

# Lochaber Business Housing Needs Survey

Final report

**56°**  
DEGREE  
INSIGHT

3<sup>rd</sup> December 2021



Anecdotal evidence provided by business based in Lochaber has suggested that a lack of affordable housing is increasingly a problem when it comes to both the retention of existing staff and the recruitment of new employees.

Indeed if a solution to the provision of appropriate housing for people employed in the area is not found, it is feared that this issue could significantly constrain the potential growth of many businesses in the area or even threaten the survival of some.

To obtain a clear, robust view on the scale of the problem and establish evidence on its potential negative impacts for business, Lochaber Chamber of Commerce commissioned 56 Degree Insight to undertake a survey of business during October and November 2021.

This research sought to provide detailed insights on the following areas:

- The scale of the issue currently, how this compares with previously and expectations for for the future.
- Details on the types of workers/roles for whom this issue is most prevalent e.g. sectors, roles, salary grades, life stage (e.g. pre-family/ family).
- A measure of how the issue is impacting businesses in different sectors and in different locations across Lochaber.

The reports provides a summary of the key findings from this survey.

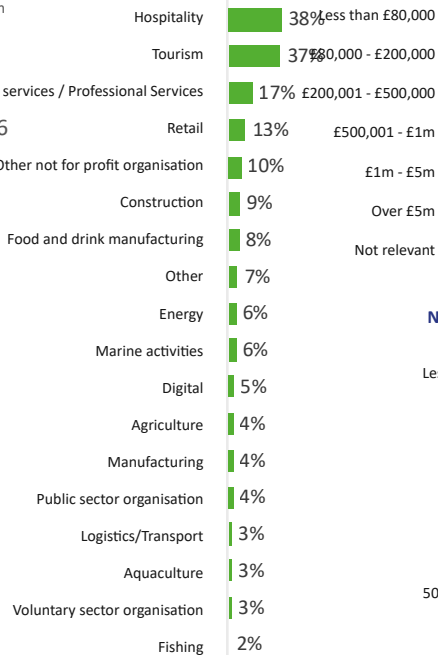
Affordable housing in Strontian, Lochaber



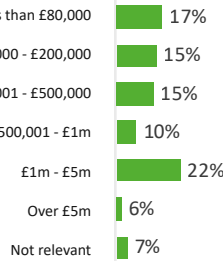
# A robust online approach providing a representative sample of local businesses

- Survey fieldwork took place between 18<sup>th</sup> October and 10<sup>th</sup> November 2021.
- Invites were sent to a total of 692 businesses in Lochaber with a total of 126 responding by the final deadline (a response rate of 18%).
- As illustrated on the right, a range of types of business in different sectors and of different sizes responded. As such the findings can be taken as a robust, representative view of the Lochaber business community.

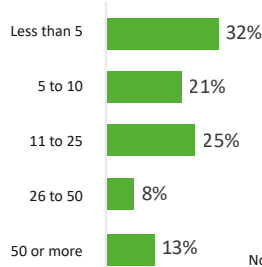
**BUSINESS SECTOR:**



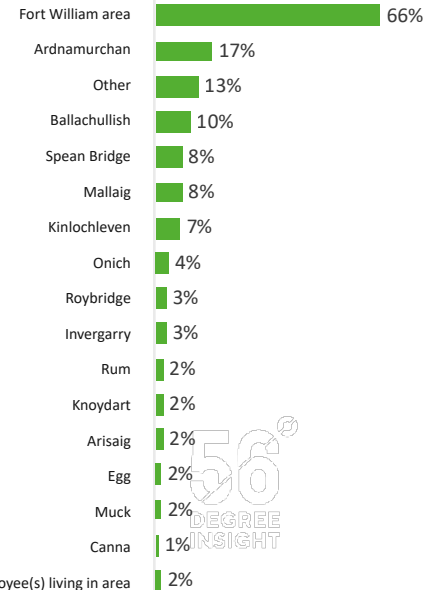
**GROSS ANNUAL TURNOVER:**



**NUMBER OF STAFF (INCLUDING PART TIME & SEASONAL):**



**WHERE BUSINESS/ORGANISATION IS BASED:**

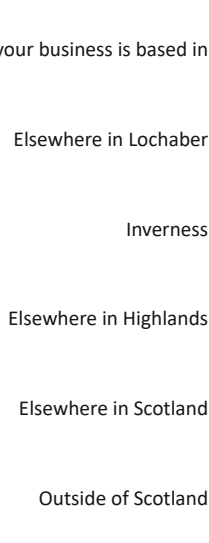


# Around 1 in 8 employed in businesses in the area live outside of Lochaber and a quarter don't live in their own home

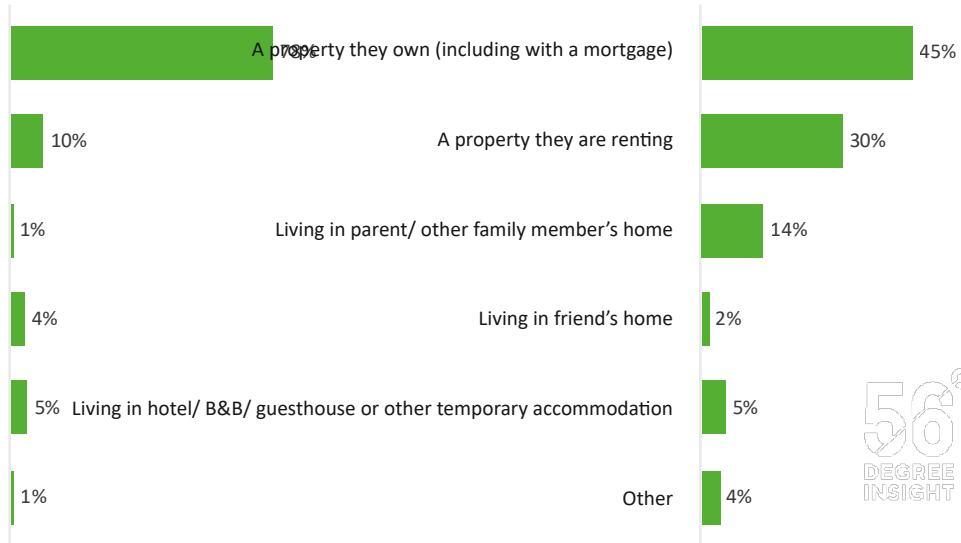
## ESTIMATES OF WHERE EMPLOYEES OF LOCHABER BUSINESSES LIVE:

- Businesses were asked to estimate the percentages of their current employees living within Lochaber or elsewhere and percentages living within different accommodation types.
- Across the business that provided these details, on average 88% of employees were reported as living within Lochaber while around 1 in 8 (12%) travelled to work from outwith the area.
- On average across the businesses responding, 75% of employees were reported as living in a home they own or rent while the remaining quarter lived elsewhere – most commonly at the home of their parent or another family member.

### Location:



### Accommodation type:



Approximately, what proportion of your business/ organisation's staff normally live within the following geographic areas?

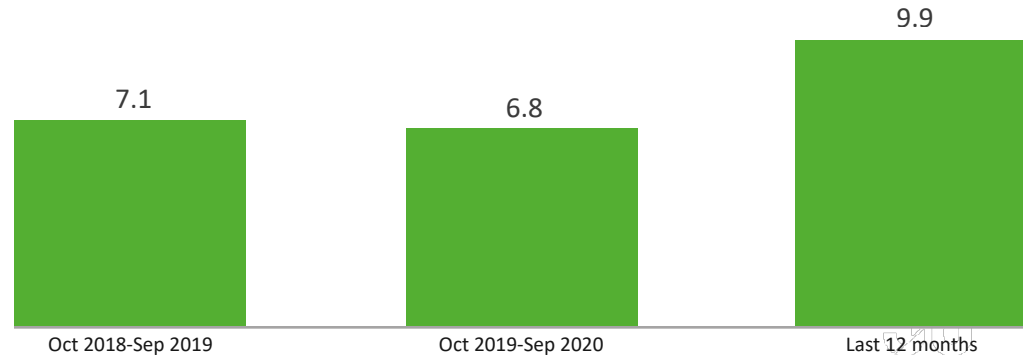
Approximately, what proportion of your business/ organisation's staff normally live in the following types of accommodation?



# On average businesses sought to fill 46% more posts during the last 12 months than during the previous year

AVERAGE POSTS ORGANISATION SOUGHT TO FILL DURING LAST 3 YEARS

- On average businesses have sought to recruit staff for 9.9 positions during the last 12 months (note this includes all positions including full and parttime, permanent or temporary).
- It is notable that this average number of positions is 46% higher than the number reported for the previous 12 month period (i.e. Oct 2019 to September 2020) and 40% higher than the number recruited in the 12 months prior to that (i.e. Oct 2019 to Sep 2019).

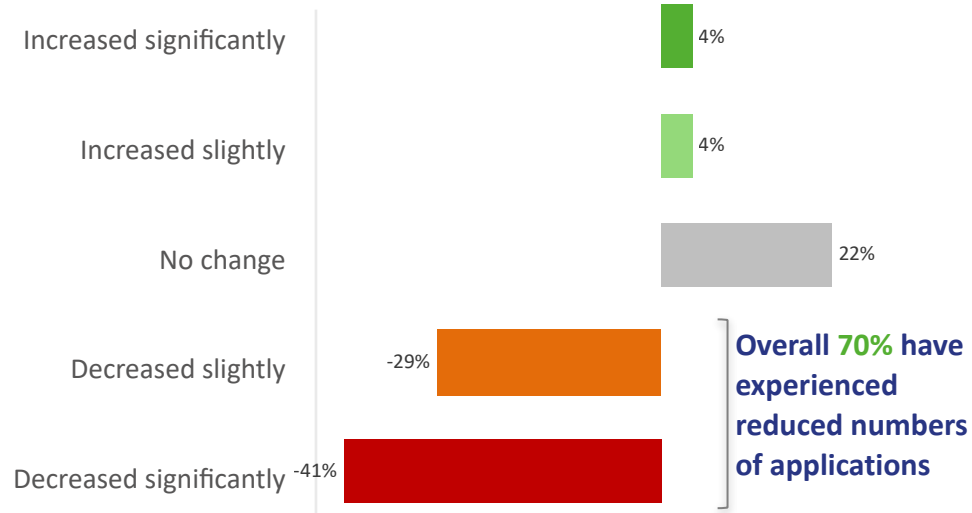


How many posts, if any, has your business/organisation sought to fill during each of the following 12 month periods?

# Most businesses report a decrease in the number of applications received for vacancies

TRENDS IN NUMBERS OF APPLICATIONS RECEIVED FOR VACANT POSITIONS DURING LAST 3 YEARS

- While, on average, the number of positions businesses have sought to recruit has increased during the last three years, as shown on the right most businesses have received a decreased number of applications for vacancies.
- Businesses most likely to report a decrease included those in the hospitality sector.



Q20 What are the trends, if any, in the numbers of applications received by your business for vacancies over the last 3 years or so? (excludes Don't Know responses)

# A lack of housing is the most common reason given by applicants who turn down a job offer

- On finding suitable individuals for positions many businesses have further issues with 62% indicating that during the last 3 years a candidate accepting a position has ultimately not been able to take it.
- On average businesses who have experienced this problem, indicated that around a quarter (23%) of candidates offered positions ultimately did not take up the offer.
- 16 of the 30 businesses who recorded the reasons given by individuals who ultimately did not take job offers stated that this was related to difficulties finding housing in the local area and/or a lack of transport options.



*"In many cases the individuals are actively looking to relocate to the Lochaber area and they have been unable to find suitable accommodation.."*

*"Relocation difficult because of available rentable/affordable housing; high cost of living in Lochaber; lack of infrastructure; jobs for partner/family members not easily available; other job offer in more accessible location/better salary/less associated change costs/ access to affordable housing"*

*"Decided not to move from the city to rural location No properties available in the area for rent or to buy Very limited live-in accommodation available"*

**62% of businesses have offered a job to an individual who has decided not to take the role**



**On average, 1 in 4 people offered roles do not take up the offer**

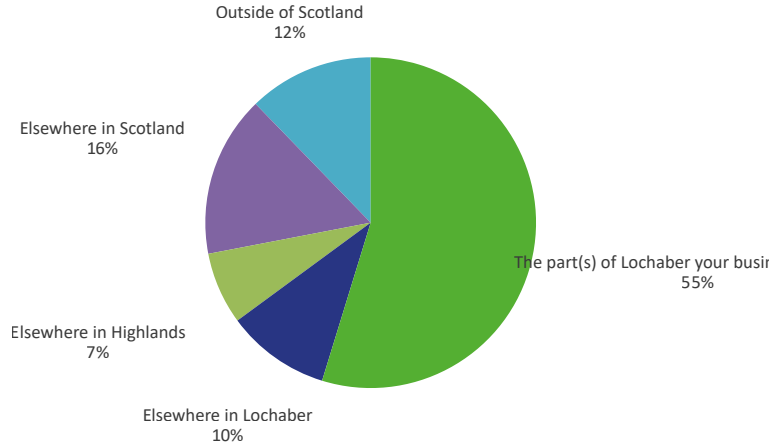


**A lack of accommodation in the area and/or transport from the place they live is the most commonly recorded reason**

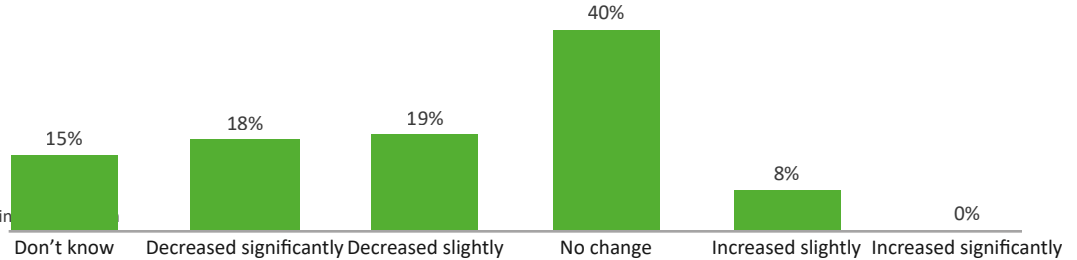
# Around 2 in 3 applicants for vacancies live in the area. Just over a third have experienced a decreased number of local applicants

- While on average around 2 in 3 applicants for vacancies live in Lochaber, it is notable that around a third (37%) of businesses have noticed a decreased number of local applicants for positions over the last 3 years.

PLACE OF RESIDENCE OF APPLICANTS (LAST 12 MONTHS):



TRENDS IN NUMBERS OF APPLICANTS WHO LIVE IN LOCHABER OVER LAST 3 YEARS OR SO:



**37% decreased**

Higher amongst:  
Hospitality sector (43%)  
Over £0.5m turnover (43%)  
Over 25 employees (52%)



# Two thirds of businesses are currently experiencing problems recruiting staff or retaining existing staff

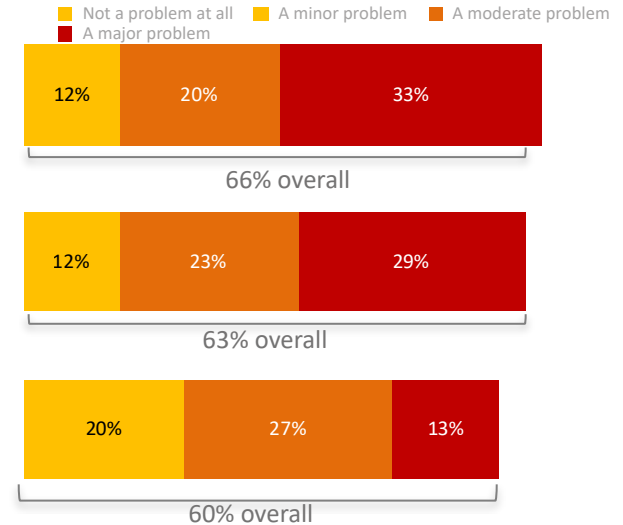
- As shown on the right, two in three businesses stated that they were currently experiencing problems with staff recruitment and/or retention (66%). For around a third (33%) there issues could be described as a 'major' problem.
- While most had also experienced problems in previous years, these were not as significant as currently. Most notably during period November 2019 to October 2020 just 13% reported major problems compared to 33% currently.

## PERCENTAGES OF BUSINESSES EXPERIENCING STAFF RECRUITMENT OR RETENTION PROBLEMS

**66%** are currently experiencing problems (i.e. positions seeking to fill now or in immediate future)

**63%** experienced problems during the last 12 months (Nov 2020 to Oct 2021)

**60%** experienced problems during the previous 12 months (Nov 2019 to Oct 2020)



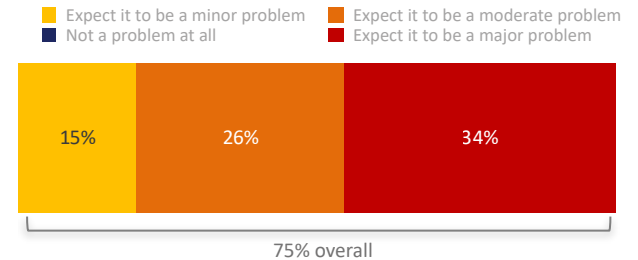
Q26: To what extent, if any, has/is your business/organisation experienced problems recruiting staff or retaining existing staff during the following time periods?

# Three quarters expect recruitment and retention to be a problem during the next 12 months and beyond

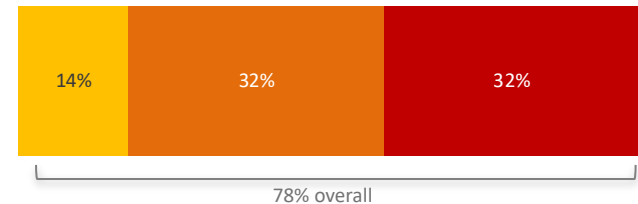
## PERCENTAGES OF BUSINESSES EXPECTING RECRUITMENT OR RETENTION PROBLEMS IN FUTURE:

- Looking to the future, an even larger percentage of businesses expect recruitment and retention to be a problem for their businesses in future than currently.
- Three quarters expect it to be a problem in the next 12 months (34% a major problem) and 78% during the following two years.

**75% of businesses expect recruitment and retention problems during the next 12 months**



**78% expect recruitment and retention problems during the following 2 years**



Q29: Looking to the future, to what extent, do you expect that the recruitment of new staff or retention of existing staff will be a problem for your business/organisation during the following periods?

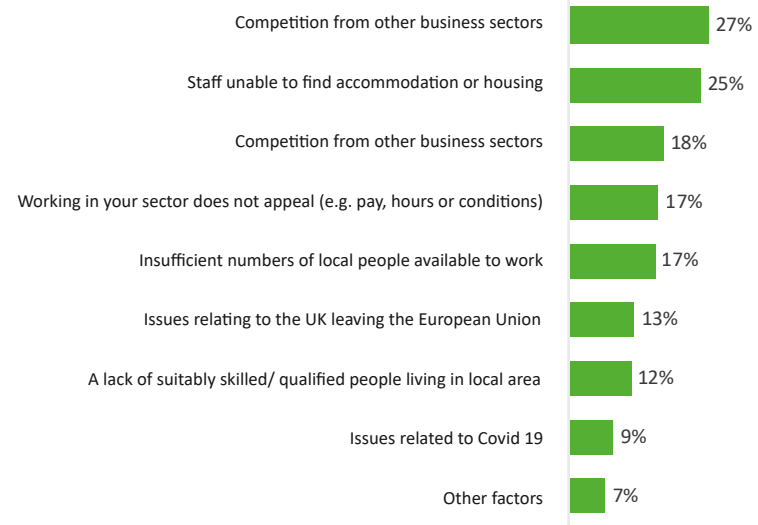
# A lack of accommodation is seen as one of the main causes of recruitment issues

- Respondents were shown a list of potential reasons and asked to specify which of these, if any were contributing towards recruitment or retention issues. As shown below, a lack of accommodation was one of the most common factors when recruiting new staff (58%).
- A lack of suitable accommodation for staff was also one of the most commonly selected reasons for difficulties retaining existing staff (25%).

RECRUITING NEW STAFF



RETAINING EXISTING STAFF



Q30a IN your opinion which of the following, if any, have contributed to problems recruiting new staff and/or retaining existing staff?

# Four in five state that the lack of accommodation is having an impact on their business

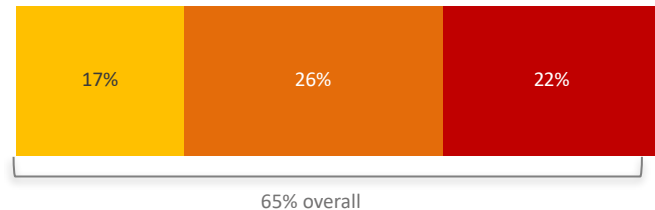
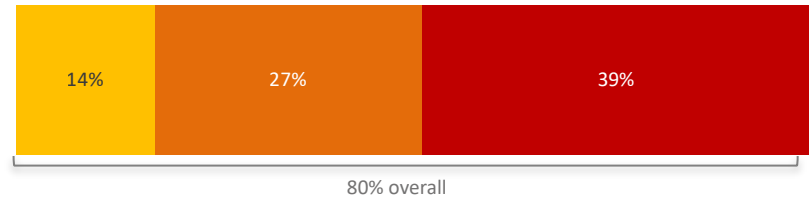
- Survey respondents were next presented with the following statement and question:
- *“Businesses in Lochaber have told us that shortage of housing/accommodation that staff can afford to rent or buy is a barrier to either recruiting new staff or retaining existing employees.*  
  
*To what extent if any, do you feel that this issue has impacted on your business/organisation’s efforts to recruit new staff and/or retain existing members of staff?”*
- Presented with this direct question on the topic, most businesses agreed that the housing shortage has affected their recruitment and retention efforts to some extent. Most notably almost 2 in 5 (39%) indicated that it was having a ‘major impact’ on the recruitment of new staff.

## PERCENTAGES OF BUSINESSES EXPECTING PROBLEMS DUE TO SHORTAGE OF AFFORDABLE HOUSING FOR STAFF:

**80% feel that a shortage of housing/ accommodation is impacting on their efforts to recruit staff**

**65% feel that a shortage of housing/ accommodation is impacting on their efforts to retain staff**

■ A minor impact   ■ A moderate impact   ■ Not a problem at all  
■ A major impact



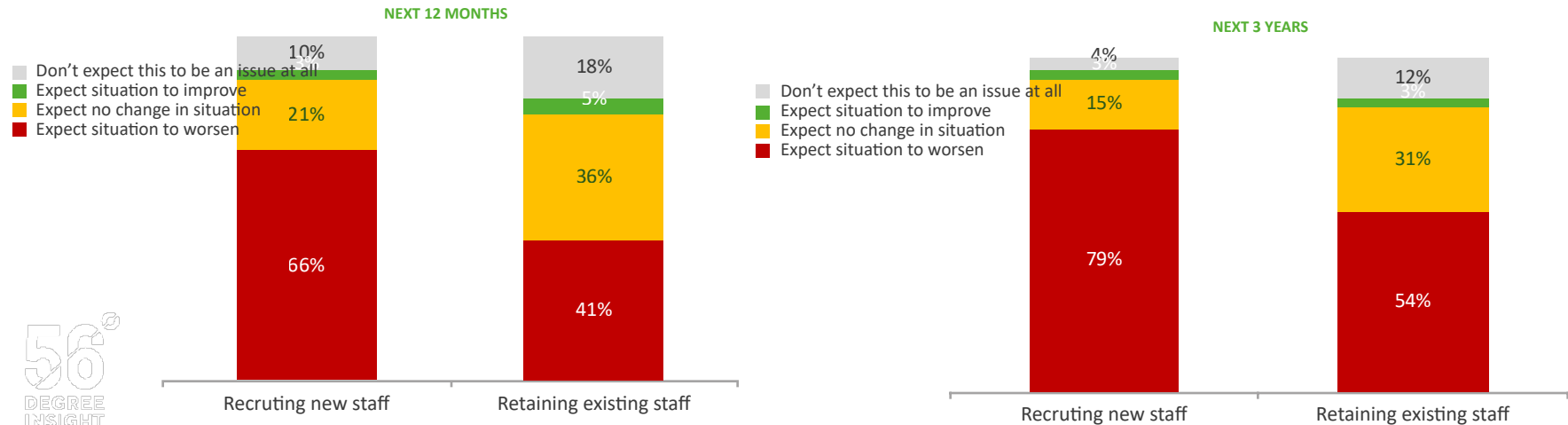
Q30a To what extent if any, do you feel that this issue has impacted on your business/organisation’s efforts to recruit new staff?

Q30b To what extent if any, do you feel that this issue has impacted on your business/organisation’s efforts to retain existing members of staff?

# The majority expect recruitment issues caused by the accommodation shortage to worsen in future if no action is taken

- When probed on expectations for the future if no actions is taken, in relation to recruiting new staff 61% expect things to worsen for their business during the next 12 months and 75% expect then to worsen over the next 3 years.
- Fewer businesses anticipated worsening issues in relation to retaining existing staff during the next 12 months or next 3 years with a larger share expecting this to not be an issue at all or no change from the current situation.

## EXPECTATIONS FOR FUTURE IF NO ACTION IS TAKEN:



Thinking ahead to the next 12 months, if no action is taken, do you expect issues caused by staff not being able to find housing/accommodation to worsen, improve or not change for your business/organisation?

Thinking further to the future, compared to the next 12 months, if no action is taken do you expect issues caused by staff not being able to find housing/accommodation to worsen, improve or not change during the next 3 years or so?

# Three quarters of businesses feel that there is a need for more short term, basic accommodation for workers coming to the area

- Overall 77% agreed that short term, basic accommodation was needed, increasing to 85% amongst hospitality businesses.
- When respondents were asked to expand on their reasons for having this opinion, a number noted that it was important for this accommodation to be of good quality, appropriate for their employees.

## DEMAND FOR SHORT-TERM BASIS ACCOMMODATION:

**77% feel that there is a need for more short-term basic accommodation to be provided for workers coming to the area to work**

*“There are limited private rented accommodation in the area, and what is available is akin to a bed-sit/flat sharing, so not ideal when there are two or more in your family.”*

*“A number of jobs are seasonal and currently housing is too expensive or not available.”*

*“Basic might need to be defined; I wouldn't expect an employee to live in conditions I wouldn't be comfortable in.”*

*“Historically this area has always recruited seasonal staff from outwith the area, and larger businesses have often provided accommodation, particularly in hospitality.”*

*We would like support to build onsite staff accommodation*

*‘Short term basic implies lower quality accommodation to me and I am quite certain that lowering standards of accommodation for staff would be quite wrong. If there were to be managed accommodation provided for temporary or migrant staff, it should be at the very least fit for purpose and to the highest building standards.’*



*Given your expectations for the next 12 months, do you feel that there is a need for more short-term basis accommodation to be provided for workers coming to the area to work?*

# Data on the total number and size of businesses in Lochaber allows us to produce estimates of total demand

- 2019 Scottish Government data indicated that there is a total of 740 business units in Lochaber.
- As shown on the right, by applying the results of the survey it is possible to estimate the total number of people employed by these businesses – note this include both part time and seasonal employees and is based on the peak levels of employment reported (in August).
- Survey responses relating to the numbers of vacancies businesses have sought to recruit over the last 12 months, positions expect to have to fill in the next 12 months and proportion of these positions which will be difficult to fill due to housing issues allows us to estimate the scale of this issue.
- Overall, an estimated 1,400 positions will be difficult for Lochaber businesses to fill during the next 12 months.
- These positions are fairly evenly distributed across businesses of different sizes – 35% in businesses with under 10 employees, 43% in businesses with 10 to 49 employees and 23% in businesses with 50+ employees.



**740** business units in Lochaber



**c.7,800** employed by these businesses

**c.2,300** vacant positions over last 12 months



**c.2,000** vacant positions expect to need to fill during next 12 months



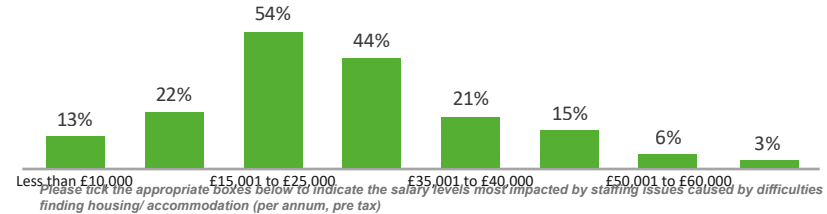
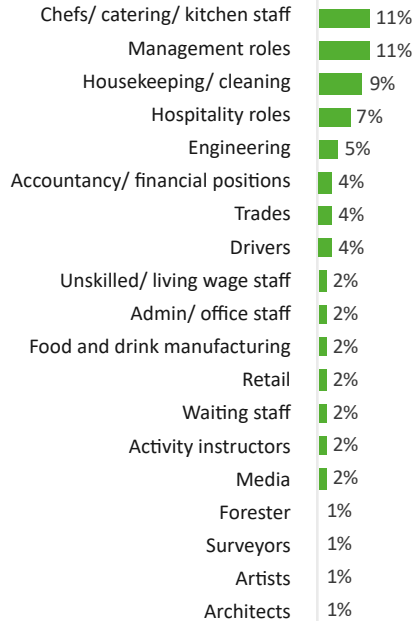
**c.1,400** of these positions will be difficult to fill due to housing/accommodation issues –70% of the total

*Note: Data on number of businesses in Lochaber is based on 2019 Scottish Government [statistics](#) with weighting on size of businesses from HIE [applied](#) to ensure representivity.*

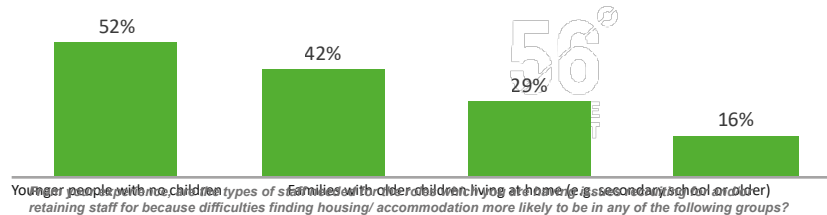
# Impacted positions are across sectors, most often in lower and middle income bands and typically undertaken by younger people

- Those businesses which expected to have issues recruiting staff due to a lack of housing were asked to provide some further details on the nature of the position affected.
- As shown on the right, the issue impacts a wide range of types of role and a fairly broad spectrum of salary bands.

## ROLES/ SECTORS AFFECTED BY HOUSING/ACCOMMODATION SHORTAGE: SALARY BANDS AFFECTED BY HOUSING/ACCOMMODATION SHORTAGE:



## LIFE-STAGES MOST AFFECTED BY HOUSING/ACCOMMODATION SHORTAGE:



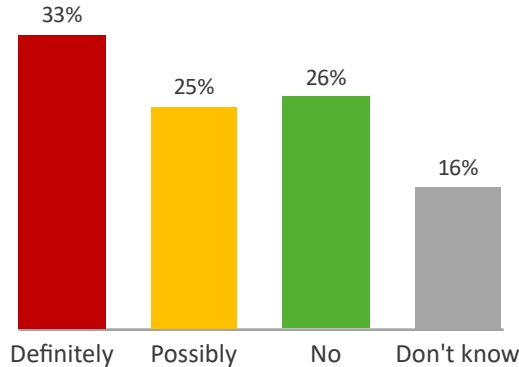
Please type in details of the types of job most impacted by these issues (e.g. particular roles, skill requirements, departments, etc.)



# Over half of businesses say the issue will definitely or possibly impact on their plans to invest in the area

## *If unresolved, are difficulties recruiting or retaining staff due to a lack of housing/ accommodation likely to impact upon your businesses' plans to invest in the Lochaber area?*

- A third of businesses surveyed stated that if unresolved, difficulties recruiting and retaining staff due to housing shortages would definitely impact upon their plans to invest in Lochaber (33%) while a further 25% stated that these issues would possibly have an impact on their investment plans.



*"Very little point in investing if we can't find staff to work within new investment."*

*"We were looking to buy another hotel in the area pre-Brexit but the lack of staff availability has directly impacted on our decision not to do so."*

*"We hope to extend our property and create more jobs but this has a need for more staff with no where for them to stay."*



*"Our service is looking to expand but this has been put on hold due to the current struggles we're having in meeting staffing requirements. We have had to cut back on current services due to staffing levels and have now had to re-evaluate future plans."*

# Most business are not aware of the Highland Housing Register

- Only around 2 in 5 respondents had heard of the Highland Housing register and of these the minority were aware of any of their staff being registered or staff who require housing not being registered.

## 40% have heard of the Highland Housing Register

### Of these businesses:

- **29% are aware of any staff being registered (11% of all businesses)**
- **12% are are aware of staff who require housing who are not registered (5% of all businesses)**



# Most businesses say the issue impacts them in ways beyond their own recruitment and retention efforts

- Almost 3 in 5 businesses indicated that their businesses had encountered issues cause by the lack of housing/ accommodation in Lochaber, beyond recruiting and retaining staff.
- An open ended question invited respondents to type in details on the nature of these issues.
- Common themes recorded included difficulties caused by hospitality and retail businesses reducing their hours, problems finding tradespeople and issue around contractors finding short term accommodation to house their staff.

*Apart from any difficulties your own business/organisation has had recruiting or retaining staff, have you encountered any other business or operational issues due to people having difficulties finding housing/ accommodation in your local area?*

**59%** of businesses have encountered issues other than direct staff recruitment/ retention problems



*“As an estate agent, working in Lochaber I see at first hand how difficult it is for you people to get on the housing ladder. mainly caused but investors outside the area buying up property for short term let and holiday let for themselves to use a few weeks a year. The issue of sale prices well above Home Report valuation continues to make it extremely difficult for first and second time buyers to move up the housing ladder..”*

*“All local businesses are suffering - its clear as day to see.”*

*“One of the related issues to do with the dearth of accommodation is transport, with many staff having so few options, they end up living in housing that is quite some distance from public transport and this impacts on their ability to work certain hours and on certain days.*

*“building trades shortages affect project implementation.”*

*“A number of employees have had issues with rent payment (mixed in with other financial challenges) and have bad credit ratings so cannot get approval for new rental properties.”*

# Beyond the hard business impacts, recruitment impacts have an effect on the wellbeing of staff and the wider community

*Finally, please provide more details on how, if at all, people having difficulties finding housing/ accommodation in the local area is having an impact on your business. Please provide as much detail as possible to help us to understand your concerns and hopes and fears for the future*



*“We have had periods this summer when despite being full we have had to restrict opening hours in our cafe due to staff shortages. The service we have been able to provide at times doesn't meet what we would like to be delivering, all down to staff shortages.”*

*“Mental health of staff member currently living in a hotel room instead of having her own home. Having to provide live in accommodation to be able to recruit, especially summer staff, since this also reduces income through the rooms. Staff get fed up and move away when they can't find anywhere to live..”*

*“The best person for the post may need accommodation, be unable to find it and be unable to take the job; this could impact the success of our projects, in turn impacting our ability to raise funds based on that success.”*

*“Major concern that if the young staff in the business do not feel that they will ever be able to afford to buy a house in Lochaber then they will move away from the area.*

*“People are having to spend an age looking for somewhere to live as opposed to enjoying the Outdoor Capital for its activities!”*

*“Seasonal work is incredibly important to Lochaber but few businesses have access to staff accommodation - businesses are having to rent accommodation for staff further exacerbating housing shortages for permanent residents.*



**Any questions? A follow-up discussion?**

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