Mark Pont, Assessment Programme Lead

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Office for National Statistics (ONS)
(by email)

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Dear Emma

Housing, private rental, and housing purchase affordability statistics

We recently completed our compliance check of your housing affordability, private rental affordability and housing purchase affordability statistics against the Code of Practice for Statistics. These are important official statistics that present affordability ratios based on housing costs and incomes at various geographies. They are important to a range of users to monitor housing trends and inform policy and other decisions. Such uses include the design of schemes to support first-time buyers onto the property ladder; to inform local authority house building targets; and commercial decisions that require an understanding of the demand for different types of housing. The statistics should also provide valuable insights to users in the context of the current cost of living crisis. This letter presents our findings, including feedback to consider alongside the planned development of these statistics.

Our review found a range of positive features that demonstrate the trustworthiness, quality, and value of the statistics:

- The headline housing affordability statistics are well-established and used for local planning and housing policy. The statistics are produced to high standards and are well-presented, accessible and supported by a range of insightful visualisations. The new private rental and housing purchase affordability outputs provide further valuable insights into different aspects of housing affordability. The team should be commended for its efforts in using household income data to overcome known limitations of the headline series.
- The team has established an effective quality management approach. This approach includes, for example, collaboration with analysts in the devolved administrations to obtain their expertise which provides additional reassurance around data quality ahead of the statistics publication. The approach is documented extensively and accessibly in the Housing affordability and Additional measures of affordability Quality and Methodology Information (QMI) reports.
- Extensive engagement with producer teams across the UK to gain buy in and expertise while developing new outputs. The engagement includes that with the Department for Levelling Up, Housing and Communities and the devolved administrations, facilitated though the Government Statistical Service (GSS) cross-government housing and planning working group. The engagement has drawn on cross-government work on the coherence of income data sources to determine the most appropriate sources for developing private rental and housing purchase

outputs. This has ensured that consistent income data sources have been used to measure housing affordability in the different UK countries and regions, wherever possible.

- The team has a range of plans to further enhance the quality and value of the statistics:
  - to enhance value by developing new mortgage affordability estimates from administrative data based on the proportion of people's income spent on mortgage repayments, and estimates housing affordability for small geographical areas. This will enable a greater understanding of the extent of mortgage affordability than has been available to date, and on variations in affordability at lower levels of geography.
  - to expand the coverage and the data sources used for the forthcoming private rental affordability statistics to include estimates for Wales and Northern Ireland for the first time this year, and potentially for Scotland in 2023. This will help to better inform relevant policies relating to private rented sector provision in these countries.
  - to automate statistical production processes to enhance quality and efficiency, starting with private rental affordability. This will speed up the production process by three months, improving the statistics' relevance and value, and enable policy and decision makers to understand the latest trends sooner. We published a [review into the use of](#) [Reproducible Analytical Pipelines (RAP) principles and overcoming barriers](#), which may be useful to the team as it considers a more automated approach.

We also identified areas that may enhance the trustworthiness, quality, and value of these statistics:

- With recent increases in mortgage interest rates there is growing interest in mortgage affordability. The team has identified a potential mortgage data source produced by the Financial Conduct Authority (FCA), but has not yet been able to gain access to the data. We support the team's ambitions to access these data which may enable the production of robust measures of mortgage affordability. These statistics will be of significant value to policymakers and others looking to understand the extent of recent mortgage interest rates changes on the affordability of mortgages for homeowners across the UK.
- References and links between the three affordability outputs should be clear enough to enable users to be aware of the related estimates and navigate easily between them. There is also potential to provide more insight as to how these statistics fit into ONS's work on [the cost of living](#), to provide a coherent overall picture. This will enable users to understand the relevance of these statistics in this broader context.
- Summary information about the team's planned developments for these statistics is included in the GSS cross-government [Housing and planning statistics work programme](#) and the QMI reports. Users can provide feedback via a generic email link. However, more-proactive engagement with users to seek their feedback on the most recent developments would help to maximise the public value and usefulness of these statistics. The team told us that it is considering writing a blog on its forthcoming development work.
- We note that not all future planned releases are on the ONS release calendar, for example, planned outputs on mortgage affordability or housing affordability for small areas. The team should ensure that these releases are added to support trustworthiness; to provide users with as much advance notice as possible; and to promote the potential value of the new statistics for answering users' key questions.

- The descriptions of limitations of the statistics in the QMI documents are comprehensive and helpful. A range of uses for the statistics is provided in the QMI reports. However, the bulletins could be clearer on the exact and potential uses for each series, so that users know when to use one measure over another. While it's good to highlight the main caveats in the bulletins, we note that sometimes the volume of caveats presented might be seen to play down the usefulness of the statistics. We encourage you to consider how to best balance openness about limitations with clarity around the statistics value for answering the key questions.
- There is potential to enhance the value of the published quality information in relation to the administrative data used, for example by reviewing data suppliers' assurance processes for the sources provided in relation to the team's use of these data, and communicating this to users. This will demonstrate transparency and further enable users' appropriate interpretation of statistical quality. You may find our Quality Assurance of Administrative Data (QAAD) framework helpful.

I would like to thank your team for their positive engagement on this review. My team will continue to engage with your team as it develops these statistics. Please do not hesitate to get in touch if you would like to discuss any aspects of this letter further. I am copying this letter to Rachel Skentelbery, Deputy Head of Profession for Statistics at ONS, and to Tony Wilkins, Tim Pateman and Nick Richardson, the responsible statisticians.

Yours sincerely

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