



What's happening with the 10-year 110,000 homes target?

GWSF briefing note, April 2024

1 The target

The Scottish Government's pledge is to provide 110,000 social and affordable homes, with at least 70% being for social rent, in the 10 years from 2021/22 to 2031/32. The target is measured through annual completions.

2 Mapping the slowdown in social sector new build starts

- Social sector new build starts in the calendar year 2023 were 3,265
- This is 48% of the average number of starts in the three years 2018-2020 when the first five-year, 50,000 homes programme was in full swing
- The pace of the slowdown can be illustrated by comparing the 4,080 social sector starts between April 2022 and March 2023 with the 3,265 starts between Jan 2023 and Dec 2023 (i.e. just nine months later)

Taking the areas containing most GWSF members, the split by LA area is as follows:

Table - Social sector new build starts 2014 to 2023 (calendar year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Scotland	3784	4273	4998	5845	7760	6342	6339	5493	5016	3265
Glasgow	561	937	470	1211	912	629	743	724	168	337
E Ayrshire	14	13	111	37	230	105	0	125	157	49
E Dunb	84	60	104	60	142	118	90	65	11	0
N Ayrshire	37	36	115	220	241	225	388	196	36	26
Renfrewshire	156	53	144	192	133	164	328	288	84	97
S Lanarks	126	293	197	289	470	389	407	203	229	3
W Dunb	91	72	125	269	54	306	166	349	18	113

The above figures are council and housing association starts combined. It's worth noting, though, that the 2,073 homes started by housing associations in 2023 was the lowest figure for HAs since 1988.

3 Forecasting ahead

We focus here on the minimum 77,000 social rent homes pledged as 70% of the overall 110,000 homes programme.

Social sector new build completions in the 10-year programme to the end of 2031-32 would need to average 7,700 annually to meet the 77,000 total.

So far, social rent completions have been at relatively healthy levels:

- 2021-22 6,557 homes
- 2022-23 6,958 homes

[These don't include off the shelf purchases or what the SG calls 'rehabilitations', and we assume acquisitions too aren't included in these totals.]

In view of the falling number of starts in 2022 (5,016) and 2023 (3,265), it seems a fair assumption that completions may be around 5,000 in 23/24 and 4,000 in 24/25, continuing to fall steadily thereafter – possibly to around 3,000 or fewer annually – especially in the context of the 24/25 budget cut, which then sets a lower baseline.

Whilst forecasting many years ahead can only produce a rough estimate, taking all known current factors into account, we believe a fair estimate is that out of 77,000 new social homes promised in the 10-year programme, around 42,350 may actually be delivered: this is 55% of the target.

This 55% success rate assumes that the programme will steady itself and plateau in the mid to late 2020s, rather than continue to fall. If this assumption proves over-optimistic, the eventual figure is likely to be well below 55%.

4 Communicating our concerns

Consistent with other housing bodies, GWSF will continue to make the case for restoring the recent cut and then increasing the housing investment budget. But we'll also continue calling for a more honest approach from ministers, who appear to be in denial that the 110,000 homes target is so far off target.

We will participate in working groups exploring the scope for increased institutional investment, but so far we have seen nothing which leads us to believe that private finance can replace grant without a severe upward impact on rents.

Finally we will continue to assert that many of our members remain keen to work with their local authority partners to provide new social (and mid-market rent) housing in areas it is most needed, where grant subsidy levels are adequate.