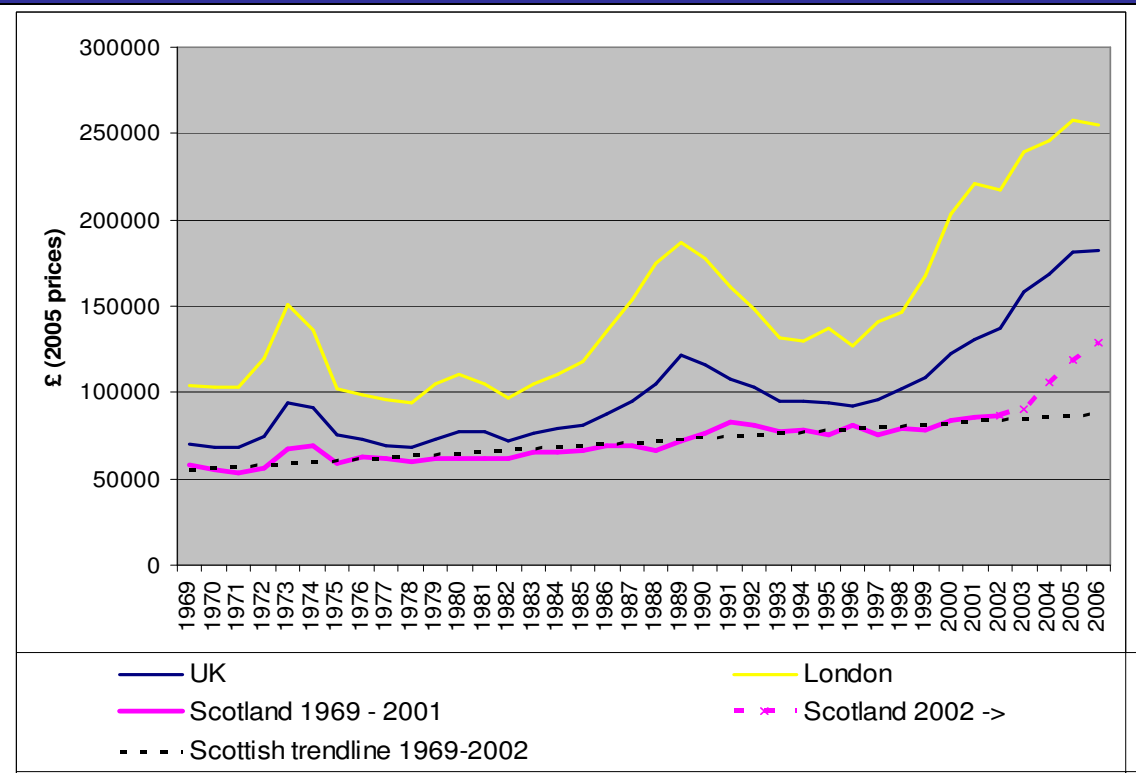


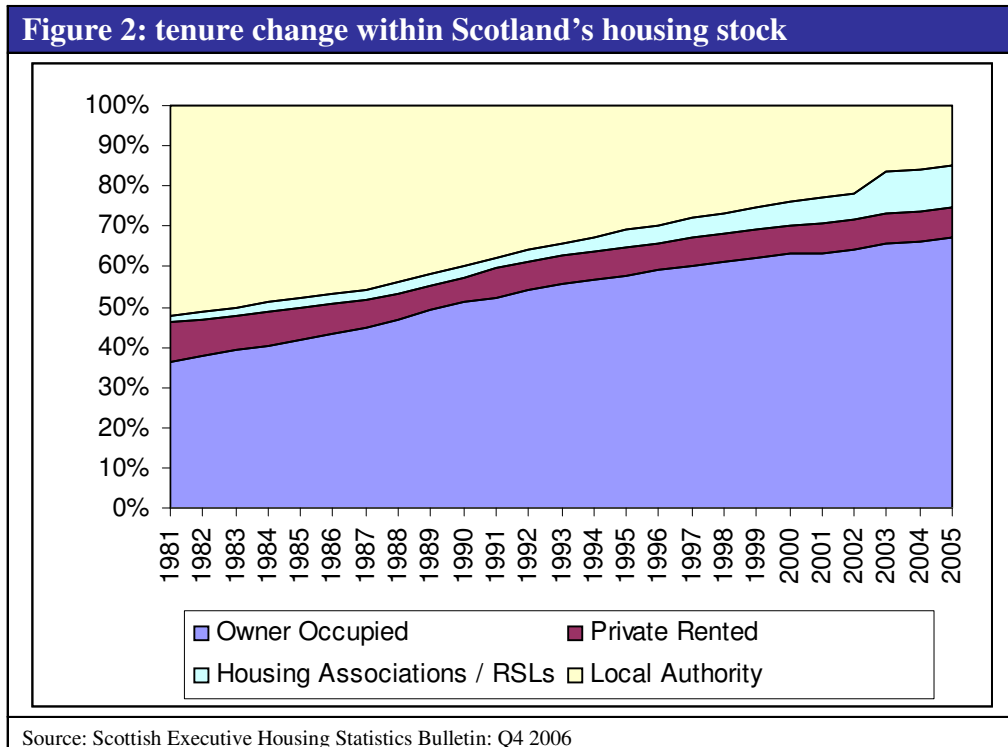
- Between 1969 and 2002 real house prices in Scotland did not significantly diverge from their historic ‘trend’
- Recent price movements suggest this is no longer be the case
- By 2006 average Scottish house prices were 31% above the previous trend
- Increases in house prices have been above corresponding increases in income

Figure 1: comparison of UK real house prices



Source: DCLG Table 590, adjusted using HM Treasury's GDP deflator

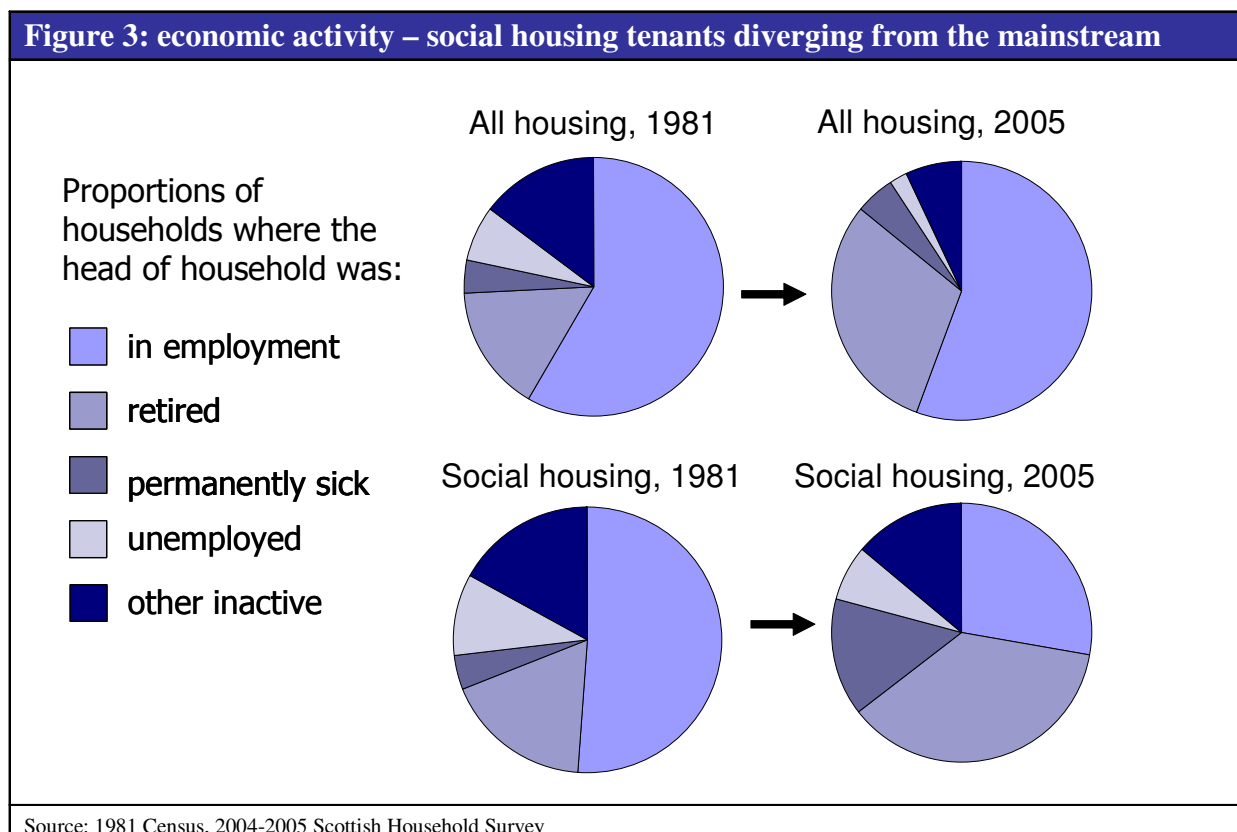
- As owner occupation has risen, social housing as a whole has declined as a proportion of the total housing stock
- The movement has been from over 50% of housing stock in 1981 to its current level of around 25%
- The decline in the sector generally is the result of a large reduction in the number of local authority houses.



In 1981, the profile of social tenants matched quite closely the profile of households in society generally in terms of their size, composition and social and economic characteristics.

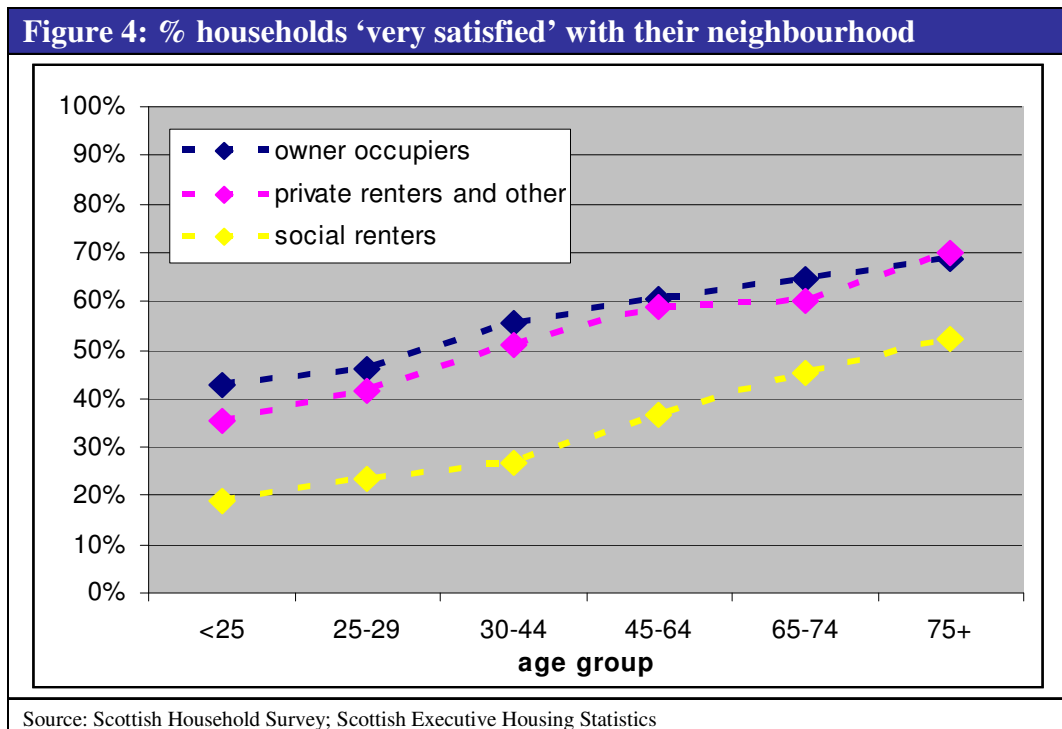
Now:

- tenants are less likely to be in employment than those in households generally, with over half of tenants of working age without work
- they are more likely to be retired or unemployed or permanently sick than other households
- almost three quarters have incomes below £15,000 a year
- two thirds are dependent on housing benefit.

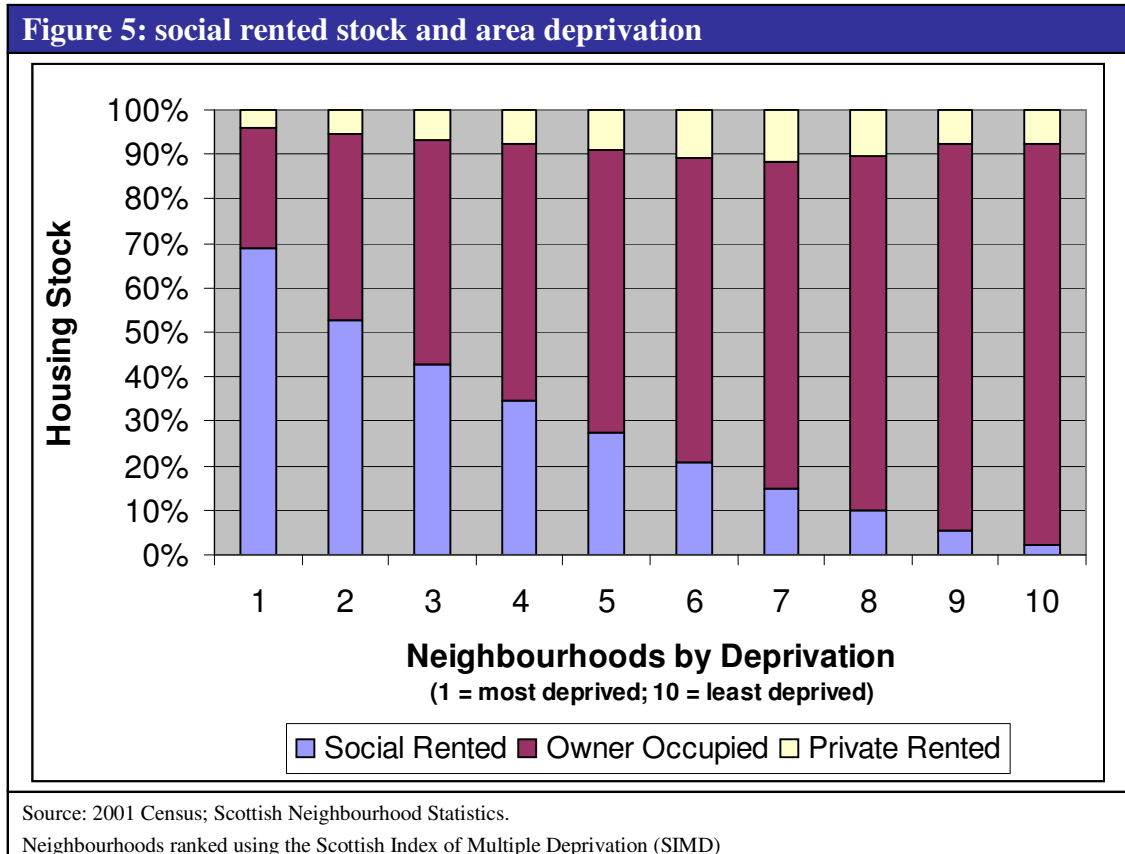


In contrast with owner occupation, social housing is dominated by single pensioners, single parents and other single adults.

- Social housing is viewed by many as being synonymous with unpopular and unsatisfactory neighbourhoods
- Figure 4 illustrates the extent to which this perception is shared by tenants of social housing. In every age group they claim to be significantly less satisfied with their neighbourhoods than owner-occupiers and tenants of private landlords are with theirs.

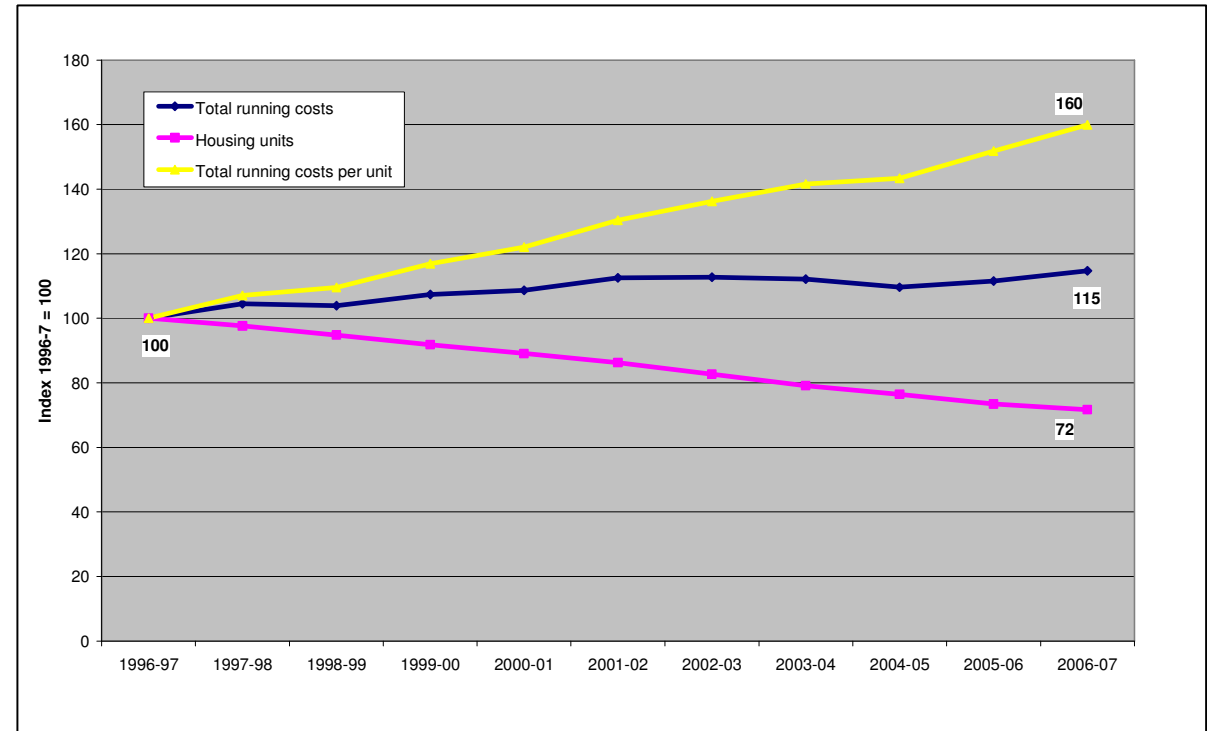


- The most deprived 15% of neighbourhoods are characterised by high concentrations of social housing.
- There appears to be a strong correlation between concentrations of social housing and deprivation



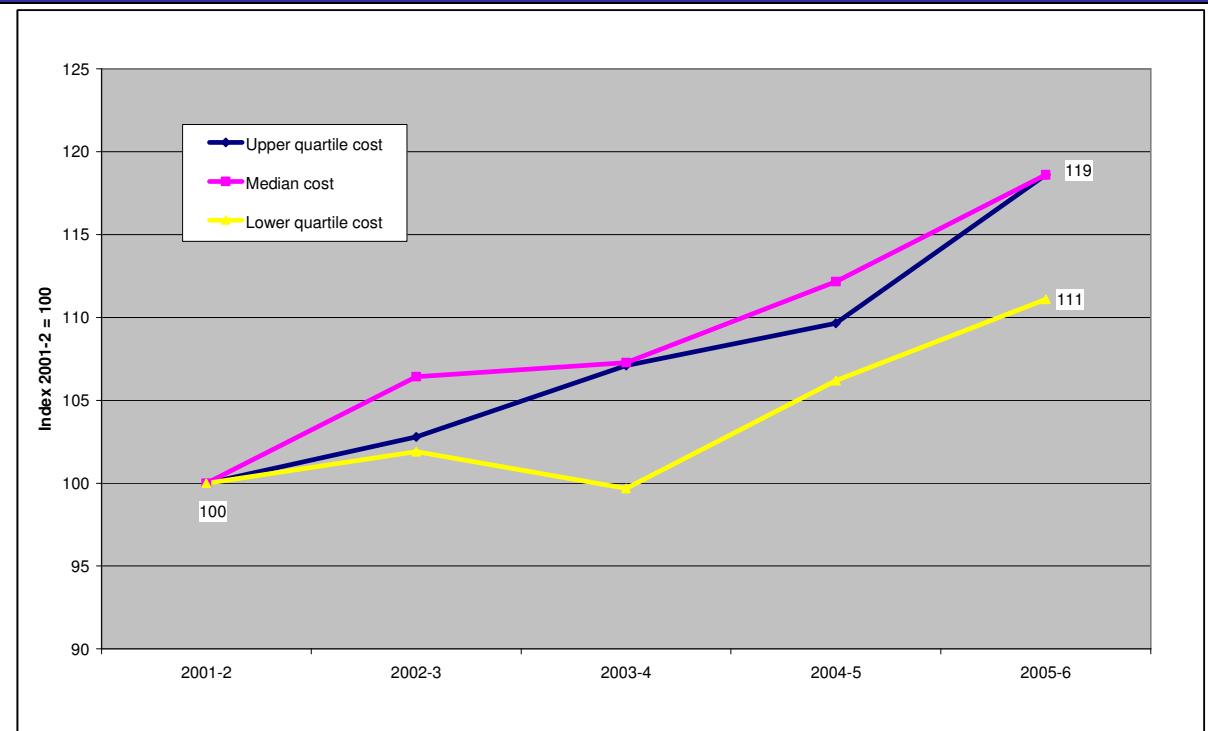
- Running costs of social landlords are running ahead of the cost of inflation
- Figure 6 illustrates how local authority landlord costs have increased by 60% in real terms since 1996-97.
- Figure 7 illustrates the rate at which the running costs of RSLs increased between 2001-02 and 2005-06. It contrasts the performance of the lowest cost RSLs with those that incur median and upper quartile costs.

**Figure 6: real terms index of running costs for Scottish local authority housing since local government re-organisation**



Source: Scottish Government Housing Statistical Bulletins. Note: excludes all transfer local authorities

**Figure 8: real terms index of registered social landlord management costs between 2001/02 and 2005/06**



Source: Communities Scotland Digest 2006/07