**HIGHLAND COUNCIL: HOUSING NEED AND DEMAND ASSESSMENT**

**SEPTEMBER 2015**

**KEY FINDINGS**

The Housing Need and Demand Assessment (HNDA) is a technical document that aims to give long run estimates of housing need, and provides an evidence base for both the Local Housing Strategy and Local Development Plans.

The Full document can be viewed at:

<http://www.highland.gov.uk/downloads/download/1030/highland_housing_need_and_demand_assessment_2015>

It is largely analytical and uses quantitative information wherever it is available, supplemented by qualitative information when it is not available, or to give context. The result is that the HNDA is detailed and complex and many readers may not be interested in the level of detail that it contains. This summary presents the key issues that will be particularly important when we draft our Local Housing Housing Strategy.

**Housing Market Drivers**

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| **Key Issues**  |
| Demographic issues for the local housing market(s)  | 1. The population of the Highlands has seen continued steady growth.
2. The percentage of households age 65+ tends to be above the national average
3. The percentage of households in the 16-44 age group tends to be below the national average.
4. There are different population profiles across the 10 Highland Housing Market Areas.
5. Highland is dependent on inward migration for population growth.
6. Population and household projections based on all 3 migration scenarios are below the long term trend.
7. Projections based on the last 5 years underestimate the likely level of growth in the next 5 years, as they are based on short term trends during an economic downturn.
8. The Highland Housing Market Partnership has decided to adopt the high migration scenario as the baseline in this HNDA.

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| Affordability issues for the local housing market(s) | 1. The credit crunch had a significant impact on the housing market in Highland, dampening house price inflation and reducing the volume of open market sales.
2. The Help to Buy Scheme helped increase the supply of new homes but it will end in 2016 and developer confidence is falling as a result.
3. There are significant differences in house prices / affordability between Housing Market Areas.
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| Economic issues for the local housing market (s) | 1. Highland in general has stronger economic growth than Scotland as a whole although economic output remains below the national average.
2. The employment sector in Highland shows a greater dependency on public sector jobs, with a high dependency on tourist related employment, and a higher proportion of self- employed people.
3. Highland has high levels of economic activity but lower incomes than the national average.
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**Housing Stock Profile and Pressures**

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| **Key Issues**  |
| Housing quality  | 1. Overall the condition of the Housing Stock in Highland tends to be better that the national average on key indicators of building conditions and lower than the national average in relation to energy efficiency measures.
2. Highland has a higher proportion of adapted properties in the public sector and a lower proportion of adapted properties in the private sector than Scotland as a whole.
3. There is a concentration of poor housing conditions in the Private Rented Sector.
4. There are challenges for social landlords in meeting the Scottish Housing Quality Standard in relation to energy efficiency due to cost and technical difficulty in off-gas areas.

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| Housing stock pressures | 1. Demand for housing is high and there is a fairly consistent demand by property size across Housing Market Areas with on average 63% of applicant requiring a 1 bedroom property; 23% a 2 bedroom property and 10% a 4 bedroom property.2. There are variations in social rented stock by house size across Housing Market Areas, with particularly low proportions of 1 bedroom properties in Lochaber and East Ross and a low proportion of 2 bedroom properties in East Ross and Sutherland.3. Overall housing pressure varies significantly across Housing Market Area, with Nairn and Inverness, and Skye and Lochalsh having the greatest pressure, and Caithness low pressure.4. There is a mismatch between supply and demand for different property sizes, which varies across Housing Market Area.5. There is a considerable pressure for 1 bedroom properties, and this is likely to continue given demographic trends. The balance between 1 and 2 bed properties for new builds will be reviewed as part of the LHS. |
| Size, type, tenure and location of future social housing supply | 1. There is a lower proportion of social rented housing in Highland than in Scotland as a whole. This contributes to housing pressure across most Housing Market Areas.
2. The percentage of private renting has increased slightly over the last 10 years (from 8.4% to 9.9%).
3. There has been a reduction in Right to Buy Sales over the last 10 years, and when Right to Buy is ended in 2016 we will begin to see a real increase in social rented stock
4. There is a higher proportion of pre1919 housing stock across all tenure, and less interwar and post-war properties, reflecting historic population / migration / economic patterns over the 20th Century.
5. There are some significant variations in house size across Housing Market Area, where some, mainly rural, areas have a lower proportion of smaller houses. This is a particular issue in relation to demographic trends towards smaller, single person households and the impact of the under-occupation rules on private and social renters on low incomes who rely on housing benefit / Local Housing Allowance.
6. In the social rented sector there is a predominance of houses rather than flatted property.
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| Sustaining communities tenure diversification / regeneration | 1. There are no major demolitions planned and only limited infill opportunities, but we will continue to work with communities to identify opportunities, particularly in Wick and Muirtown & South Kessock (Inverness).
2. Affordable housing can help make “fragile” communities more sustainable.
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**Estimated Need and Demand**

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| **Key Issues**  |
| Ineffective Stock | 1. 8.4% of Highland stock is ineffective (vacant plus second / holiday homes), varying between 3.7% and 19.1% by HMA. It will be taken into account when we calculate housing and land supply targets in our Local Housing Strategy and Local Development Plans.
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| Existing need | 1. We estimate that existing need (backlog) in Highland will require 2,144 stock additions to eradicate.
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| Household growth headlines | 1. Over the lifetime of the Local Housing Strategy, 5,062 households will require additional housing.
2. Over the lifetime of the Local Development Plan, 16,063 households will require additional housing.
3. As rules of thumb to help understanding:

- around half of the new housing requires some degree of subsidy (although this proportion varies between housing market areas)- the private sector is split evenly between ownership and renting.The two tables below give more detail. |
| Owner occupation  | 1. Over the lifetime of the Local Housing Strategy, 1,124 additional households will become owner occupiers.
2. Over the lifetime of the Local Development Plan, 3,745 additional households will become owner occupiers.
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| Private rent | 1. Over the lifetime of the Local Housing Strategy, 1,129 additional households will become private renters.
2. Over the lifetime of the Local Development Plan, 3,905 additional households will become private renters.
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| Below Market Rent | 1. Over the lifetime of the Local Housing Strategy, there is potential for 678 households to take up below market rent properties.
2. Over the lifetime of the Local Development Plan, there is potential for 2,338 households to take up below market rent properties.
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| Social rent | 1. Over the lifetime of the Local Housing Strategy, 2,130 additional households will need social rented housing.
2. Over the lifetime of the Local Development Plan, 6,075 additional households will need social rented housing.
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**Specialist Provision**

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|  | **Key Issues**  |
| **Accessible and adapted housing** | 1. There is a relatively high proportion of adapted stock in Highland, particularly in the social rented sector.
2. The lowest proportion of adapted stock is in the private rented sector.
3. There is evidence of the need for accessible / adapted property, with a particular need for ground floor / level access housing.
4. The profile of the housing stock in Highland, where there is a greater proportion of houses / bungalows, provides the opportunity for in-situ solutions.
5. There is relatively good turnover of adapted property in the social rented sector with 46% of needs met through annual turnover.
6. Current needs are being met within current turnover and capacity to carry out adaptations.
7. Given population and demographic projections future needs are likely to require additional provision of new build, adaptations and related care at home / Telecare services.
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| **Wheelchair housing**  | 1. There are significant numbers of people who require wheelchair accessible housing.
2. Need and current provision are currently concentrated in the social rented sector.
3. Demand can currently be met through adaptations and new build, with 64% of needs met through annual turnover of social rented property.
4. Future new build will increasingly include design features that make property easier to adapt to future needs.
5. Most people requiring wheelchair accessible housing are under 60.
6. Long term demographic and health changes are likely to require additional provision of wheelchair accessible housing.
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| **Non-permanent housing** e.g. for students, migrant workers, homeless people, refugees, asylum seekers | 1. The University of the Highlands and Islands (UHI) is the largest higher education provider within Highland. UHI had 2,963 students in 2013-14 (1,973 FTEs) on flexible study programmes, often distance learning from home.
2. UHI expects student numbers to grow, but the scale and pace of change is dependent on Government funding. The focus will continue to be on flexible and distance learning and UHI are building dedicated student accommodation to cope with increased numbers of residential students.
3. The nature of the student population is different from the national profile, reflecting the unique nature of UHI with more distance learning and a more mature students resulting in lower numbers of students living in HMO / communal student accommodation.
4. UHI are planning to manage the accommodation needs of increasing student numbers through a programme of new student accommodation.
5. An increase in student numbers could impact on the capacity of the Private Rented Sector.
6. There is an ongoing need to provide temporary accommodation for single homeless people. The number of applications from homeless people is relatively stable, with the greatest concentrations in Inverness, Lochaber and mid- Ross.
7. The Council currently provides accommodation through a framework agreement with accommodation providers, but is moving away from this model and plans to provide 200 additional single person units for use as temporary accommodation through its new build programme.
8. The Council’s current policy of limiting the concentration of HMOs may affect supply of suitable shared accommodation to meet the needs of single person households, including students.
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| **Supported Provision** e.g. care homes, sheltered housing, hostels and refuges | 1. The profile of care home residents is similar to Scotland as a whole but the average age of admission is lower than the national average.
2. Of those in long term care 47% are assessed as requiring long term nursing care, however there are lower proportions of current long term residents with conditions such as mental health, learning difficulties and acquired brain injury where different models of accommodation may be required.
3. Additional specialist housing provision and related care at home services are required in order to prevent unnecessary care home admissions.
4. There is a relative under-provision of extra care housing.
5. There is a demand for sheltered housing, but it is not always the client’s preferred option.
6. There is a need to review whether current models of sheltered housing provision in Highland meet long term needs.
7. As the older person population increases and there are much higher numbers of people aged 75+ demand for sheltered housing and specialist accommodation models is likely to increase.
8. The number of people requiring residential care is projected to increase 20% by 2020 (64 people per year) and by 109% by 2035 (88 people per year).
9. There is an opportunity to consider the development of specialist accommodation models that would suit some client groups currently in long term care. Developing such models will prevent or delay future admission to care home settings that would otherwise be an inevitable consequence of an aging population.
10. Increasing numbers of people with challenging behaviour at any age, and dementia among the elderly, will require more cluster or multiple occupancy arrangements.
11. There will be an ongoing need to provide both temporary and permanent accommodation for women suffering from domestic abuse.

12. Inevitably there will be insufficient client numbers to sustain area based services for all client groups in all areas, but this does have implications for clients and their families who will often have to move out of their local area to access services.  |
| **Residential Care** | 1. 2015 to 2020: The number of people in residential care is projected to increase from 1,616 to 1,937: an increase of 20%, or 64 people per year.
2. 2015 to 2035: The number of people in residential care is projected to increase from 1,616 to 3,376: an increase of 109%, or 88 people per year.
3. These figures assume current prevalence rates and are likely to be an over estimate if care at home / in the community policies continue to be successful.
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| **Care/ support services for independent living at home**e.g. home help, Handyperson, Telecare | 1. Telecare provision per 1,000 of population is below the Scottish average, although NHS Highland intends to double provision in the next 3 years (to 2018).
2. Increasing Telecare provision could impact on care home admission and the proportion of people with long term conditions living at home.
3. Increasing Telecare provision depends on suitable housing supply / design.
4. The number of people receiving care at home is projected to increase by 20% by 2020 (70 people per year) and by 104% to 2035 (92 people per year).
5. The combined effect of an aging population, increased care at home / Telecare provision and a desire to shift the balance of care from care homes to care at home is likely to have significant implications for housing and home based care and support services.
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| **Site provision** e.g. sites/ pitches for Gypsy/ Travellers and sites for Travelling Showpeople | 1. We estimate the Gypsy/Traveller population in Highland to be around 415 individuals across 130 households. While this is a small proportion of the resident population (0.2%) the 2011 Census indicates that Highland has the third largest Gypsy/Traveller population in Scotland in terms of share of the total population.
2. Gypsy/Traveller accommodation options in Highland include four Council sites providing a total capacity of 47 pitches. Other accommodation options for Gypsy/Travellers in Highland include bricks and mortar housing and roadside encampments.
3. Available data shows an average of 52 unauthorised encampments per annum, with activity peaking during the June to August period. The size of encampments varies widely, but most consist of 3-6 caravans.
4. Gypsy/Traveller encampments take place across most parts of the Highland area, but the largest volume of activity is focused in the Inverness & Inner Moray Firth and Skye areas.
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