Similarly, ownership of larger dwellings is concentrated in a small number of HAs. Some of those are highly spatially concentrated. A few provide across a number of LA areas. None of these HAs are LSVT associations
- Provision is particularly concentrated in London both with respect to stock and ownership
- There are also large concentrations in the North West and the Birmingham area but then to a greater extent reflects concentrations of social rented housing overall
- A large number of LAs and HAs have very small numbers of larger stock or no larger stock provision at all
- The spatial and ownership pattern of five and six plus bedroom units differs very little – if there are concentrations of one, there are generally concentrations of the other
- Rents for larger dwellings follow a fairly consistent spatial pattern with the highest rents in London and the lowest in the northern regions
- Relatively few LAs have average weekly rents for either five or six plus bedroom units over £115. A significant majority for five bed units are less than £90. The equivalent figure for six plus bedroom units is £100
- Detailed evidence from HAs that account for almost 30% of larger units shows a consistent spatial and size patterns although there are outliers especially with respect to the largest units
- Actual rents are below target rents in the majority of LA areas especially in London; however, there are a small number of areas scattered across the country where actual rents are 5% or more above the target rents. Many of these areas may have quite small holdings
- The pattern of rents for larger size properties is less consistent than for smaller size dwellings, perhaps reflecting individual attributes as well as small holdings