



Department for
Communities and
Local Government

Estimating the number of leasehold dwellings in England, 2015-16

- In April 2017, the Department for Communities and Local Government (DCLG) published an estimate of the number of residential leasehold dwellings in the private sector in England. This estimate used 2014-15 data and was based on a new methodology.
- DCLG have developed the methodology further, and this statistical release provides an estimate of the number of leasehold dwellings in England in 2015-16. For the first time, it includes an estimate of the number of leasehold dwellings in the social rented sector.
- Using this new methodology, in 2015-16, there were an estimated **4.2 million leasehold dwellings in England**. This equates to 18% of the English housing stock. Of these, 2.2 million dwellings (53%) were in the owner occupied sector and 1.8 million (43%) were privately owned and let in the private rented sector. The remaining 200,000 (5%) were dwellings owned by social landlords and let in the social rented sector. (Percentages do not sum to 100 due to rounding.)
- **There were 1.4 million leasehold houses in 2015-16 and 2.9 million leasehold flats.** (Numbers do not sum to 4.2 million due to rounding). This represents 32% and 68% of the total number of leasehold dwellings respectively.
- The statistics in this report are published as **Experimental Official Statistics**. The methodology is subject to evaluation and testing. The statistics are still work in progress and may not meet rigorous quality standards. The data have been released because they have been judged to be of immediate value to interested parties, and to encourage user feedback.

Housing *Statistical Release*

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Introduction

This report presents an estimate of the number of leasehold dwellings in England in 2015-16. The estimate is based on a new experimental methodology developed by the Department for Communities and Local Government (DCLG). This estimate builds on the methodology developed to produce the 2014-15 estimate which was published in April 2017¹. For the first time, it includes an estimate of the number of leasehold dwellings in the social rented sector in addition to those in the owner occupied and private rented sectors. Shared owners are included and are presented as owner occupiers.

The statistics in this report are Experimental Official Statistics. DCLG welcomes views on the methodology and will update this estimate annually, revising and updating the methodology if necessary. Experimental statistics are considered by the Government Statistical Service as 'new official statistics undergoing evaluation'. Publishing in this way is intended to involve users and stakeholders in their development and as a means of building in quality at an early stage. This experimental statistic, therefore, has been published in line with the standards expected of an Official Statistic.

Methodology

This methodology was developed to provide an estimate of the number of leasehold dwellings in England. It involves matching English Housing Survey (EHS)² and Land Registry data³. DCLG's Dwelling Stock Estimates⁴ and Valuation Office Agency (VOA) Council Tax Stock of Properties⁵ are used to inform the distribution of different types of dwellings (i.e. detached, semi-detached/terraced and flats) across tenures (owner occupied, private or social rented sector). The process is outlined in the diagram below. A description of the process follows the diagram.

¹ For more information, see: <https://www.gov.uk/government/statistics/estimating-the-number-of-leasehold-dwellings-in-england-2014-to-2015>

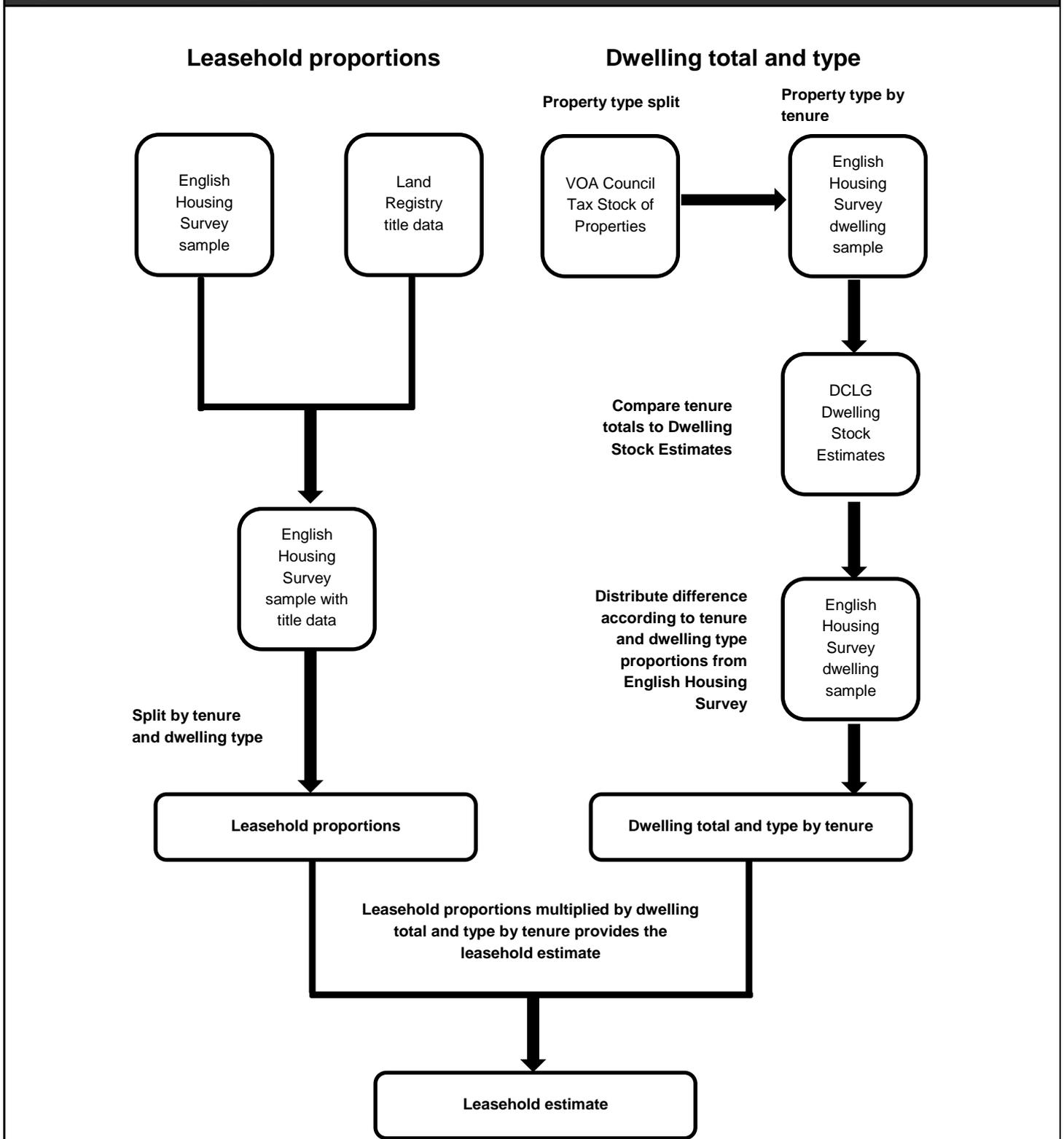
² For more information, see: <https://www.gov.uk/government/collections/english-housing-survey>.

³ <https://www.gov.uk/government/organisations/land-registry>

⁴ For more information, see: <https://www.gov.uk/government/collections/dwelling-stock-including-vacants>.

⁵ For more information, see: <https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics>

Figure 1: Methodology for calculating leasehold estimate



Following strict data sharing protocols, all of the addresses in the 2015-16 EHS sample were shared with Land Registry⁶. The matching process achieved a 95% match rate. To boost the sample size, and to increase the accuracy of the estimate, matched cases from the 2015-16 sample were combined with matched cases from the 2014-15 sample. The larger sample size also

⁶ Only addresses were shared with Land Registry, not personal data collected as part of the survey.

enabled us to produce an estimate of the number of leasehold dwellings in the social rented sector.

The proportion of homes owned on a long lease could then be estimated for detached houses, semi-detached/terraced houses and flats, and for each tenure. The tenure estimate was based on the EHS dwelling⁷ sample, of which there were 9,911 cases with matched data from Land Registry⁸. For a lease to be 'long' it must have duration of more than 21 years when first granted.

The data most commonly showed detached houses to have a single freehold title. For flats, the record most commonly showed a single freehold title or a single leasehold title. However, some homes were found to have multiple titles of ownership recorded. In these cases addresses with one or more leasehold titles registered were categorised as leasehold. Conversely, cases were designated as freehold only if all titles found in the data match were freehold titles.

In order to achieve a reliable measure of the stock by dwelling type, the VOA Council Tax Stock of Properties⁹ and DCLG Dwelling Stock Estimates¹⁰ were consulted. The data from the VOA were used to inform the distribution of types of dwelling and the Dwelling Stock Estimates to provide a control for the number of private sector dwellings in England.

The EHS was used to distribute the VOA dwelling type totals according to the proportion of each dwelling type by tenure. The total number of properties was then compared to the total of stock recorded in the Dwelling Stock Estimates for each tenure. The difference between the two totals was then distributed by dwelling type and tenure in line with the EHS splits of tenure and property type. This provides the dwelling total split by dwelling type and tenure.

The leasehold proportions calculated from the Land Registry matching exercise are then applied to this calculated total of dwellings by property type and tenure, to provide an estimate of the number of residential leasehold dwellings in England.

This methodology differs from that used by DCLG to produce the 2012-13 leasehold estimate in one substantive way: the dwelling totals were calibrated to DCLG's Dwelling Stock Estimates rather than the 2011 Census, because the Dwelling Stock Estimates are more timely. The estimate produced for 2012-13 and estimates from 2014-15 onwards, therefore, are not directly comparable.

⁷ The paired sample is the properties on the EHS sample where both an interview and physical inspection has taken place. The paired sample allows for weighting to dwellings rather than to households.

⁸ The 2014-15 estimate was based on 5,200 cases.

⁹ See Table CTSOP3.0: <https://www.gov.uk/government/statistics/council-tax-stock-of-properties-2015>

¹⁰ See Table 104: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

Results

In 2015-16, there were an estimated 4.2 million leasehold dwellings in England. This equates to 18% of the English housing stock. Of these, 2.2 million dwellings (53%) were in the owner occupied sector and 1.8 million (43%) were privately owned and let in the private rented sector. The remaining 200,000 (5%)¹¹ were dwellings owned by social landlords and let in the social rented sector, Table 1.

Table 1: Leasehold as a proportion of stock and number of dwellings, by tenure and dwelling type

	Houses		Flats		Total	
	% dwellings leasehold	number of leasehold dwellings (thousands)	% dwellings leasehold	number of leasehold dwellings (thousands)	% dwellings leasehold	number of leasehold dwellings (thousands)
Owner occupied	7.4	986	90.3	1,255	15.3	2,241
Private rented sector	11.0	311	76.8	1,496	37.9	1,807
All private sector	8.0	1,297	82.4	2,751	20.8	4,048
Local Authority	0.2	2	5.3	40	2.6	42
Housing Association	5.5	74	8.0	83	6.6	157
All social sector	3.4	76	6.8	124	5.0	200
All tenures	7.5	1,373	55.9	2,875	18.1	4,247

Sources: English Housing Survey; Land Registry; DCLG Dwelling Stock Estimates 2015; VOA Council Tax Stock of Properties 2015

While most flats were leasehold, proportions varied by tenure. In the private sector, 82% of flats were owned on a leasehold basis (90% of owner occupied flats and 77% of privately rented flats). A much smaller proportion (7%) of flats in the social rented sector were owned on a leasehold basis.

Leasehold houses were less prevalent. In the private sector, 8% of houses were owned on a leasehold basis (7% and 11% for the owner occupied and private rented sectors respectively). In the social sector, 3% of houses were leasehold, though this varied by whether the house was owned by a housing association or a local authority. Less than 1% of local authority houses were owned on a leasehold basis compared with 6% of houses owned by housing associations.

Overall, detached houses were less likely to be leasehold than semi-detached/terraced houses (5% compared with 8%). There were a greater proportion of leasehold semi-detached houses in the private rented sector than the owner occupied sector (12% compared with 8%). Among detached houses, the apparent differences between the tenures are not statistically significant, Annex Table 1.

Overall, 38% of all private rented sector dwellings, 15% of owner occupied dwellings, and 5% of social rented sector dwellings were leasehold in 2015-16.

¹¹ Percentages do not sum to 100 due to rounding.

The majority of leasehold dwellings (68%) were flats with 2.9 million leasehold flats across all tenures (2.8 million in the private sector and 100,000 in the social rented sector). There were 1.4 million leasehold houses in 2015-16 which made up the remaining 32% of leasehold dwellings.

The EHS sample of addresses is drawn randomly (from the Royal Mail Postcode Address File). Therefore, a confidence interval around the estimate can be calculated. The 95% confidence interval was calculated. This found that the estimate is relatively precise with a lower bound of 4.03 million leasehold dwellings and an upper bound of 4.46 million dwellings.

Comparison to previous estimates

DCLG has produced several estimates of the number of leasehold dwellings prior to establishing this experimental statistics series. The differences between the old and new methodologies are summarised in the 2014-15 release¹².

In this release, the methodology was further revised. To produce an estimate of the number of leasehold dwellings in the social rented sector, the 2014-15 and 2015-16 matched data were combined to boost the sample size. This also improved the accuracy of the estimate.

As an experimental statistic, analysts at DCLG will continue to evaluate and test the methodology, making improvements if required.

Definitions

Dwelling

A unit of accommodation which may comprise one or more household spaces (a household space is the accommodation used or available for use by an individual household). A dwelling may be classified as shared or unshared. A dwelling is shared if:

- the household spaces it contains are 'part of a converted or shared house', or
- not all of the rooms (including kitchen, bathroom and toilet, if any) are behind a door that only that household can use, and
- there is at least one other such household space at the same address with which it can be combined to form the shared dwelling.

Dwellings that do not meet these conditions are unshared dwellings.

The EHS definition of dwelling is consistent with the Census 2011.

Leasehold

A long leasehold is a form of property ownership normally used for flats that is simply a long

¹²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606387/Estimating_the_number_of_leasehold_dwellings_in_England_2014-15.pdf

tenancy, providing the right to occupation and use for a long period – the ‘term’ of the lease. This can be a period of over 21 years and the lease can be bought and sold during this term. The term is fixed at the beginning and decreases year by year, until the property returns to the landlord. Houses can also be leasehold. A person who buys a leasehold property on a lease is called a leaseholder.

Freehold

The freehold interest in land is a title in property that can be held in England and Wales. In practice a residential freehold interest applies to the outright ownership of land or property for an unlimited period and applies to the majority of houses.

Share of freehold

Where the freehold of the building is (a) either owned jointly by a number (up to four) of the flat owners in their personal names, or (b) where a company is the owner of the freehold and each of the leaseholders hold a share or membership in that company.

Unique Property Reference Number (UPRN)

A unique identifier for every addressable location in Great Britain.

Technical notes

Data collection

No data are collected directly for this statistical release. Instead, it draws on information from a range of data sources in order to compile a coherent set of statistics on the total number of dwellings, tenure profile of the stock, dwelling type across tenure and title data of dwellings. The statistical sources used are listed below.

- English Housing Survey (Department for Communities and Local Government)
<https://www.gov.uk/government/collections/english-housing-survey>
- Dwelling Stock Estimates (Department for Communities and Local Government)
<https://www.gov.uk/government/collections/dwelling-stock-including-vacants>
- Council Tax: Stock of Properties (England and Wales) (Valuation Office Agency)
<https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics>

Data quality

The information in this release is based on a number of data sources. Information on the strengths and weaknesses of the data sources used to calculate the leasehold proportions and dwelling totals and type by tenure can be found in the separate statistical releases for each source. See the

'Data collection' section of this publication for a list of these sources and weblinks to each.

The only data generated for this release is through the matching exercise with Land Registry which is the government organisation that records land and property ownership in England and Wales. The high success rate of this matching exercise means that we are content with the quality of the data we have on the ownership status of the EHS sample.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>).

There are two types of revisions that the policy covers:

Non-scheduled revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

Changes to the component data sources used in this release will be incorporated in the next scheduled release of data.

Uses of the data

The leasehold estimates are intended to be used as evidence in policy making by both central and local government. These releases will allow for tracking the total number of leasehold dwellings over time.

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

A short questionnaire on how the leasehold estimates are used and feedback on the revised methodology and potential methodological improvements is currently open at: <https://www.surveymonkey.co.uk/r/leasehold>

Related statistics

Help to Buy (Equity Loan scheme) and Help to Buy: NewBuy statistics

The Department for Communities and Local Government publishes quarterly Official Statistics on the number of home purchases and the value of equity loans under the Government's Help to Buy: Equity Loan scheme, as well as the number of purchases under the Government's Help to Buy: NewBuy scheme (formerly known only as 'NewBuy'). The latest statistical release contains data on the number of homes purchased through the Help to Buy: Equity Loan scheme that are freehold and the number that are leasehold. Further information, including a breakdown of homes purchased through the scheme by tenure (freehold/leasehold), property type and local authority, is available in the live tables accompanying the release (Release Tables 9, 9a and 9b). The Help to Buy (Equity Loan scheme) and Help to Buy: NewBuy statistics can be found here:

<https://www.gov.uk/government/collections/help-to-buy-equity-loan-and-newbuy-statistics>

Notes

1. These leasehold dwelling statistics are estimates.
2. Sources are shown at the foot of each table throughout the release.
3. This is an experimental statistic and is produced to the standards set out in the Code of Practice for Official Statistics.
4. Details of ministers and officials who receive pre-release access to the Department for Communities and Local Government estimating the number of leasehold dwellings in England release up to 24 hours before release can be found at:
<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics>
5. The next release will be published in September 2018.

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Information on Official Statistics is available via the UK Statistics Authority website:

<https://www.gov.uk/government/statistics/announcements>

Information about statistics at DCLG is available via the Department's website:

www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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