

**Report Title: Private Rented Housing Stock**

**Report Author: Jennifer Boag**

**Date: July 2015**

## Private rented housing stock

Recent information from the Council's Register of Private Landlords shows that there has been a substantial increase in the number of privately rented properties in the Council area. Because of concern that the quality of the housing stock in the private rented sector is usually poorer than in the housing stock more generally,<sup>1</sup> it was decided to use information held on the addresses of new build housing to identify those privately rented properties which have been built relatively recently. This report shows the results of the work carried out.

### Private rented housing stock

Table 1 shows the change in the private rented housing stock from 2001 in the Falkirk Council area. While the data sources are not entirely comparable, this nonetheless shows the substantial increase in the private rented sector from a relatively small tenure in 2001, and even in 2010, to over 9% of the total stock in the Council area by 2015. There are about three times as many privately rented properties in the Falkirk Council area now than there were in 2001. This increase obviously has implications for many aspects of the Council's Local Housing Strategy and how the Council plans to meet future housing need.

**Table 1: Private rented housing stock 2001-2015**

Year	No	% of total housing stock
2001	2,152	3.4%
2010	2,523	3.6%
2011	4,995	7.3%
2015	6,593	9.1%

Sources: 2001 and 2011 Censuses Crown Copyright; 2010 Falkirk Council all tenure database, 2015, Falkirk Council Register of Private Landlords

This increase in the private rented sector is mirrored across Scotland and the UK. For example, the Census figures show that private renting in Scotland increased from 8.0% of all households in 2001 to 12.4% in 2011. Further comparisons across Scotland are made at the end of this report.

This increase in private renting is due to a number of factors. Partly it is due to the increase in house prices which have priced some first time buyers out of the market - although this may be less true in Falkirk as average house prices in Falkirk are lower than in some other parts of Scotland.<sup>2</sup> Lack of social rented property means that many people are therefore forced into the private rented market.

<sup>1</sup> For example, the 2013 Scottish House Conditions Survey found that private rented properties (along with local authority owned properties) were much more likely to suffer from disrepair, both basic and extensive, than other tenure types. "Scottish House Conditions Survey 2013 - Key Findings" Table 41 <http://www.gov.scot/Resource/0046/00465627.pdf>

<sup>2</sup> Registers of Scotland report "10-year Property Market Report 2005-2015" shows that the average price of a house in Falkirk in 2014/15 was £126,665 compared to a Scottish average of £167,396 and that prices in the ten years from 2005 increased by 24% in Falkirk compared to 35% across Scotland. [https://www.ros.gov.uk/\\_data/assets/pdf\\_file/0011/18668/RoS\\_10\\_Year\\_PM\\_report.pdf](https://www.ros.gov.uk/_data/assets/pdf_file/0011/18668/RoS_10_Year_PM_report.pdf)

It is also partly due to the recession when some house owners were unable to sell their properties when they wanted to move and so rented out their former home until the market improved. It has also been driven by the increase in availability of buy-to-let mortgages so that people have chosen to become private landlords as a means of investment. Recent figures from the Council of Mortgage Lenders show that in the last year over 205,000 buy-to-let mortgages were issued, up from 172,000 in the previous year.

Analysis of the 2015 data on properties listed on the Council's Register of Private Landlords compared to the data on the 2010 tenure database shows the change in private renting in the six housing market sub areas across the Council.

**Table 2: Private rented houses by housing market sub-area change 2010-2015**

Sub area	No or properties		Change	
	2010	2015	No	%
Bo'ness	259	713	+ 454	+ 175%
Denny/Bonnybridge	179	765	+ 586	+ 327%
Falkirk	1,271	2,612	+ 1,341	+ 106%
Grangemouth	261	741	+ 480	+ 184%
Polmont/Rural South	200	763	+ 563	+ 282%
Stenhousemuir/Larbert/Rural North	353	999	+ 646	+ 183%
Total	2,523	6,593	+ 4,070	+ 161%

Source: Falkirk Council tenure database (2010), Falkirk Council Register of Private Landlords (2015)

**Table 3: Private rented houses by housing market sub area % of stock 2010-2015**

Sub area	2010		2015	
	No	% of total	No	% of total
Bo'ness	259	3.6%	713	9.9%
Denny/Bonnybridge	179	1.6%	765	6.6%
Falkirk	1,271	6.7%	2,612	13.5%
Grangemouth	261	3.0%	741	8.4%
Polmont/Rural South	200	1.6%	763	5.8%
Stenhousemuir/Larbert/Rural North	353	3.1%	999	8.4%
Total	2,523	3.6%	6,593	9.1%

Source: Falkirk Council tenure database (2010), Falkirk Council Register of Private Landlords (2015)

Tables 2 and 3 show the growth in private renting by housing market sub-area. Falkirk has the largest number and percentage of privately rented properties, now over one in eight of all houses in Falkirk are private rented. However, growth in private renting has been strongest in the areas which had least private renting in 2010 - Denny/Bonnybridge and Polmont and Rural South.

While the majority of properties which were private rented in 2010 remained private rented in 2015, some 416 did not. Table 4 shows the change by housing market sub-area.

**Table 4: Private rented houses by housing market sub area losses and gains 2010-2015**

Sub area	In 2010 only	In 2010 and 2015	Total 2010	In 2015 only	Total 2015
Bo'ness	48	211	259	502	713
Denny/Bonnybridge	41	138	179	627	765
Falkirk	180	1,091	1,271	1,521	2,612
Grangemouth	40	221	261	520	741
Polmont/Rural South	52	158	200	605	763
Stenhousemuir/Larbert/Rural North	65	288	353	711	999
Total	416	2,107	2,523	4,486	6,593

Source: Falkirk Council tenure database (2010), Falkirk Council Register of Private Landlords (2015)

### House condition

In order to identify those privately rented properties which might be considered to be in good condition, an exercise was undertaken to compare the list of properties on the Council's tenure database (2010) and the Register of Private Landlords (2015) with the list of addresses of new build developments held by the Council's Research and Information Team and developed for a different purpose.

This identifies all housing developments of four or more properties completed since around 1990, i.e. the great majority of new build in the last 25 years. It is assumed that all properties completed within that time period will meet the most recent building standards and that their condition will remain good. Some of these properties will have been completed before 1990 but were on sites where the site completion was on or after 1990.

The new build list contains some 16,055 properties making new build houses completed in the last 25 years 22.3% of the total housing stock. Of these, 20.8% were flats and 79.2% were houses (terraced, semi-detached or detached).

**Table 5: New build since 1990 by housing market sub-area**

Sub area	No.	% of total new build	% of housing stock
Bo'ness	972	6.1%	13.4%
Denny/Bonnybridge	2,523	15.7%	21.8%
Falkirk	4,050	25.2%	21.0%
Grangemouth	744	4.6%	8.4%
Polmont/Rural South	3,592	22.3%	27.4%
Stenhousemuir/Larbert/Rural North	4,174	26.0%	34.9%
Total	16,055	100%	22.3%

Source: Falkirk Council Research & Information Team

Of the total of 7,009 properties which were private rented in either 2010 or 2015 or both, some 1,975 were constructed in the last 25 years - 28.2%. Of those privately rented in 2015 1,890, or 28.7%, were built since 1990, a slight increase over the 2010 percentage.

**Table 6: Private rented houses by housing market sub area and whether new build**

Sub area	2010			2015		
	No. rented	New build No	%	No. rented	New build No	%
Bo'ness	259	37	14.3%	713	150	21.0%
Denny/Bonnybridge	179	35	19.6%	765	194	25.4%
Falkirk	1,271	403	31.7%	2,612	833	31.9%
Grangemouth	261	15	5.7%	741	55	7.4%
Polmont/Rural South	200	49	24.5%	763	222	29.1%
Stenhousemuir/Larbert/Rural North	353	141	39.9%	999	436	43.6%
Total	2,523	680	27.0%	6,593	1,890	28.7%

Source: Falkirk Council Research & Information Team

The percentage of the private rented houses in the sub areas which are new build is generally related to the percentage of all the housing stock is new build. So Grangemouth which has a low number of new build houses has a low percentage of private rented properties which are new build, while Stenhousemuir/Larbert and Rural North has a high percentage of new build overall and of private rented new build.

On the other hand, 11.8% of all houses completed since 1990 are currently privately rented, a slightly higher percentage than the percentage of all houses which are privately rented - 9.1%. Table 7 shows this broken down by the housing market sub areas. The highest percentage of new build which is privately rented is in Falkirk.

**Table 7: New build since 1990 by housing market sub-area & whether privately rented**

Sub area	No of new build	Privately rented	
		No	%
Bo'ness	972	150	15.4%
Denny/Bonnybridge	2,523	194	7.7%
Falkirk	4,050	833	20.6%
Grangemouth	744	55	7.4%
Polmont/Rural South	3,592	222	6.2%
Stenhousemuir/Larbert/Rural North	4,174	436	10.4%
Total	16,055	1,890	11.8%

Source: Falkirk Council Research & Information Team

One interesting aspect of the relationship between new build properties and private renting is the proportion of newly built flats which are rented compared to houses. Table 8 shows that over one third of all new build flats were rented privately in 2015. This excludes flats built by Housing Associations or Falkirk Council of which there have been some 940 since 1990 - 28% of all flats built.

**Table 8: New build 2015 by housing market sub-area and type & whether private rented**

Sub area	Total	Rented			Rented		
		Flats	No	%	Houses	No	%
Bo'ness	972	199	74	37.2%	773	76	9.8%
Denny/Bonnybridge	2,523	277	68	24.5%	2,246	126	5.6%
Falkirk	4,050	1,669	682	40.9%	2,381	151	6.3%
Grangemouth	744	303	38	12.5%	441	17	3.9%
Polmont/Rural South	3,592	241	59	24.5%	3,351	163	4.9%
Stenhousemuir/Larbert/Rural North	4,174	647	231	35.7%	3,527	205	5.8%
Total	16,055	3,336	1,152	34.5%	12,719	738	5.8%

Source: Falkirk Council Research & Information Team

Two developments consist entirely of privately rented properties - Fortuna Court and Newcarron Court in Falkirk. Several other developments solely of flats also have a majority now privately rented. As an example of some of the larger sites:

Corbiehall, Bo'ness	19 out of 30 - 63%
Maltings, Falkirk	53 out of 72 - 74%
Johnston Court, Falkirk	25 out of 46 - 54%
Ladysmill, Falkirk	65 out of 72 - 90%
Thornbridge Court, Falkirk	17 out of 24 - 71%

In addition some of the flats built as part of mixed developments also have large numbers now privately rented. For example, Wilkie Place, Larbert in the Foundry Loan development has 21 out of 24 flats privately rented (88%) and McCormack Place, Larbert, part of the large Bellsyde development. has 53 out 77 flats privately rented (69%).

One small exception is the six flats in Cockburn Street, Falkirk which were all privately rented in 2010 but are no longer on the list.

This may be an issue for planners to consider when granting planning consent for flatted developments.

### **Falkirk private renting compared to other areas**

Subsequent to the initial analysis of Falkirk's own data, it was decided to look at comparisons between Falkirk and other Council areas to see how the amount and growth of private renting in Falkirk compared with other areas. Information was collected from the 2001 and 2011 Censuses and also from the Scottish Government who provide monthly updates to the private rented sector teams in each council of information taken from the Landlord Registration Scheme data.

These figures show that the highest levels of private renting are currently in the four cities with almost a quarter of all properties in Edinburgh being privately rented. However in the 2001 Census, the areas which had the highest levels of private renting were more rural areas such as Perth and Kinross and Scottish Borders followed by Edinburgh. Falkirk had a relatively low percentage of private renting in 2001 along with several other central belt urban and suburban council areas.

In the period 2001 to 2011 the areas with the highest percentage increase in private renting were areas which had previously had low levels, including Falkirk, and also including Glasgow. Council areas with the smallest increases were largely rural areas which already had higher levels of private renting.

Falkirk was also among the councils with the highest increase in private renting from 2011 onwards. However, Falkirk remains one of the areas with the lowest levels of private renting at 9.1% well below the Scottish average of 13.6%.

These results are shown in Table 9.

## **Conclusion**

Private renting has grown to over 9% of all houses in the Council area.

The amount of private renting is highest in the Falkirk sub-area.

Just under 30% of all properties currently privately rented have been built in the last 25 years and can therefore be assumed to be in good condition.

A high percentage of all new build flats are private rented.

Private renting in Falkirk has seen a significant increase but remains below the Scottish average. The highest levels of increase have been in areas where private renting was previously low. Private renting is highest in the four cities and continues to be high in rural areas.

**Table 9: Private renting across Scotland 2001-2015**

Council area	2001 Census			Change 2001-2011		2011 Census			Change 2011-2015		2014/15		
	Households	Private rented	% PR	No	%	Households	Private rented	% PR	No	%	Council tax register Sept 2014	Private rented April 2015	% PR
Aberdeen City	97,013	9,924	10.2%	7,658	77.2%	103,371	17,582	17.0%	3,626	20.6%	113,508	21,208	18.7%
Aberdeenshire	90,736	8,337	9.2%	1,531	18.4%	104,714	9,868	9.4%	1,960	19.9%	114,086	11,828	10.4%
Angus	46,945	4,902	10.4%	1,088	22.2%	51,616	5,990	11.6%	1,062	17.7%	55,267	7,052	12.8%
Argyll & Bute	38,969	5,048	13.0%	-20	-0.4%	40,125	5,028	12.5%	707	14.1%	47,500	5,735	12.1%
Clackmannanshire	20,558	938	4.6%	938	100.0%	22,734	1,876	8.3%	569	30.3%	23,995	2,445	10.2%
Dumfries & Galloway	63,807	8,492	13.3%	698	8.2%	67,980	9,190	13.5%	1,552	16.9%	73,895	10,742	14.5%
Dundee City	66,908	7,830	11.7%	5,091	65.0%	69,193	12,921	18.7%	2,535	19.6%	73,575	15,456	21.0%
East Ayrshire	50,346	2,153	4.3%	2,259	104.9%	53,919	4,412	8.2%	1,682	38.1%	57,324	6,094	10.6%
East Dunbartonshire	42,206	1,220	2.9%	1,291	105.8%	43,473	2,511	5.8%	476	19.0%	45,281	2,987	6.6%
East Lothian	38,157	2,680	7.0%	1,394	52.0%	42,905	4,074	9.5%	1,038	25.5%	45,968	5,112	11.1%
East Renfrewshire	34,950	1,096	3.1%	971	88.6%	37,225	2,067	5.6%	266	12.9%	37,852	2,333	6.2%
Edinburgh, City of	204,683	27,686	13.5%	22,192	80.2%	223,051	49,878	22.4%	6,580	13.2%	239,525	56,458	23.6%
Eilean Siar	11,275	1,030	9.1%	-172	-16.7%	12,576	858	6.8%	-137	-16.0%	14,520	721	5.0%
Falkirk	62,598	2,152	3.4%	2,843	132.1%	68,732	4,995	7.3%	1,595	31.9%	72,624	6,590	9.1%
Fife	150,274	9,737	6.5%	8,214	84.4%	160,952	17,951	11.2%	3,937	21.9%	172,425	21,888	12.7%
Glasgow City	271,596	22,585	8.3%	25,434	112.6%	285,693	48,019	16.8%	5,819	12.1%	301,891	53,838	17.8%
Highland	89,533	9,964	11.1%	1,829	18.4%	102,091	11,793	11.6%	1,626	13.8%	114,603	13,419	11.7%
Inverclyde	36,691	2,060	5.6%	1,882	91.4%	37,434	3,942	10.5%	521	13.2%	38,699	4,463	11.5%
Midlothian	32,922	1,736	5.3%	842	48.5%	34,978	2,578	7.4%	828	32.1%	38,159	3,406	8.9%
Moray	35,803	4,728	13.2%	328	6.9%	40,062	5,056	12.6%	-264	-5.2%	43,788	4,792	10.9%
North Ayrshire	58,726	2,950	5.0%	2,702	91.6%	62,498	5,652	9.0%	1,893	33.5%	67,204	7,545	11.2%
North Lanarkshire	132,619	3,368	2.5%	7,337	217.8%	145,998	10,705	7.3%	1,595	14.9%	151,424	12,300	8.1%
Orkney Islands	8,342	1,073	12.9%	22	2.1%	9,725	1,095	11.3%	65	5.9%	10,816	1,160	10.7%
Perth & Kinross	58,323	8,061	13.8%	1,413	17.5%	64,777	9,474	14.6%	1,374	14.5%	70,312	10,848	15.4%
Renfrewshire	75,355	3,631	4.8%	4,443	122.4%	80,902	8,074	10.0%	745	9.2%	84,442	8,819	10.4%
Scottish Borders	47,371	6,498	13.7%	714	11.0%	52,498	7,212	13.7%	1,479	20.5%	57,274	8,691	15.2%
Shetland Islands	9,111	913	10.0%	-59	-6.5%	9,950	854	8.6%	-33	-3.9%	10,950	821	7.5%
South Ayrshire	48,748	3,288	6.7%	2,074	63.1%	51,286	5,362	10.5%	985	18.4%	54,489	6,347	11.6%
South Lanarkshire	126,496	4,374	3.5%	7,012	160.3%	139,188	11,386	8.2%	4,159	36.5%	146,925	15,545	10.6%
Stirling	35,508	3,195	9.0%	1,396	43.7%	37,566	4,591	12.2%	1,290	28.1%	40,320	5,881	14.6%
West Dunbartonshire	40,781	1,176	2.9%	1,601	136.1%	42,167	2,777	6.6%	215	7.7%	44,734	2,992	6.7%
West Lothian	64,896	2,529	3.9%	4,592	181.6%	73,398	7,121	9.7%	214	3.0%	77,186	7,335	9.5%
Scotland	2,192,246	175,354	8.0%	119,538	68.2%	2,372,777	294,892	12.4%	49,959	16.9%	2,540,561	344,851	13.6%



