

## Household Analysis Review Group (HARG)

### 2013 Household Estimates – provisional results

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The results presented in this paper are provisional.  
 They may differ from the final household estimates published.  
 Please treat these figures as RESTRICTED until after publication on 30 July, and do not use them or pass them on to anyone else without prior agreement from National Records of Scotland (NRS).

#### 1. Summary

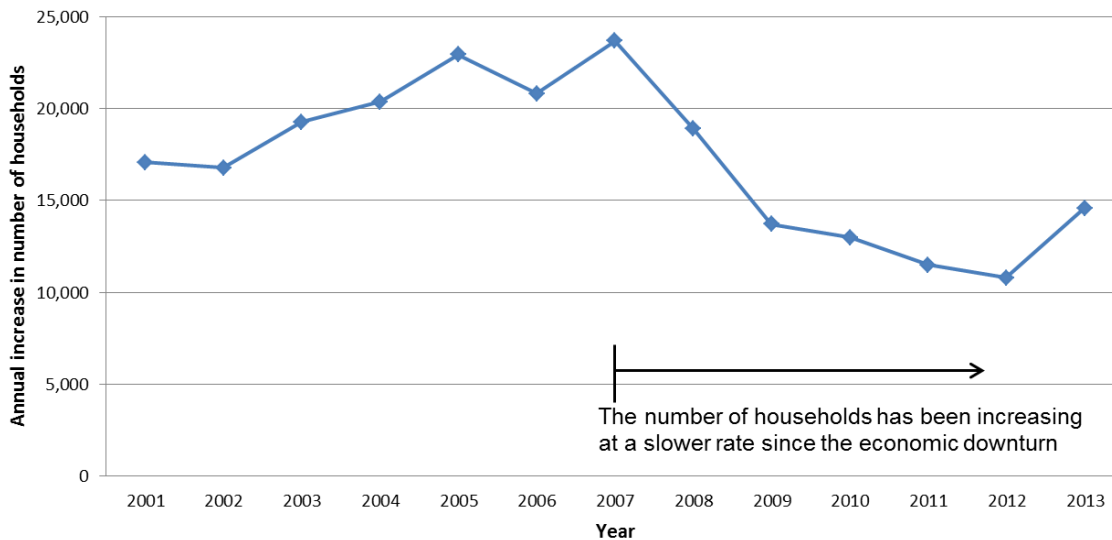
Our household estimates are based on the number of dwellings recorded in Council Tax system, and how many are recorded as being vacant or second homes.

Following changes to the legislation on the Council Tax chargeable on long-term empty properties, a number of councils have carried out reviews of the properties that were recorded in their Council Tax systems as being long-term empty or second homes, and this has led to changes in these figures between 2012 and 2013. We are considering whether we should revise the figures for 2012 and previous years, as a result. This paper describes what the data show, and outlines the options. Our preferred option would be not to revise the previous years, but to explain very clearly what has happened, and what the effects are on our figures.

## 2. Increases in the number of households over time

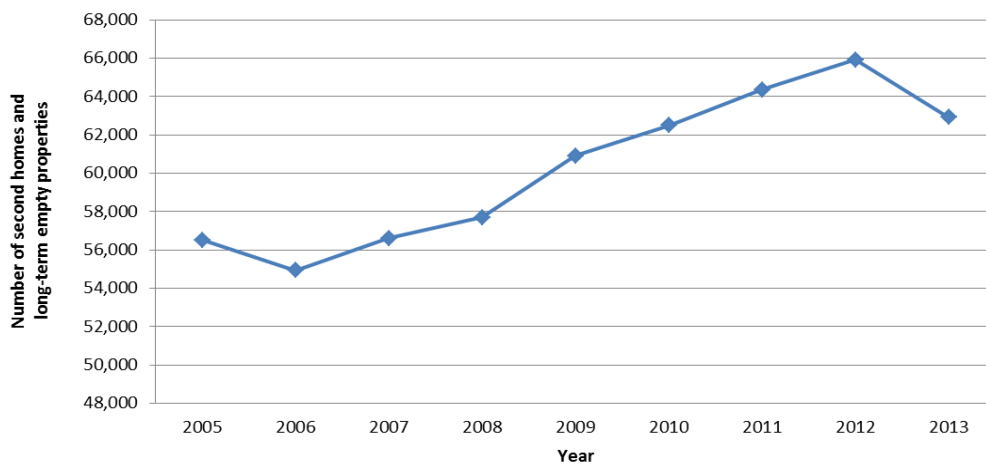
The annual increase in households for Scotland has been slowing down since the global economic downturn began in 2007/8, but in 2013, the figures show a much greater annual increase in the number of households (Figure 1).

**Figure 1: Annual increase in the number of households in Scotland between 2001 and 2013**



However, this is not due to growth in the number of dwellings. Instead, it is due to a drop in the number of second homes and long-term empty properties (Figure 2)

**Figure 2: Combined number of second homes and long-term empty properties in Scotland between 2005 and 2013**



## 3. Changes in the numbers of second homes and long-term empty properties

In order to encourage owners of empty homes to bring their properties back into use, the Scottish Government has introduced the [Local Government Finance \(Unoccupied Properties etc.\) \(Scotland\) Act 2012](#) (available on the [legislation.gov.uk](http://legislation.gov.uk) website) and subsequent regulations, which allow councils to increase Council Tax charges on certain long-term empty homes once the property has been empty for one year or more. This is a discretionary power and councils can decide whether an increase is appropriate and can contribute to returning properties to use in their area. The definition of a second home has also changed slightly.

Our household estimates are based on data from Council Tax systems, including information on the total number of dwellings, and the number which are classified as being vacant or second homes. When we noticed the big drop in the number of long-term empty properties and second homes between 2012 and 2013, we investigated further to find out the reasons.

The biggest absolute decreases were in the following Council areas: Aberdeen City, Argyll & Bute, City of Edinburgh, Glasgow City, Highland and Renfrewshire ([Annex](#)). In West Lothian and Fife, there were increases in these figures. We have contacted these councils, and all of them (and some others) said that they had carried out reviews of the properties that were recorded in their Council Tax systems as being long-term empty or second homes, and this will have led to changes between the 2012 and 2013 figures.

In the past, when we have been told that a change in the figures between years is due to reclassification, we have sometimes revised the previous years' figures, to give a consistent trend over time. We have done this in cases where we understand that there have not been 'real' changes on the ground, but that some dwellings had been incorrectly classified in the past, and this has now been corrected. In contrast, we would not revise figures where we know a change is 'real', e.g., due to a large number of demolitions or new house-building in an area.

We need to decide whether we should revise any of figures for 2012 and earlier years, and if so, how. There are three main options:

**Option 1** is for Household Estimates and Projections (HEP) to publish the data as received from councils, with no revisions to data from previous years. In the publication itself (and in footnotes to the tables), we would describe the relevant changes to the Council Tax legislation. We would explain that this has led to a number of councils reviewing the properties that were classified as being long-term empty properties or second homes, and that this led to changes in these figures. This is what has led to the apparent increase in the number of households over the last year.

This is the option that we prefer, as it gives users a better understanding of what has happened. The changes to the Council Tax on unoccupied dwellings have led to some quite large changes in the figures, and it is quite possible that there will be more changes to the figures in future years. Revising previous years' figures can be complicated and could be confusing, 'hiding' the changes that are happening.

An alternative would be to revise the figures on long-term empty properties and second homes for 2012 and earlier years. We could just revise the figures going back to 2011, the year of the latest census (**Option 2**), or we could revise the figures for all previous years (**Option 3**).

Using Option 2 or 3 would result in no large shift in the figures between 2012 and 2013. Option 3 would result in a smoother trend over time. However, it would mean making changes to many years' figures, over a time when there have been a lot of changes in the housing market, so making this adjustment may be less valid.

Some illustrations of the effects of Options 2 and 3 are shown below:

Illustration of **Option 2** – revise the figures back to 2011

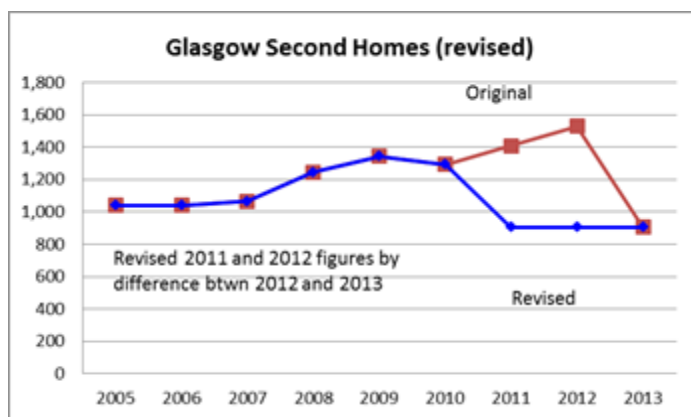
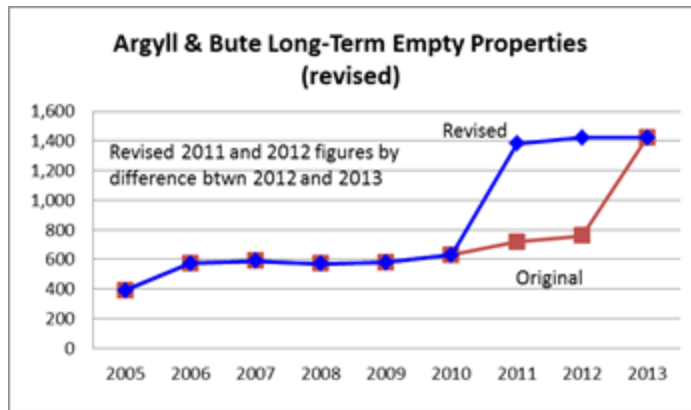
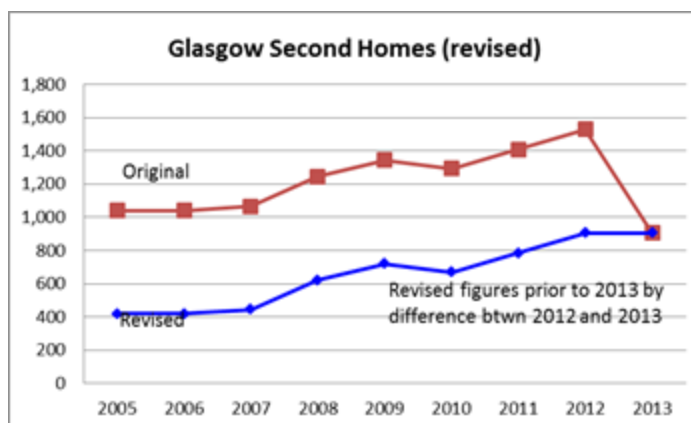
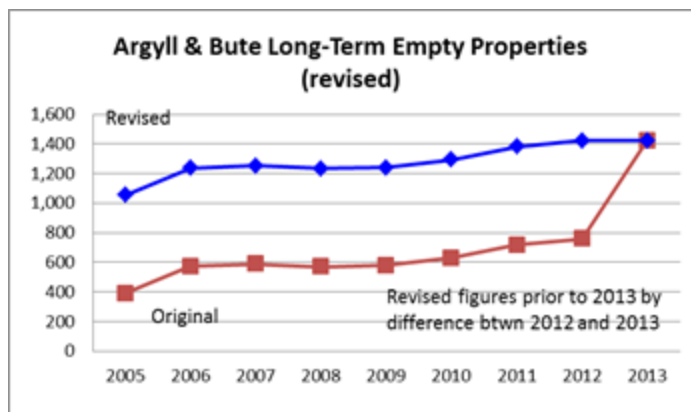


Illustration of **Option 3** – revise the figures for all previous years



#### 4. Conclusion / Next Steps

Of the three options, we recommend Option 1 – not revising previous years' data, but explaining the reasons for the changes clearly in the publication, and in footnotes to the relevant tables. We think this is the simplest and clearest option, giving our users all the information to understand the figures.

Household Analysis Review Group (HARG) members are asked for their views on this, and which option they prefer. We would also welcome any suggestions for anything else that we should do. We will continue monitoring these changes over the next few years.

NRS Household Estimates and Projections branch

June 2014

## Annex

**Second homes and long-term empty properties (combined), 2010-2013 (sorted by absolute change from 2012 to 2013, in increasing order)**

Council	Sep-10	Sep-11	Sep-12	Sep-13	Change	
					2012-2013 (sorted)	% Change 2012-2013
Edinburgh, City of	7,141	6,826	7,943	6,781	-1,162	-15%
Aberdeen City	3,093	3,372	3,345	2,780	-565	-17%
Glasgow City	3,097	3,561	4,063	3,607	-456	-11%
Renfrewshire	1,654	1,805	1,986	1,535	-451	-23%
Argyll & Bute	4,614	4,655	4,674	4,383	-291	-6%
Highland	5,948	5,982	6,032	5,749	-283	-5%
Eilean Siar	1,274	1,209	1,144	996	-148	-13%
Angus	1,886	1,975	1,786	1,655	-131	-7%
Perth & Kinross	2,797	2,956	2,954	2,830	-124	-4%
Inverclyde	1,047	943	876	789	-87	-10%
Aberdeenshire	3,254	3,328	3,643	3,558	-85	-2%
Moray	1,553	1,707	1,725	1,653	-72	-4%
South Lanarkshire	1,428	1,328	1,225	1,155	-70	-6%
South Ayrshire	994	1,014	1,014	961	-53	-5%
Dundee City	1,655	1,530	1,572	1,525	-47	-3%
East Ayrshire	792	815	816	776	-40	-5%
Clackmannanshire	324	417	364	332	-32	-9%
East Renfrewshire	284	309	253	225	-28	-11%
Shetland	409	395	395	384	-11	-3%
East Dunbartonshire	393	390	330	320	-10	-3%
Stirling	834	872	919	925	6	1%
Scottish Borders	2,336	2,462	2,520	2,528	8	0%
Orkney Isles	587	615	658	689	31	5%
West Dunbartonshire	545	657	659	691	32	5%
Midlothian	369	404	399	447	48	12%
Falkirk	960	1,039	1,022	1,085	63	6%
North Ayrshire	2,653	2,728	2,799	2,872	73	3%
Dumfries & Galloway	2,578	2,621	2,700	2,787	87	3%
North Lanarkshire	826	826	870	959	89	10%
East Lothian	848	869	818	954	136	17%
West Lothian	870	977	806	1,053	247	31%
Fife	5,437	5,775	5,615	5,932	317	6%

The Council areas with the largest absolute changes in figures between 2012 and 2013 have been highlighted in yellow. All of these councils (and some others) have told us that they carried out reviews of the number properties that were recorded in their Council Tax systems as being long-term empty properties or second homes.