Agenda Item	9
Report No	HP/38/26

The Highland Council

Committee: **Housing & Property**

Date: **4 November 2026**

Report Title: **Local Housing Strategy and Strategic Housing Investment Plan Update**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

1.1 The Local Housing Strategy (LHS) and Strategic Housing Investment Plan (SHIP) set out the strategic vision for housing and delivering affordable housing in Highland. They set out the priority areas of focus for the provision of housing from both a policy and geographical perspective. They underpin the delivery of the Highland Housing Challenge. Given the close alignment between these documents, this report combines an update on the LHS and SHIP along with details of the updated Housing Need and Demand Assessment (HNDA).

1.2 The LHS sets out the strategic vision for the delivery of housing across all tenures and housing related services over the five-year period and beyond. It details the important contribution that housing makes to improving health and wellbeing, creating connected and sustainable places, reducing climate change, supporting economic growth and reducing child poverty.

This report provides information on how Highland Council has performed to date in meeting the agreed priorities in the Local Housing Strategy 2023-2028.

Progress includes:-

- 11% are wheelchair accessible and 19% accessible – delivering above the Scottish Government's housing for varying need standard;
- Investment of £1m per annum in adaptations to Council houses to enable tenants to live independently in their homes;
- CAB support was provided for 2,076 clients (including social rented, private rented and homeowners) seeking housing-related advice;
- Provision of support for Council tenants through partnership with Ali Energy. This resulted in 587 referrals (25/26) and an estimated average saving of £576/tenant;
- External funding of £6.6m to upgrade the Gypsy Traveller site at Longman Park;
- Approval in November 2025 of a Housing Domestic Abuse Policy; and
- Delivery of actions within the Local Heat and Energy Efficiency Strategy. This has included the delivery of home energy works to private households as part of the Energy Efficient Scotland: Area-Based Programme.

1.3 This report also seeks approval for the Highland's SHIP for 2027-2032 which is set out at **Appendix 2**. The SHIP is updated annually and sets out the context, priorities and programme for identifying and delivering the affordable housing programme for Highland for the next 5 years, basing this programme on the projected delivery of affordable housing within the context of the strategic priorities of both the Local Housing Strategy and the HNDA. The SHIP is updated annually for submission to the Scottish Government and assists the Government in targeting its Affordable Housing Investment Programme (AHIP). The paper includes an update on progress over the last 4 years of the affordable housing programme which highlights that between the Council and RSL partners:-

- 1,800 affordable homes have been built.
- 72% of these homes are outwith Inverness.
- 127 are classed as being within 'remote' areas.

1.4 This report also introduces the updated HNDA for Highland which has just been published. A Housing Need and Demand Assessment (HNDA) sets out the overall demand for housing into the future. It requires to consider current demand, future demand including economic drivers, specialist demand to produce and overall estimate of future housing need within an area. It provides the evidence base for the Council and other partners, including communities, plan for housing need.

As detailed in this report, Highland has enhanced its HNDA with robust additional data and research and with qualitative information from an extended engagement process with communities and stakeholders across Highland.

Section 8.12 of this report provides detail of the evidenced housing need in Highland. This is estimated to be 31,848 houses over a 20-year period.

1.5 The new HNDA will be critical in informing a revised Local Housing Strategy which will be progressed over 2027. Given the close alignment between both the LHS and SHIP, the intention is to develop one strategic housing strategy for Highland over this period that combines both the LHS and SHIP. This will strengthen the strategic approach to delivering against the housing priorities across communities in Highland.

2 Recommendations

2.1 Members are asked to:-

- **Note** the progress made to date in achieving the agreed priorities in the Local Housing Strategy 2023-2028;
- **Consider** and **note** that the Housing Need and Demand Assessment at Appendix 5 (which can be found separately at Booklet A) has now been agreed by the housing market partnership and submitted to the Scottish Government for verification;
- **Note** that the Housing Need and Demand Assessment will be made available to community partners to help facilitate their local plans for housing development and community place-making;
- **Approve** the Strategic Housing Investment Plan 2027-2032 as attached as Appendix 2, for submission to the Scottish Government; and
- **Note** that an update on local projects in the Strategic Housing Investment Plan will be discussed with Members in Area Business Meetings.

3 Implications

3.1 **Resource -** There are no direct implications arising from this report. The Council and partners' ability to deliver essential housing services and the Strategy will depend on resources as well as policy and practice considerations. Similarly, the purpose of the HNDA is to evidence housing need and demand and the delivery of this is subject to various other initiatives contained within the Highland Housing Challenge.

The Council House Build proposals contained within SHIP will be progressed in line with the current agreed funding mechanisms of the Scottish Government, Landbank subsidy and Prudential Borrowing. The Housing Revenue Account Financial Strategy and the Capital Plan agreed at August committee has detailed the borrowing requirements of the new build programme, and the long-term rental income generated. This is based on the current agreed programme and prior to approval of the Housing Revenue Account revenue budget for 2027/28 which will be submitted to this Committee in January 2027.

3.2 **Legal -** There are no direct implications arising from this report. The development and progress of both the Local Housing Strategy and the Housing Need and Demand assessment are in line with legislation and good practice guidance.

Implementing the Local Housing Strategy and understanding the housing needs of our communities and stakeholders in the Housing Need and Demand Assessment will help us meet our equality and socio-economic duties.

Both documents recognise the unique issues and challenges involved in meeting housing need and delivering and developing housing and housing services in remote and rural areas. A screening for impact, including Equalities and Rural and Islands, have been carried out.

3.3 **Risk –** The revised HNDA projects the demand for housing over the next 20 years. This highlights the already known demands for housing across the area and as articulated within the Highland Housing Challenge. This challenge is cross tenure and is essential that public and private sector partners work together to deliver housing across communities in Highland.

The demand for affordable housing remains high. Whilst the report outlines strong delivery by affordable housing partners, the investment programme proposed is based upon current levels of funding provided by Scottish Government. Should there be a change to funding levels, this will directly affect the programme. From a Council perspective this is also closely linked to landbank subsidy and borrowing. Whilst alternative finance models continue to be sought, currently this is cognisant on the decisions taken as part of the rent setting process and any increase or acceleration in the build programme can only be delivered through this mechanism

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people) -** There are no implications arising from this report.

3.5 **Gaelic -** There are no Gaelic implications arising from this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 An Integrated Impact Assessment screening has been undertaken on the Strategic Housing Investment Plan 2027-2032 the SHIP has a positive impact on all criteria, noting that there is no impact on Data Rights. Members are asked to consider the summary below and in **Appendix 1** to support the decision-making process.

4.4

Impact Assessment Area	Conclusion of Screening/Full Assessment (to be deleted as appropriate)
Equality	• Children and Young People – Positive • Children affected by disability – Positive • Older adults – Positive
Socio – economic	Positive
Human Rights	positive
Children's Rights and Wellbeing	Positive
Island and Mainland Rural	Positive
Climate Change	Positive
Data Rights	No Impact

5 Background

5.1 The Housing (Scotland) Act 2001 places a statutory duty on local authorities to produce a Local Housing Strategy which sets out its priorities and plans for the delivery of housing and related services over a 5-year period, and which should be supported by an assessment of housing provision and related services.

5.2 The supply of housing continues to be a priority for both the Council and the Scottish Government. The Local Housing Strategy (LHS) sets out our approach to delivering high-quality housing and housing-related services across all tenures, to meet identified need in its area.

5.3 The current LHS 2023-2028 was agreed at committee in April 2023. There have been various updates to this Committee since the approval of the Strategy. A first-year update was provided in May 2024 and there have been a number of reports linked to the Strategy, including homelessness updates, the approval of an Empty Homes strategy, and the actions around increasing housing supply in the Highland Housing Challenge.

5.4 The LHS aligns closely with Strategic Housing Investment Plan (SHIP) in terms of outlining key priorities and policy context for delivering housing across the area. Whilst the LHS is relates to housing of all tenures, the SHIP focuses on identifying and delivering the affordable housing programme. The SHIP is a five-year rolling

programme which is updated annually and reflects both the Council's and RSL partners affordable housing programme in communities across Highland. The last SHIP, agreed in November 2025, received positive feedback from Scottish Government, highlighting the close alignment of strategies and good partnership working. Progress against the SHIP is reported annually, along with quarterly updates to committee on the Council's affordable housing programme.

5.5 The Housing Need and Demand Assessment estimates the future number of additional housing units to meet existing and future housing needs and demand. It also captures information on the operation of the housing system to assist local authorities in developing policies on new housing supply, managing existing stock, and providing housing-related services.

Its purpose is to provide a robust, shared and agreed evidence base for housing policy and land use planning and to ensure that LHSs, SHIPs and Local Development Plans are based upon a common understanding of existing and future housing requirements.

The last HNDA dates from 2021 and over the course of the last year, work has been undertaken to update the HNDA in Highland. The updated HNDA is awaiting verification by the Scottish Government (Centre for Housing Market Analysis), and this process is likely to take until late Spring 2027.

5.6 This report provides an update across all three of these interlinking strands of work. The report provides an update on progress against the LHS, the work to undertake a new HNDA and finally presents the revised SHIP for 2027-2032.

5.7 New local housing strategy guidance for local authorities was publicised by the Scottish Government in March 2026. It provides additional requirements regarding changes in national policy around the Housing Scotland Act 2025, the national pressures about homelessness demand, and confirms alignments between housing strategy and government policy considerations such as tackling child and fuel poverty.

5.8 Given the close alignment between the LHS and SHIP, and the publication of the new HNDA and Government guidance, it is proposed to undertake a full review of the LHS over the course of 2027, with a view to a revised and combined LHS and SHIP being presented to committee for consideration in November 2027.

6 Local Housing Strategy: Vision, Objectives and Actions

6.1 The key objective of the Council's Local Housing Strategy (2023-2028) is that:-

"Everyone in Highland has access to a quality home which is affordable and supports the local economy in a sustainable, connected community where people wish to live, work and study".

6.2 The Local Housing Strategy aligns to the priorities set out in the Council's Programme:-

- Building quality, affordable, accessible homes.
- Providing warm and energy efficient homes.
- Support the development of quality affordable housing in response to need.
- Support the needs of veterans through the Armed Forces Covenant.

- Develop housing options that help vulnerable and elderly adults to be cared for close to home and community.
- Work with partners to develop key worker housing opportunities so that sustainable public services and economic growth are not constrained by a lack of housing supply.

6.3 The Strategy is also aligned to the key housing priorities agreed since the agreement of the LHS in 2023 including:-

- The Highland Housing Challenge - increasing the amount of housing across all tenures to address supply and affordability issues and in turn to reduce unmet housing needs.
- Reducing the duration of homelessness and time spent in temporary accommodation through the Rapid Rehousing Transition Plan.
- Supporting independent living through delivery of equipment and adaptions.
- Improving the standard of our Gypsy/Traveller sites with residents consulted as part of the improvement process.
- Working towards net zero carbon targets by investing in physical improvements to the Council's Housing Estate.

6.4 The Council's Delivery Plan 2024-2027 provides the Council's strategic planning approach and sets out how reforms will be structured, planned, resourced, and implemented. A number of the existing features of the Local Housing Strategy are included in the Delivery Plan, in particular around the affordable housing programme.

6.5 The Highland Housing Strategy sets out four outcomes, each with associated enabling actions. A detailed Action Plan supports the Strategy. An update of progress against the outcomes is outlined in section 7 below, along with priority actions for the two years of the Strategy.

7 Local Housing Strategy – Progress against Outcomes

7.1 ***LHS Outcome 1: Housing supply enables strong economic growth and creates resilient communities and places.***

7.2 The main actions achieved to date over the preceding 4 years:-

- Delivery of over 1,800 new houses as part of the Affordable Programme - 837 council rent / 897 housing partners/76 Low Cost Home Ownership;
- Purchase of 135 open market houses to bolster housing supply;
- Ongoing progress with all stakeholders connected to the Inverness and Cromarty; Green Freeport, as part of the revised housing need and demand assessment data to identify the potential housing supply requirements of the Freeport;
- Engagement with Scottish Government, housing developers/investors and SNIB to identify potential new methods of stimulating the house-building sector in Highland, including incentives for private investment and flexibility around planning requirements;
- Delivery of 419 of mid-market and 76 low-cost home ownership homes. We continue to work to identify the needs of individual communities and deliver homes of an appropriate tenure. The type of key worker will vary depending on what is required to sustain a successful community; and

- Of the 1,800 affordable houses delivered across Highland, approximately 1,300 (72%) have been delivered outwith Inverness. Actions associated with rural housing opportunities to sustain housing in rural communities. This includes the work of the Council's Repopulation Officer who has been assisting community groups in Sutherland. 40 homes have been delivered through the Rural and Islands Housing Fund and a further 127 homes have been delivered in remote and Island communities.

7.3 The main priority actions up to 31 March 2028 include:-

- Delivery of the Highland Housing Challenge objectives including the progressing of masterplan consent areas;
- Development of the Council's arm's length organisation – Highland Mid-Market Homes – which will provide mid-market housing on a targeted basis to households requiring this tenure type and who otherwise may be unable to access affordable renting. A report will be presented to Council in December 2026, recommending the actions needed to progress the delivery model Highland Mid-Market Homes;
- Agreeing Heads of terms on SSE legacy housing sites; and
- The partnership (and associated external funding) between Highland and the Empty Homes Partnership has been continued and there are now 2 empty homes officers. A particular focus on work will be targeted engagement with local communities to assist community groups and owners in returning homes to active use and helping sustain vulnerable communities. Performance against the new Empty Homes Challenge Fund is reported as part of a separate report to this Committee.

7.4 **LHS Outcome 2**: Health and wellbeing improves by investing in housing solutions which enable everyone in Highland

7.5 The main actions achieved to date have been:-

- A Financial Strategy for the HRA agreed at Committee was approved at Committee in January 2026. This confirmed that Highland Council rents continue to be significantly lower than the national average for registered social landlords and remain as affordable as possible, while continuing to resource essential housing services for our tenants and housing stock. The review into our loan charges and future capital and revenue investment requirements has provided a framework to make longer-term decision-making, with the potential to approve rental increases over a number of years rather than on an annual basis;
- For Council-delivered houses alone, 11% of affordable homes have been built to a wheelchair liveable standard, meeting both the basic and desirable criteria specified in the Housing for Varying Needs Standards; and a further 19% of ground floor properties have been built to accessible standard – enabling those who are less able to live in properties which suit their needs;
- Investment of £1m per annum in adaptations to Council houses to enable tenants to live independently in their homes;
- Retender of the Handyperson and Care & Repair schemes to provide assurance of value for money and service delivery of these services to households in need;

- Provision of support for 2,076 clients of all forms of housing tenure in 2025/26 with housing-related advice from the CAB. The advice provided supports the Council's homelessness commitments and helps to support those in need of housing. Housing-related advice supports tenants to maintain their tenancies and for all clients accessing housing advice and support to remain in their homes whether that be social rented, private rented or home ownership;
- Provision of support for our tenants through partnership with Ali Energy. This has resulted in 587 referrals in 2025/26 and an estimated average saving of £576 for our tenants through access to external grants, utility company welfare initiatives and other sources of support to mitigate fuel poverty; and
- Working with the residents on our Gypsy / Traveller sites with the aim of transforming where they live into 'great places to live and bring up children'. The Highland Council were awarded £2.150m from the low carbon Vacant and Derelict Land Investment Programme and £4.450m from the Gypsy Traveller Infrastructure Fund (GTIF) to deliver timber framed modular 'park home' style units at Longman Park, Inverness and this project is scheduled to be completed in October 2026 with the handover of community facilities on site.

7.6 The main priority actions up to 31 March 2028 include:-

- Engagement with tenants to deliver an updated Tenant Participation Strategy ahead of the current Strategy concluding in March 2029. This Strategy will be developed through partnership work with our tenant volunteers and will identify actions for engagement including new ways of engaging with tenants who may not feel they currently have a voice in service delivery;
- Delivery of the Gypsy Traveller Improving Lives Action Plan, focusing on how partnership working can meet the challenges of providing health, educational and other support to this recognised group in a format and setting of their choice. There will need to be continued work with the community and their representatives over the future of the Highland sites where there is low occupancy and low demand;
- Progressing the calls to action from the Poverty & Equality Commission; and
- Delivery of a Highland Accessible and Adaptable Housing Strategy, which will align with a review of the accessible housing section of the HHR Allocations Policy. This will have a particular focus on ensuring close working relations with NHS Highland and ensuring that the needs of this applicant group are prioritised within the context of the overall allocations policy and the supply of accessible housing.

7.7 **LHS Outcome 3:** People in Highland have access to a wider range of housing options and choices and the support they need.

7.8 The main actions achieved to date have been:-

- Review of existing protocols for client groups at risk of homelessness, including looked after children, households experiencing domestic abuse and those leaving an institutional setting who require accessible housing, are homeless or threatened with homeless, are care-experienced young people, have experienced domestic abuse and who have been former members of the armed forces. Highland Council's performance in relation to homelessness has improved significantly over the past four years, with a strong focus on sustaining and building on this progress. As a result of this improvement, the Scottish

Housing Regulator no longer requires homelessness to feature within Highland's Engagement Plan. Despite the ongoing pressures of homelessness demand, there continues to be a long-term reduction in the number of households in temporary furnished accommodation and the average time spent in temporary accommodation for households with children. This emphasises the focus on prioritising families with secure housing outcomes as quickly as possible, thus minimising the detrimental impact on their lives as they experience the trauma of homelessness;

- Approval in November 2025 of a Housing Domestic Abuse Policy. Officers assist individuals and families experiencing domestic abuse using a person centred approach as they recognise each situation has differing context and challenges. Local teams work collaboratively with Adult and Children's Services, Police Scotland and other appropriate agencies to work towards positive outcomes for households experiencing domestic abuse;
- Review of the Housing Allocations Policy at Committee on 12 August 2026. This confirmed that the Highland Housing Register prioritises housing allocations based on evidenced housing needs and provides additional weighting for households;
- An enhanced rightsizing scheme was approved to support and incentivise tenants to move house to somewhere both more suitable for them and in turn freeing up larger properties to meet ither applicant needs;
- Highland continues to be recognised nationally as a welcoming and supportive home for Ukrainian Displaced Persons. Efforts have continued since the start of the conflict to provide secure accommodation both in Highland and elsewhere for Ukrainians still unable to return to their homeland. An initiative with Ministry of Defence in Inverness also enabled the provision of housing for Afghan households who had served with the armed forces and have full UK citizenship rights. The Council's Resettlement Team will continue to support various humanitarian programmes, including recent partnership work around unaccompanied asylum-seeking children; and
- Re-tender of the housing support framework with a further increase in our in-house provision and development of support targeted to assist younger tenants who have experienced childhood trauma or are care-experienced.

7.9 The main priority actions to 31 March 2028 include:-

- Review our homelessness procedures and policy in line with the national policy changes around the introduction of Ask and Act duties for public agencies;
- Establishing information forums for private landlords to ensure they are aware of the advice and support available to them and to confirm their rights and responsibilities around issues such as private renters' rights and homelessness prevention;
- Fulfilling the Scottish Government requirements around the supply of information on private rent controls which came into force as part of the Housing Scotland Act 2025; and
- Implementing the provisions in the Housing Scotland Act 2025 around transferring the tenancies of domestic abusers. This will be on a case-by-case basis and will be dictated by the needs and wishes of victim-survivors.

7.10 **LHS Outcome 4:** Partnership and innovation builds capacity in Highland so that housing condition and energy efficiency improve and all homes to move towards net zero.

7.11 The main actions achieved to date have been:-

- Delivery of actions within the Local Heat and Energy Efficiency Strategy. This has included the delivery of home energy works to private households as part of the Energy Efficient Scotland: Area-Based Programme;
- The development of a Net Zero Housing Action Plan which has been approved at Climate Change Committee;
- Development of a stock viability assessment to determine the net present value of our houses based on revenue/capital costs, future income projections and housing demand. This will identify priorities for capital investment, regeneration, and potential disposal;
- Implementation of a Void-Plus Standard, an enhanced re-let standard in Caithness to reduce refusal of housing, to sustain tenancies and to provide support for our new tenants in an area of relatively low housing demand; and
- Approval of an expanded HRA Capital Programme 2027-2032. The Capital Plan has budgeted for an increase in funding of £28m with a total budget of £116m. This includes updated programme principles to target the housing most in need of improvement and aligning with corporate actions around improving the energy efficiency of houses, mitigating fuel poverty and assisting households with independent living.

7.12 The main priority actions up to 31 March 2028 include:-

- Implementation of a new Trades Framework to deliver housing repairs (as part of the Council's Delivery Plan). This will strengthen partnership work with local contractors, stimulate apprenticeships and other community benefits, and will identify potential for carrying out more work within the Council's Building Maintenance Team;
- Engagement sessions with Highland housing associations focused on sharing innovation and maximising external funding for energy works in social housing;
- Maximising energy works and energy funding in line with updated EES:ABS and Warm Homes Fund;
- Further engagement with district heating providers and the Scottish Government to identify district heating schemes at several locations across Highland;
- Linking in with recommended actions from the Member Fuel Poverty Working Group; and
- Commencement of single building assessments in communal blocks, focusing on identifying and investing in structural and fire safety improvements in these blocks and supporting owners and private landlords as part of this process.

8 Housing Need and Demand Assessment

8.1 A HNDA sets out the overall demand for housing into the future. It informs key strategies such as the Local Housing Strategy, Local Development Plan and Strategic Housing Investment Plan. It requires to consider current demand, future demand including economic drivers, specialist demand to produce and overall estimate of future housing need within an area. It provides the evidence base for the Council and other partners, including communities, plan for housing need.

8.2 Work has been undertaken to develop a new HNDA over the course of the last year. This has been delivered by partner Arneil Johnston on behalf of the Council. The updated HNDA has been informed by the new Scottish Government toolkit and guidance which was issued in July 2026. This guidance provides additional flexibility for local authorities to incorporate local trends and changes in housing demand.

8.3 The HNDA has four chapters on:-

- Local housing market drivers.
- Housing stock.
- Future housing need and demand estimates.
- Specialist housing provision.

All four chapters act as an evidence base to quantify both existing and projected housing need and demand in a local authority area. As detailed below, Highland has enhanced its submitted HNDA with robust additional data and research and with qualitative information from an extended engagement process.

8.4 The updated HNDA is awaiting verification by the Scottish Government (Centre for Housing Market Analysis), and this process is likely to take until late Spring 2027.

8.5 **HNDA Consultation and evidence-gathering processes -** The process to prepare a new HNDA was launched across Housing Market Partners in August 2025. The purpose of the HNDA is to establish an evidence base that will inform preparation of the next Local Housing Strategy and the new Highland Local Development Plan.

8.6 It should be noted that there have been delays to the evidence-gathering process, primarily as a result of a 9-month delay in the Scottish Government release of an updated national HNDA toolkit and in the release of population/census information from the National Records of Scotland.

8.7 Since the start of the process, a substantial evidence base has been assembled, including a large-scale household survey across Highland through which over 2,100 residents provided detailed information on their current housing circumstances, future intentions and housing aspirations. The purpose of both this and other engagement activity with community groups has been to go beyond the statutory guidance on preparing HNDAs. This has allowed qualitative information to be collected, including a focus on housing for specific groups including those with accessible housing and health needs.

8.8 Engagement and analysis has also been undertaken with economic development partners and investors to assess anticipated job creation associated with major infrastructure and investment projects across the region. This evidence has been used to develop a range of housing estimates that will inform the assessment of future housing need and demand across Highland.

8.9 Highland Council recognises the importance of ensuring that the HNDA is underpinned not only by robust analysis and evidence, but also by effective engagement with stakeholders and housing market partners. To support this, a Housing Market Partnership Conference took place on 23 September 2026. Housing Market Partners and associated stakeholders used this as an opportunity to review, sense-check and comment on the evidence, methodology and assumptions that underpin the HNDA.

As with the community engagement process, the conference aimed to capture feedback from stakeholders as to whether the statistical analysis appears reasonable in light of participants' knowledge and local experience of housing issues in Highland.

8.10 **HNDA - summary of main findings**

8.11 The HNDA provides significant details on housing and housing statistics and need in Highland. It takes into account tenure type stock condition, affordability as well as current housing supply and demand and future demand. The findings provide important evidence bases for what Highland households, communities, and groups, need and expect from housing over 5-, 10- and 20-year periods.

8.12 The complete HNDA report can be found at **Appendix 5** (circulated separately in Booklet A).

The overall housing supply needs are detailed in the table below. The supply needs effectively demonstrate the scale of the Housing Challenge, clarifying what the overall supply needs are in Highland **in the next 20 years**.

Type of evidenced housing need	**Number of houses estimated over 20 years**	**Comments**
Existing	8,690	Based on existing demand including information from the Highland Housing Register and homelessness trends
Emerging	8,794	Based on demographic, migration and census information, community and stakeholder surveys including where ageing households may need accessible housing, where younger households may form new households
Economic	14,364	Based on statistical information and projections which indicate where economic growth in Highland will result in increased housing needs of the workforce. Caveated in terms of estimated growth and where workforce demands are temporary.
Total	**31,848**	

As a comparison, the housing supply needs set out in the Highland Housing Challenge in June 2024 were for 24,235 new houses **over a 10-year period**. Differences in figures reflect the updated and additional HNDA analysis to evidence housing demand as a result of the anticipated economic and infrastructure growth in Highland over 5-, 10- and 20-year periods.

8.13 In addition to the overall housing projection figures, the main findings from the HNDA include:-

- 20% of households surveyed with a health condition advised that they had accessible housing needs not met in their current home;
- 65% of employers surveyed advised that they considered housing supply challenges as a major barrier to recruitment and retention;

- 10% of households surveyed consider themselves to be overcrowded:
- 22% of households surveyed consider themselves to be under-occupying their home.
- 83% of households surveyed are very or fairly satisfied with the existing home; and
- 29% of households surveyed would either like to or need to move home in the next 2 years.

8.14 **HNDA – next steps**

The HNDA findings have provided an evidence basis for identifying the housing needs across tenure, across settlements, and across demographic groups in Highland. This will support both the Council and partner's planning, including community partners. Information will be made available to communities and stakeholders to assist them with their own development and local place-planning work in the coming years. Providing them with the essential statistical analysis to support local house-building and community developments.

8.15 The HNDA findings will be accounted for in the preparation of the Highland Local Development Plan (HLDP) so that the evidenced level of housing need is appropriately planned for. Consistent with the requirements of the new planning system, the HLDP Evidence Report, soon to be re-submitted for Gate Check, will use this evidence to set an indicative Local Housing Land Requirement. This is the minimum land requirement for housing allocations needed to deliver housing need over the ten-year lifespan of the LDP.

The HNDA evidence will be considered alongside other relevant factors, including infrastructure capacity, development deliverability and the wider spatial strategy, in determining how housing needs should be accommodated across Highland. Subject to a positive Gate Check outcome, the Council will then proceed with preparation of the HLDP on that basis.

8.16 The HNDA has been submitted to the Scottish Government for their consideration, and the anticipation is that they will confirm that it is a robust and credible assessment in early 2027 once they have completed their verification processes.

9 Strategic Housing Investment Plan 2027-2032

9.1 Council Housing Strategies, and specifically SHIPs, are the key statements of local housing development priorities which are used to guide funding. They assist the Government in targeting its AHIP. SHIPs contribute to achieving better prioritisation and making best use of public resources at a time when these are particularly constrained.

9.2 The SHIP is a five-year rolling programme which is updated annually and reflects both the Council's and RSL partners affordable housing programme in communities across Highland.

9.3 SHIPs are developed in line with Scottish Government guidance and the feedback received on the previous year's SHIP. Feedback from Scottish Government on the 2026-2031 SHIP was positive, highlighting the close alignment of strategies and good partnership working.

9.4 The Highland SHIP has been prepared in light of Scottish Government feedback and in recognition of the priorities and prioritisation processes set out at **Appendix 2** including the Highland Housing Challenge. The priorities align with the Local Housing Strategy. The SHIP reflects the currently agreed affordable housing investment programme, as agreed through the HRA Capital Plan and in line with the HRA Financial Strategy. Any proposal to increase the programme would require to be made in line with the HRA Budget setting process.

9.5 **Appendix 3** sets out an indicative Development Programme for 2027-2032. It should be noted that the SHIP contains a degree of over-programming which is standard practice to take account of changes in project planning and sites no longer being viable. Any proposed amendments to the planned investment programme would be discussed with local members in Business Meetings and be reported through the Strategic Committee for approval as required. Budget monitoring will be through the HRA Capital monitoring reports to this Committee.

9.6 **2026/27 Programme Update**

The 2026/27 programme will deliver 302 completed homes highland wide. Although this figure seems low as compared to the original annual target of 700 (SHIP 2026), a further 511 homes are due to be tendered and progress to being on site. Of these 424 are on site currently with the balance planned for between now and March 2026.

The challenges of the programme are:-

- Project viability which has meant a hold has been put on various projects as they are reassessed by the RSL or Council or are going through Scottish Government's technical assessment.
- Failed Developer planning applications which have stalled projects.
- Capacity of the partners to increase their programmes or react to programme changes agilely with limited staff resources.
- All organisations work within a maximum borrowing amount which mean that the Scottish Government has to agree to increasing levels of subsidy per project to cover the difference between rising project costs and maximum borrowing.

9.7 **2027-2032 Programme**

The Highland SHIP for 2027 to 2032 sets out:-

- Highland Council’s key housing investment priorities and demonstrates how they will be delivered so that the outcomes and targets set out in Highland’s Local Housing Strategy.
- Opportunities for development across Highland.
- Identifies resources which are required to deliver these.
- Enables partners such as housing associations and developers to be involved.
- Recognises the Highland Housing Challenge.

9.8 This year's SHIP continues to programme for delivery of a minimum of 700 units annually across affordable housing partners. This is subject to Scottish Government funding and individual partner budgets. The aim remains to deliver 70% for social rent and 30% for intermediate affordable housing, i.e., low-cost home ownership or mid-market rent. This aligns with Scottish Government targets but also the need across Highland.

9.9 Work continues through the Highland Housing Challenge to bring forward additional affordable housing through a range of means. This includes seeking additional financial models and partners for affordable housing, working with SSEN and developers to deliver a programme of affordable legacy housing and the Council developing its own mid-market rent vehicle. A round table with Housing Developers was held in September 2026, with a follow-up planned for November, to determine actions that can support accelerating house building across Highland. Summary of the discussion and actions can be found at **Appendix 4**. To deliver against the ambitions within the Highland Housing Challenge and the projections set out in the revised HNDA, it will be vital to continue progressing these new models and approaches.

10 Next steps

10.1 The revised HNDA has only just been published and has therefore not fully been able to inform this year's SHIP. Over the course of 2027, the Local Housing Strategy and Strategic Housing Investment Plan will be reviewed in light of the new information available. This will also be supported through key stakeholder engagement.

Designation: Assistant Chief Executive – Place

Date: 9 October 2026

Author: Alison Clark, Chief Officer Housing & Communities
Brian Cameron, Strategic Lead Housing & Customer Services
Helen Cameron, Service Lead Housing Development,
Meadhbh Maguire, Principal Planner

Background Papers: Scottish Government Local Housing Strategy Guidance (updated 2026); Highland Local Housing Strategy 2023-2028

Appendices: Appendix 1 - SHIP Integrated Impact Assessment
Appendix 2 - Strategic Housing Investment Plan 2027-2032
Appendix 3 - Proposed Developments 2027-2032
Appendix 4 - Developer Round Table – Summary of Actions
Appendix 5 - HNDA (Booklet A)

Integrated Impact Assessment SHIP October 2026	
Fairer Scotland	*The delivery of additional affordable housing has a **positive** impact on those experiencing socio economic disadvantage. The life chances of individuals and families living in secure, warm homes are improved. Research shows there is a direct correlation between good health, life expectancy and improved educational attainment and living in secure quality homes. The additional homes proposed through the SHIP are fundamental to this. The needs based approach of allocations policy ensures priority is given to those in the most necessitous circumstances aligned with the Fairer Scotland objective.*
Children's rights and wellbeing impact	*The delivery of more affordable family homes has a **positive** impact on the wellbeing of children both in health and educational attainment. A secure warm home gives space for children to grow and learn in an environment where it is easier to maintain good health and wellbeing. We aim to include family homes on the majority of our sites to ensure we are positively impacting on the lives of Children. Overcrowding has a negative impact on children and the inclusion of larger homes in the SHIP recognises this.*
Climate Change Impact	*Each new home has a **positive** impact on climate change. The design standards used exceed the current building standard for energy efficiency. Through a fabric first approach we are actively designing to reduce CO2 emissions and minimising the temperature required to enjoy a warm comfortable home.*
Human Rights	*The proposals embody the rights that everyone has for private and family life.*
Data Protection	*There is no impact on data protection created by this report and recommendations.*
Equalities, Poverty and Human Rights	*These proposals will have a **positive** impact by actively improving opportunities for all those with protected characteristics. The delivery of additional affordable homes using an allocations process based on need; being open, fair and accountable ensures that there is no discrimination against those with*

	*protected characteristics. The inclusion of accessible properties across our developments ensures that we are specifically addressing the barriers associated to age and disability. The proposals will also have a **positive** impact on addressing poverty associated to homelessness or living in insecure accommodation with unaffordable rents. These proposals will not have **no** impact on Human rights.*
Island and Mainland Rural Communities	*These proposals will have a **positive** impact on both Island and rural communities with projects identified for Skye, the rural west coasts of Sutherland and Ross-shire and other communities which fall within the Scottish Government definition of rurality.*

Appendix 2

Strategic Housing Investment Plan (SHIP)

2027- 2032



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Strategic Context

The 2027-2032 Strategic Housing Investment Plan sets out the vision for affordable housing in within Highland. It is a collaboratively designed plan bringing the wider delivery partners together to both influence and own the housing outputs of the strategy.

The SHIP is aligned to the Affordable Housing Supply Programme and working with Scottish Government reflects our joint aims and objectives and reflects the 4 year Resource Planning Allocation.

The foundation of the SHIP is the Council's Local Housing Strategy (LHS). Aligning the LHS and the SHIP avoids duplication and any contradictions. The programme and individual projects reflect the requirements of the Strategy.

The SHIP has been written reflecting the themes of the Local Housing Strategy and its key strategic objectives. The SHIP is a dynamic document in which any LHS changes can be incorporated year on year.

Strategic Alignment

The Council's current Local Housing Strategy (LHS), approved in April 2023, was co-produced with LHS delivery partners, stakeholders and local residents. The LHS vision for Highland is that:

> "*Everyone in Highland has access to a quality home which is attainable, affordable and supports the local economy in a sustainable, connected community where people wish to live, work and study."*

The main purpose of The Highland Council's Strategic Housing Investment Plan (SHIP) is to set out how investment in affordable housing will be directed over the five-year period 2027/28 to 2031/32 to achieve the priorities for affordable housing that have been identified in the Council's Local Housing Strategy (LHS). The LHS has been reviewed during 2026 to ensure that it remains current and will form the starting point for the new Strategy due in 2028. The continual review and monitoring of the LHA ensures both relevance and tie in to the Council's broader strategic aims and any legislative or Government changes to priority objectives. In turn, a dynamic LHS ensures currency of the SHIP.

The LHS sits at the heart of all housing planning arrangements and partnership activities in Highland. It is an ambitious strategy, setting out what homes and communities should look and feel like over the next five years. The Strategic Housing Investment Plan 2026/2031 reflects the vision and priorities identified within the LHS and as a dynamic document seeks to adapt year on year to emerging need and Government policy objectives.

The Council's SHIP will contribute to the national Affordable Housing Supply Programme (AHSP), assisting in fulfilling the Scottish Government's commitment to deliver new affordable homes over the current Parliament. Their commitment to a 4 year financial programme allows improved planning and confidence amongst the affordable housing sector. We await to see the impact of the new More Homes Agency as its role evolves to support increased housing delivery.

The Council approved its operational Delivery Plan "Our Future Highland 2024-27'' in May 2024. The SHIP, and the Council's LHS, have a key role in delivering key strategic priorities contained in the Plan. Examples of this are providing suitable housing options to enable an increased proportion of people over 65 remaining in their own home, an increased number of new houses to sustain rural and communities to address depopulation, and an increased number of key workers accessing local housing.

The Housing Challenge for the Highlands remains as a call for action since it was first agreed by Councillors in June 2024. The three key thematic areas remain as priorities for the Council – increasing finance for housing development, increasing land for housing development and increasing developer capacity. Since the Housing Challenge was announced, officers have continued to engagement with Housing Developers to check in, support and identify barriers to development which could be unlocked.

However, whilst the Council seeks to take action on what it can do to remove barriers and support the industry, it is also encouraging to Developers to accelerate the build of housing across Highland. The need for the private sector to increase supply is evident as the number of new private home completions have declined rather that increased in the past 12 months. Engagement with Developers and Investors suggest that they are seeking confidence to the projected employment growth prior to increasing build rates. This is a key role for Highland and Islands Enterprise (HIE) as the economic development agency.

There is a particular challenge in areas to the north and west of Inverness where the sales values and costs do not make economic sense to Developers and affordable house building is the primary deliverable. It is predicted this is likely to change over time as well-paid jobs emerge on the back of the Cromarty and Inverness Freeport and the SSE infrastructure upgrade works which stretch up to the North Coast. In the interim the Council is assessing ways that Developers could be attracted to deliver on Council owned land to foster growth and confidence in the market

In December 2025 the Highland Council launched the ‘Invest Highland Prospectus’ - this has housing at the heart of a drive to attract investment and people to the Highlands. This bold strategy is supported by the Highland Council Investment Plan a 20 year £2.1billion programme designed to transform communities and strengthen the economy.

Partnership Framework

The Council takes a positive partnership approach in forward planning and resolving development issues with our affordable housing, planning and private developer partners, continuing to work constructively to overcome constraints.

The Highland Housing HUB, which was established in June 2016, continues to meet weekly. This has resulted in housing associations who had previously stopped or significantly reduced their development programmes being brought back to the table as they are now keen to develop more.

HUB membership includes staff of:

- The Scottish Government’s More Homes Scotland
- Highland Council
- Local Developing housing associations and other housing partners.

The HUB has set a number of objectives:

- Deliver the Highland 5-year new build Affordable Housing Programme.
- Collectively agree a revised Highland Strategic Housing Investment Plan based on the priorities set out in the Local Strategy.
- Maximise investment levels for the delivery of affordable housing in areas of greatest need.
- Work collaboratively and cement partnerships to deliver agreed outcomes
- Streamline Communication between different agencies that have a role within the delivery of housing.
- Demonstrate a model of working which can be rolled out to other areas of Scotland.

Aligned to the HUB are six monthly meetings of Highland Housing Partners, bringing together RSLs and other affordable housing partners. The focus is to provide a forum to discuss and support delivery of the HUB objectives and is supported by Scottish Government More Homes partners.

The Council is an active member of the Highland and Islands Regeneration and Economic Partnership (HIREP) a wider economic group across several local authorities which has identified housing supply shortages as the biggest constraint to economic sustainability and expansion.

Local Development forum (LDF) sub-groups previously operated at a local level across Highland. There remains a challenge of effective engagement with statutory bodies and the utility providers who were key members. The value of them has been reviewed and a commitment made in both the Partnership Highland Outcome Improvement Plan and the Partnership Housing Challenge Action Plan to re-establish this collaborative working as such collaboration across the agencies is critical to the delivery of the affordable housing programme.

Engagement across the delivery partners remains to be challenging and will be challenged further over the forthcoming year as public sector reforms will be the focus of both Scottish Government and the statutory bodies.

The remit of the forums still remains relevant:

- Local community priorities for investment
- Key worker housing need
- Value for money and best use of subsidy
- Deliverability and constraints
- Partnership working
- Proximity to services and facilities
- Housing tenure mix.

We will continue to engage and promote collaboration between; Council Development, Housing and Planning staff, Scottish Government, RSLs, SEPA, Scottish Water, Highland and Islands Enterprise, NHS Highland as well as other Council and external invitees such as Health and Social Care as and when required.

The Council continues to hold regular one to one meeting with housing associations and developers. In addition, we continue to meet with the Scottish Government on a weekly basis at the Highland Housing Hub to discuss any issues relating to the Highland programme.

Community Led Development – the Council continues to support community led housing development. There are excellent examples of community led initiatives which would not have been highest priority in terms of the highest needs categories of the Highland Housing Register but nonetheless these projects have delivered effectively for specific community needs.

The Communities Housing Trust has been a main player in the Highlands, particularly in the realms of community engagement and community advice. As we move forward in the context of this organisation's wind up, the Council will engage with Scottish Government, HIE and the Communities Alliance to model a best approach for community development to continue into the future.

Engagement on the SHIP

In developing the final SHIP 2027/28 to 2031/32 stakeholders and partners have fed into the process in various ways. We discussed future planning and investment priorities at our partnership network meetings, as well as through informal discussion with a wider range of internal and external partners. The SHIP will be circulated to other Council Services, Registered Social Landlords, private developers, as well as representative organisations and public sector organisations such as the NHS.

Local Housing Strategy Themes:

1.Housing supply enables strong economic growth and creates resilient communities and places

Housing Need and Economic Growth

Housing is crucial to the growth of Highland's economy and the sustainability of its communities. There are large numbers of households across Highland experiencing 'housing need' whilst at the same time there continues to be substantial pressure on Highland's supply of affordable housing. To provide the evidence required to calculate local housing and land requirements over the next 20 years, the Highland Council commissioned a renewed Housing Need & Demand Assessment (HNDA) during 2026, which has been used to arrive targets within the SHIP.

This HNDA was extensively researched using a robust methodology to gain the necessary insight of the housing needs in our local communities and to gain credible data regarding the impact of projected economic growth on the requirement for additional homes of all tenures. The projected need for the next 20 years is over 30,000 homes of tenures of all types. In terms of affordable housing needs there is also an impact relating to the projected economic growth where an increase of jobs at lower level salaries preclude home ownership and there is further reliance on the affordable sector. This need sits alongside the pressures of existing and growing need for affordable homes as the projected number of households is forecast to increase in the Highlands over the 20 year period. This growth in households is not necessarily related to population growth but a growth in smaller households.

The research undertaken with employers as part of the HNDA demonstrates the challenge of economic growth and the interrelationship with housing availability:

- 50% of employers reported making an offer to an applicant which was subsequently declined due to a lack of housing availability
- 67% of employers cited a lack of accommodation as a contributory factor in recruitment and retention problems
- 65% of employers cited housing shortage as a barrier to recruitment and retention.

The attraction of employees is vital to the Highland Economy albeit this brings with it a need for further affordable housing.

Alternative Housing Delivery

Scottish and Southern Energy

The distribution network in Highlands is being upgraded from the North Coast down and out to the west coast and Skye. This will be delivered over a 10 year period bringing employment opportunities and the requirement for both temporary and permanent accommodation in the Highlands. For the past 3 years the Council has been working with SSEN to deliver a legacy housing model: housing being built or refurbished and used initially by the workforce and then coming back to the affordable sector as permanent homes at an attractive cost once the homes are no longer required for the workforce.

The first homes delivered under this initiative are 18 Council homes in Wick which were void and in poor condition. SSE has funded the upgrade and will use them as accommodation after which they will come back to the Council as energy efficient and well-maintained properties. In Inverness, SSE has funded the Council to purchase the site of the former college. It will initially be used as a temporary workers camp and then come back to the Council as a serviced site for mixed use - housing and commercial. Without this funding, the Council would not have been in a position to purchase the site. The first contract has also recently been signed with SSE whereby the Developer owned homes are being used as temporary accommodation. These homes will be used for 5 year period then 60% will come back to the affordable sector as legacy affordable homes. These add value to the sector without displacing units which were to be delivered through the SHIP. Further homes are in the pipeline to be delivered in this way. This approach is new and it has taken time for SSE to develop and deliver the model but the benefits of this are beginning to be realised.

Finance Models and Funding

To assist in increasing the supply of new properties, the Council are working with private sector to explore new finance models for increasing delivery. There is ongoing dialogue regarding investor-owned properties and long lease models. The cost of build and enabling the required return for investors, however, requires public subsidy. This is an area of delivery being assessed by Scottish Government and the aim is for Highland to see the benefit from such a strategy as these homes will be in addition to the mainstream affordable provision. Such investment could create the critical confidence in the market needed and potentially encourage other investors to see the Highlands as an opportunity and 'open for investment'. The Council understand the challenges around this, and evidence of job growth will assist in these discussions. The 'Invest Highland' strategy as noted previously is key to attracting such investment.

Use of Council land and Assets - The Council remains committed to identifying all surplus Council assets and prioritising them for affordable housing in areas of housing stress. This is a key action within the Highland Housing Action Plan and within the Council's Delivery Plan. An on-going strategic review of Council owned assets feeds into a register of assets/sites that may be suitable for affordable housing.

Use of Public Sector Land and Assets – the Council continues to take advantage of the availability of other public property and land assets as they become surplus to their requirements. This is a core action within the Highland Outcome Improvement Plan and is being delivered through the Highland Property Partnership and the public sector trawl for sites.

Use of Council Tax Revenue from Second and Long-term Empty Homes - the revenue from Council tax from second and long-term empty homes continues to be used to fund new Council housing, development loans, bridging finance and provide funding for land and infrastructure. It should be noted that the additional revenue received from the increase in council tax has also been used to support wider council activity. A new Empty Homes Strategy has been approved to assist in targeting empty properties and bringing them back into use back into use.

Use of Other Council Funding - There is a well-established recyclable Landbank Fund, used to maximise housing provision by granting loans and grants to housing agencies. It also enables a landbank of strategic sites to be established throughout the Highlands; removal of infrastructure constraints and front-funding of projects at risk of delay. It can also contribute, in exceptional circumstance, to high-cost rural projects.

The Council also funds early site feasibility studies to proactively identify constraints and develop solutions.

Infrastructure Fund - the Council has successfully assisted in delivery of 6 major housing projects by making available loan and grant finance through the Evergreen Fund for infrastructure improvements in Fort William, Dingwall, Drumnadrochit, Evanton and Inverness. In addition, the Fund has assisted in the delivery of key projects in rural areas including Dulnain Bridge and Avoch. The Council will consider loan applications to the Fund that relate to other major sites and also use the Fund as grant funding for high-cost affordable housing sites which are constrained by high infrastructure costs.

The Fund has limited resources remaining and given the challenge of delivering infrastructure in rural areas and for major Council/RSL owned sites, we will continue to lobby for infrastructure to be funded separate to the house build and be excluded, where appropriate, from value for money assessments. This is particularly pertinent for rural projects where high infrastructure costs are having to be borne by small numbers of units.

The Council is a major affordable housing developer delivering an ambitious programme of new council houses. Along with prudential borrowing and other Council contributions, projects are funded by Scottish Government contributing around 45% of costs.

Prudential Borrowing - many of the sites being taken forward for Council housing are being developed in partnership with our housing partners. There is a focus on making the best use of resources to deliver social rented housing where it is most needed, particularly in areas where locally based housing associations do not have potential projects. This partnership approach speeds up delivery, particularly on larger sites where the Council relies on the funding available from partners to maximise the number of homes deliverable. The development of the HRA Financial Strategy supports the use of prudential borrowing into the future.

Key Workers

A worker who fulfils a role regarded as vital for the community, especially in the health, education, security, and infrastructure sectors.

The need to house people key to the sustainability of communities is not just a rural problem. The private care sector, public sector and private companies struggle to attract employees if housing is not available, as noted in the HNDA research. The Council is currently working through a business plan to set up a subsidiary to deliver further mid-market homes in the Highlands, both urban and rural to meet the needs of broader population. It recognises that key workers are a particular group that may benefit from this type of housing. The aim is to have this set up by April 2027. The mid-market tenure has been successful in the Highlands as the delivery statistics in the performance section (Appendix 1) demonstrate.

Key workers, however, also require access to social rented properties. A pilot in Fort William successfully saw a limited local lettings initiative targeting key workers for social rented homes. This demonstrated that the standard allocations process would not have given housing outcomes to these households who were important to the overall sustainability of the community. The Rural Key Worker fund has been used to deliver homes over the current period of the SHIP. Early evidence would suggest that the Council strategy on second homes enhanced council tax has brought properties back onto the market leading to the affordable sector befitting from some successful purchases. The full impact of this strategy will be reviewed over time.

Empty homes

Empty homes can have a negative impact on our communities as well as being an unused housing resource. The Sottish Government has supported an additional post in the Highland Council to work with property owners to bring properties into to effective use. In May 2026 the Council launched the Empty Homes Challenge Fund which involves a modest grant contribution being made to owners to fund a proportion of necessary works to bring a property into use. This fund is a residual fund for owners who have not been able to complete house renovations. We have yet to see the impact of the fund, but initial interest demonstrates costs and contractor availability is challenging.

Town centre regeneration

The changing nature of our towns reflecting modern shopping habits and have meant town centres are providing more services than retail. This has left many of the larger buildings fall into disuse. The repurposing of such buildings is vital to improve amenity on our High Streets.

Housing is one option with buildings remodelled or demolished and replaced. Bringing people into the heart of communities supports the sustainability of service sector and a contracted retail sector by increasing footfall. The Council and partners have successfully delivered such regeneration projects, and we would like to see this to continue as we move forward with the SHIP

2. Health and wellbeing improve by investing in housing solutions which enable everyone in Highland

Rural and Island housing delivery

The population of our many rural communities across Highland is declining, particularly in the younger age groups. The need for additional housing is vital to support local businesses, give opportunities for young people to remain or return to these communities and attract key workers to deliver vital services. Addressing the need for rural housing to prevent depopulation is complex. Developments can often be slow, sites challenging to develop, infrastructure limited and costly to deliver and there is an expectation that all development meets a standardised design which is not always achievable. Most significantly, construction costs are extremely high in comparison to the Inner Moray Firth and Easter Ross areas. The challenge of delivering rural homes is compounded by a lack of private sector development. Developers will not build where the cost exceeds value and therefore the delivery of homes in rural areas is generally left to affordable providers or community led projects.

Any pre-development works and planning related surveys must be absorbed into project costs placing huge pressure on delivery and project budgets. Appendix 1 highlights the successes of delivering rural housing over the past 4 years of the SHIP, where small numbers of units can make a significant impact on fragile communities. The aim is both to maintain and increase deliver in these areas, and the Council is looking at procurement processes to explore new ways of delivering rural housing and supporting rural based contractors in the process.

Gypsy/ Traveller provision

Through the Council's 'Gypsy Traveller Improving Lives Action Plan' the Council have been working with the residents on our Gypsy / Traveller sites along with partners in health and education with the aim of transforming where they live into 'great places to live and bring up children'.

The Highland Council was awarded £2.150m from the low carbon Vacant and Derelict Land Investment Programme and £4.450m from the Gypsy Traveller Infrastructure Fund (GTIF) to deliver timber framed modular 'park home' style units at Longman Park, Inverness and this project was scheduled for completion in October 2026 with the handover of community facilities on site. This is an exemplar project enabling our Gypsy and travelling community to live in a high-quality environment and importantly maintain their culture. Further work is being undertaken on other sites to appraise the needs for upgrade and change. We await to see the outcome of the integration of funding for such projects into the More Homes Agency which may act as a catalyst for further targeted investment.

Disability and an ageing population

Delivering to recognise the changing demographics of the Highlands is integral to our housing delivery. The HNDA reports that that in the past 20 years there has been a 52% increase in the age group 65-74 rising to an 85% increase in the over 85s. The projection for the next 20 years is 110% rise in the over 85s. Within this context we continue to aim for 10% of our housing to be full wheelchair compliant and look to ensure that all ground floor accommodation incorporates flexibility to enable the majority of our population remain in their own home with future minor adaptation, if required. Work has commenced on the delivery of an Accessible and Adaptable Housing Strategy, reflecting the changing population needs.

Given the challenge around the increasing aging population and associated care provision, the Council is working with the community and health partners to create a sustainable model of social care initially in Fort William. The driver of having a home-based model integrated with extra care provision sits behind this necessary project. The aim is to have a replicable model to role out to other parts of the Highlands, which recognises the need but also addresses the challenges of delivering care.

The Council continue to support residents staying in their own homes by investing £1m in adaptations to council properties. RSL partners also invest similarly in their stock. Care and Repair continues to be delivered having been retendered in 2025 to reflect changing requirements and test value for money.

Local Cost Housing Options

Whilst the Housing Need and Demand Assessment identifies that most households in housing need require social rented housing, some housing needs and aspirations can be better addressed by other low-cost housing options. We recognise that a mix of affordable tenures can help to create well-balanced communities.

This has influenced our target for the mix of affordable housing to be provided with 30% alternative tenure mid market or low cost home ownership, which also aligns with Scottish Government targets. We will aim to provide a minimum of 10% of affordable houses built to a "wheelchair liveable standard" – i.e. meet both basic and desirable criteria as specified in Housing for Varying Needs standards.

3: People in Highland have access to a wider range of housing options and choices and the support they need.

Poverty

The Poverty and Equality Commission reported in June 2026 and has set out a series of calls to action. One of the core themes is housing, which has the need for affordable housing at its heart and supports increased delivery in all our communities at a rent people can afford. Council rents remain significantly lower than the national average for registered social landlords and affordability of rents is a core principle within the HRA financial strategy.

Homelessness

The eradication and the prevention of homelessness is the most important driver of behind delivering additional homes in the Highlands. The Council continues to review and change our approach as required within a backdrop of additional stock being delivered with a recognition that Inverness is our area of highest demand. The key pieces of work undertaken which impact on targeted project delivery, mixes and locations are:

- A review of existing protocols for client groups at risk of homelessness, including looked after children, households experiencing domestic abuse and those leaving an institutional setting;

- Maintaining a long-term reduction in the number of households in temporary furnished accommodation and time spent in temporary accommodation, with a focus on supporting families in particular into secure tenancies as quickly as possible;

- Approval in November 2025 of a Housing Domestic Abuse Policy.

- Review of the Housing Allocations Policy at Committee on 12 August 2026. This confirmed that the Highland Housing Register prioritises housing allocations based on evidenced housing needs and provides additional weighting for households who require accessible housing, are homeless or threatened with homeless, are care-experienced young people, have experienced domestic abuse and who have been former members of the armed forces. An enhanced rightsizing scheme was approved to support and incentivise tenants to move house to somewhere both more suitable for them and in turn freeing up larger properties to meet ither applicant needs.

- Highland continues to be recognised nationally as a welcoming and supportive home for Ukrainian Displaced Persons. Efforts have continued since the start of the conflict to provide secure accommodation both in Highland and elsewhere for Ukrainians still unable to return to their homeland. An initiative with Ministry of Defence in Inverness also enabled the provision of housing for Afghan households who had served with the armed forces and have full UK citizenship rights. The Council's Resettlement Team will continue to support various humanitarian programmes, including recent partnership work around unaccompanied asylum-seeking children.

4: Partnership and innovation builds capacity in Highland so that housing condition and energy efficiency improve and all homes to move towards net zero.

Highland shares the Scottish Government's aspirations set out in the Sustainable Housing Strategy (2012). Highland's Registered Social Landlords and the Council have an on-going commitment to improve energy efficiency, the quality and environmental standards of new housing developments, contributing to reducing carbon dioxide emissions and helping meet the challenge of climate change as has been evidenced over the years. This is particularly important given Highland's climate, limited access to affordable fuel and associated levels of people living in fuel poverty.

The proposed projects will incorporate measures supportive of sustainable design and construction and energy efficient features in accordance with Scottish Government standards and Building Standards. The Council will seek to achieve where possible, at a minimum, Section 7, Silver Level of the 2011 Building Regulations in respect of both carbon dioxide emission and energy for space heating.

The Energy Efficiency Standard for Social Housing (EESSH) introduced by Scottish Government aims to improve the energy efficiency of social housing in Scotland. It will help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. It will make a significant contribution to reducing carbon emissions by 80% by 2050 in line with the requirements set out in the Climate Change (Scotland) Act 2009.

The commitment to move away from use of mains gas for space heating and hot water has required greater use of renewable heat sources such as air-source heat pumps. This has had a knock-on effect to grid capacity, and we are working with SSE regarding the local network upgrades required to deliver connections.

Both the newbuild programme and the Council's second-hand property purchases, have at the heart of them the aim of delivering energy efficient homes and subsequently reducing fuel poverty. Examples include:

- The Council is working with a local developer and kit manufacturer with the aim of delivering improved energy efficiency and buildability, particularly in rural communities.

- The Council are aiming to deliver a pilot project during 2026/7 showcasing a sustainable local modular project which can be tested against other construction types.

- The Council is collaborating through the Highland and Islands Rural Economic Partnership (HIREP) with Argyle and Bute council which has commissioned an investigation into the availability and cost effectiveness of modular build

Targeting Investment

Highland's Local Housing Strategy sets the targets for affordable housing and the SHIP sets out how resources will be used, over 5 years (2027-2032), to deliver these affordable housing priorities. The priorities listed in the SHIP tables (appendix 2) are those which have been identified. Annual updates of the SHIP will include new opportunities likely to emerge over the 5 year period. This reflects the need throughout the Highlands.

Housing Market Area	Target % of Investment	Unit Approval 5 years
Badenoch and Strathspey	4.8	175
Caithness*	1.0	38
East Ross	16.7	605
Inverness	38.9	1409
Lochaber	6.1	222
Mid Ross	13.2	477
Nairn	3.6	131
Wester Ross	3.0	109
Skye and Lochalsh	9.3	337
Sutherland	3.3	121
Highland	100	3624

*NB: the Local Housing Strategy specifies that the target for investment in Caithness is based on the need for regeneration activities to address low demand e.g. using the existing stock. There are SSE legacy houses proposed for Caithness which, if agreed will bring in some newbuild provision

Within each Housing Market Area, investment will be mainly targeted at communities identified as having the greatest affordable housing pressures in the Local Housing Strategy. The priority for Caithness remains to be regeneration activity to address very localised issues of lower housing demand and contribute to wider economic regeneration. There are however emerging signs of new economic activity in Caithness which will result in increased housing demand. These priorities recognise the importance of investing in small rural communities as well as larger communities.

Our investment decisions also recognise the Council's corporate priorities. As such, there may also be occasions where joint funded housing investment decisions are driven by non-housing objectives such as supporting the success of community developments in fragile remote rural communities and local regeneration projects and larger economic drivers.

These principles are set out in the Our Future Highland Delivery Plan which was approved at Council in May 2024. The Plan focuses on several principles pertaining to housing delivery which are included within the SHIP:

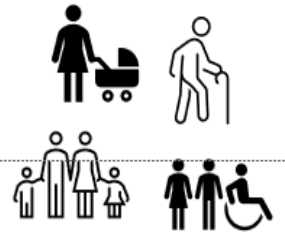
- A commitment to increasing the supply of affordable, warm and accessible new housing as detailed in the local housing strategy
- Partnership working to address the provision of key worker housing, veterans housing and accessible housing
- Maintaining the delivery of new houses to sustain rural communities.

Conclusion

In this SHIP the Council and partners aim to set out our clear strategic direction for our investment priorities for Affordable Housing. We will continue to monitor and review progress through the partnership framework and regular programming meetings with the Scottish Government's More Homes Division.

During 2027, a wholescale review of the Local Housing Strategy will be undertaken in light of the findings from the Housing Need and Demand Assessment. This will form the basis for the next iteration for the SHIP in November 2027.

SHIP Appendix 1 Performance



Delivery of affordable homes in Current SHIP period

- Target: 2000
- Actual : 1776
- The Council had a target of 180 homes for social rent per year and has exceeded this by delivering 209 per year (**836 total**) during this snapshot
- **353** homes delivered in Inverness and **1423** out with

Delivery of rural projects

- Target: 0 homes
- Actual - Scottish Government rural definition for rural: **475**
- *Including:*
- Remote rural and island: 138
- Rural and Islands Fund: 40
- Total: **178**

Delivery of accessible homes (Council homes for rent)

- Target: 0%
- Actual: **19%**
- Although there is no set target for accessible homes at 19% this demonstrates positive delivery in the context of an ageing population

Delivery of alternative tenure

- Target: 30%
- Actual: **472** homes - 27%

Delivery of wheelchair compliant homes (Council homes for rent)

- Target: 10% of newbuild delivery (728 homes)
- Actual: 11.3% - **82** homes

Landbank

- Number of homes being delivered by others (in various stages of delivery) over 4-year period: 68
- Grants and loans awarded: £1.7m
- Forecast landbank to end of financial year 26/7: £8.27 uncommitted

Evergreen Infrastructure Loan Fund

- Homes facilitated: 3959
- Homes delivered to date: 1847
- Monies spent: £21.473m
- Balance available: £4.061m



Appendix 2

Projects to be completed or committed over SHIP Period

Rural & Island Housing Fund projects

Approved pre 2027/8

			Scottish Government approval period			
Client	% of Total	Pre 2027/28 yet to complete	2027/2028	2028 to 2031/2	TOTAL NEW COMMITMENTS
Badenoch & Strathspey						
Aviemore, Former School site	THC		12			
Aviemore, Larig View	THC		2			
Aviemore, Morlich Court	Cairn		18			
Aviemore, Reidhaven Estate (Dalfaber)	HHA		5			
Kingussie, Kerrow Drive	Caledonia		22			
Nethybridge, Laing	Albyn		21			
Newtonmore Ph1	THC		12			
Newtonmore Ph1	HHA		8			
Newtonmore Ph2	THC		16			
Aviemore, Former Ambulance depot	THC			9		
Kincraig, Ph2	HHA			4		
Kincraig, Ph2	THC			2		
Open Market Purchases 2026-27	THC			2		

Dulnain Bridge	THC				6	
Kingussie, Market Stance	THC				4	
Kingussie, St Vincents Hospital site	THC				16	
Cromdale, Tom an Uird Ph3	CHT				4	
Grantown-on-Spey, West of Health Centre	Community				6	
Aviemore, North site ph1	THC				32	
Aviemore, Health centre site	THC				20	
Sub-total			**116**	**19**	**88**	**107**
		3.0%				
Caithness						
Thurso	Cairn			10		
Thurso, Pennyland Phase 2	Cairn				14	
Wick, Wick	Cairn				10	
Sub-total				**10**	**24**	**34**
		1.0%				
Inverness - City						
Inverness Slackbuie H	HHA		32			
Inverness, Clachnaharry	THC		20			
Inverness, Easterfield ph2	Caledonia		18			
Inverness, Easterfield ph2	Caledonia		6			
Inverness, Parks View	THC		19			
Inverness, Parks View	HHA		10			
Inverness, Parks View	THC		4			
Inverness, Parks View (additional flats)	THC		4			
Inverness, St Valery Drive	THC		10			
Inverness, Stratton (East) ph3	CRE / PfP		24			
Inverness, Stratton (East) ph3 - Barnchurch Road	CRE / PfP		6			
Inverness, Stratton (East) ph3 - Barnchurch Road	CRE / PfP		28			

Inverness, The Maples (Ness-side) A4/B2	HHA		23			
Inverness, Torvean ph1	THC		20			
Inverness, Torvean ph1	HHA		6			
Inverness, Torvean ph1	THC		4			
Inverness, Westercraigs Creagan Place	THC		21			
Inverness Slackbuie H	THC			8		
Inverness, Balloan Road	THC			12		
Inverness, Culcabock Avenue	HHA			5		
Inverness, MacLennan Crescent	Albyn			5		
Inverness, MoL Leys Square	THC			24		
Inverness, MoL South (Hazeldene) ph1	THC			50		
Inverness, Ness side ph4 (A6)	HHA			12		
Inverness, Ness side ph4 (C1)	THC			31		
Inverness, Off the shelf purchases 26/27 - THC	THC			5		
Inverness, OTS purchases 26/27 - MMR - Albyn	Albyn			5		
Inverness, Westercraigs ph3	Cairn			40		
Inverness MOL Ph 10	HHA				20	
Inverness, Balloch Farm Ph 3	HHA				20	
Inverness, Balloch Farm Ph 3	THC				4	
Inverness, Balloch Farm Ph 3	THC				26	
Inverness, East - P46342 Stratton D (big site)	THC				50	
Inverness, Knocknagael	THC				30	
Inverness, MoL Commerical Land	THC				20	
Inverness, Off the shelf purchases 27/28 - THC	THC				5	
Inverness, Torvean ph2	THC				30	
Inverness, East - P46342 Stratton D2 (big site)	THC				50	
Inverness, East - Stratton (Cradlehall)	THC				50	
Inverness, East - Stratton Springfield	Caledonia				50	
Inverness, Ness Castle ph4	THC				30	
Inverness, Off the shelf purchases 28/29 - Albyn	Albyn				5	

Inverness, Off the shelf purchases 28/29 - THC	THC				5	
Inverness, Wester Inshes Farm (North) DC land	THC				40	
Inverness, Westercraigs ph4	Cairn				40	
Essich (Call for sites)	TBC				50	
Inverness former prison site	THC				30	
Inverness Wester Inshes (Commercial land)	TBC				25	
Inverness, Druids and Welltown (Call for sites)	TBC				80	
Inverness, Off the shelf purchases 29/30 - THC	THC				5	
Inverness, Anderson Street	THC				30	
Inverness, Balloch Farm Ph 4	THC				50	
Inverness, Castlehill road - site to west of	THC				17	
Inverness, East - P46342 Stratton D3 (big site)(continuation of Barnchurch Road)	THC				50	
Inverness, East - Stratton (Seafield)	THC				70	
Inverness, East - Stratton Springfield ph2	Caledonia				50	
Inverness, Inshes Small Holdings	THC				28	
Inverness, Milton of Leys - expansion T	THC				40	
Inverness, MoL South (Hazeldene) ph2	HHA				50	
Inverness, Off the shelf purchases 30/31 - THC	Albyn				5	
Inverness, Torbreck farm	THC				30	
Inverness, Wester Inshes Farm (South) DC land	THC				40	
Inverness - Wider Area						
Dores, the Glebe	THC		12			
Tomatin	Community		6			
Tornagrain, Tornagrain phase 3 (Block 1C)	CRE / PfP		18			
Tornagrain, Tornagrain phase 3 (Block 1C)	CRE / PfP		21			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP		34			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP		22			
Tornagrain, Tornagrain phase 4 - Blocks 104-106	CRE / PfP		30			
Tore (Woodneuk)	THC			3		

Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP			20		
Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP			10		
Tornagrain, Tornagrain (Tulloch ph1)	CRE / PfP			5		
Avoch, Rosehaugh Road	THC				3	
Gorthleck	CHT				4	
Gorthleck	Albyn				6	
Kirkhill, MacMillan land	THC				6	
Tornagrain, Tornagrain (Tulloch ph1b)	CRE / PfP				24	
Croy	TBC				13	
Kiltarlity (Non S75)	TBC				21	
Kiltarlity Ph1	TBC				8	
Kiltarlity Ph2	TBC				14	
Kirkhill, (OBP)	THC				30	
Sub-total			**398**	**235**	**1254**	**1489**
		41.9%				

Lochaber						
Eigg	Community		2			
Fort William, Glenkingie Terr	Lochaber		18			
Lochaline	Community		14			
Mallaig	Lochaber		14			
Canna	Community			3		
Glenshiel	Lochaber			4		
Kinlochleven, Foyers Road	Lochaber			8		
Knoydart	Community			6		
Muck	Community			2		
Roybridge, former school site	Lochaber			4		
Roybridge, former school site	Community			2		
Fort William, Former St Mary's school	THC				25	
Glenfinnan	THC				5	

Invergarry	Community				6	
Ballachulish	Lochaber				8	
Fort William, Lundavra Road	THC				20	
Glencoe	Lochaber				8	
Inchree	Lochaber				10	
Strontian, Dhal Mor	THC				6	
Fort William, Blar Mor, Phase 3	THC				15	
Fort William, Blar Mor, Phase 3	THC				44	
Fort William, Upper Achintore Ph 2	Curb				82	
Kilchoan	Lochaber				2	
Spean Bridge, Hobbs	THC				8	
Sub-total			**48**	**29**	**239**	**268**
		7.5%				
Nairn						
Nairn, Delnies, Ph1	Cairn		30			
Nairn, Delnies, Ph1	Cairn		6			
Nairn, Delnies, Ph1	Cairn		12			
Nairn, Delnies, Ph2	Cairn				27	
Nairn, Nairn Town centre regeneration	THC				6	
Nairn, West	THC				40	
Nairn, Sandown	HHA				8	
Nairn, Sandown	THC				50	
Sub-total			**48**	**0**	**131**	**131**
		3.7%				
East Ross						
Alness, Alness East ph1 (Whitehills)	THC		22			
Alness, Alness East ph1 (Whitehills)	THC		4			
Alness, Dalmore Ph 7	Albyn		6			
Alness, Dalmore Ph 7	Albyn		28			

Alness, Obsdale	Albyn		19			
Edderton	THC		8			
Invergordon, Cromlet Ph2	THC		30			
Invergordon, Cromlet Ph2	Albyn		13			
Invergordon, Rosskeen	THC		22			
Invergordon, Rosskeen	Albyn		12			
Invergordon, Rosskeen	THC		12			
Tain, Seaforth Road	Albyn		16			
Alness, Alness East ph2 (Whitehills)	THC			22		
Alness, Crosshills, Ph 1	THC			20		
Alness, Crosshills, Ph 1	THC			30		
Alness, Crosshills, Ph 1	THC			10		
Evanton, Teandallon ph3	THC			14		
Evanton, Teandallon ph3	HHA			16		
Invergordon, Cromlet Ph3	THC			12		
Invergordon, Cromlet Ph4	THC			15		
Kildary , Urquhart Close	Albyn			8		
Tain The Grove	THC			8		
Tain, Craighill terrace (Primary school)	THC			30		
Alness, Arboll Wood	Albyn				8	
Alness, Crosshills, Ph 2	THC				60	
Alness, Dalmore ph 8	Albyn				30	
Evanton, Culcairn	Cairn				19	
Invergordon, Castle Ave	THC				20	
Invergordon, Mains	THC				50	
Tain, Former TRA Ph 1(Craighill replacement site)	THC				70	
Balintore	THC				14	
Evanton, Teandallon ph4	THC				40	
Invergordon, Cromlet ph3	THC				14	
Tain, Upland Dev site	Albyn				30	

Evanton, Culcairn ph2	THC				21	
Evanton, Culcairn ph2	THC				5	
Invergordon, Mains ph2	THC				50	
Sub-total				**185**	**431**	**616**
		17.4%				
Mid-Ross						
Conon Bridge, Drouthy Duck	THC		6			
Conon Bridge, Riverford	HHA		15			
Conon Bridge, Riverford	THC		4			
Conon Bridge, South	Albyn		40			
Conon Bridge, South (non s75)	Albyn		14			
Dingwall, Meiklefield, Ph 2	THC		34			
Fodderty, Former Primary School Playground	THC		4			
Conon Bridge, School belt	THC			7		
Cromarty, Townlands	Albyn			26		
Cromarty, Townlands	Albyn			4		
Dingwall, Castle Park ph3	Albyn			15		
Dingwall, Castle Park ph4	Albyn			6		
Mid Ross - Off the shelf purchases	THC			2		
Muir of Ord, Black Isle Road, Ph 1	CRE / PfP			29		
Muir of Ord, Black Isle Road, Ph 1	CRE / PfP			41		
Muir of Ord, Black Isle Road, Ph 2	CRE / PfP			30		
Muir of Ord, Simpsons site	THC			2		
Conon Bridge, Riverford (Non 75)	TBC			7		
Culbokie School	Cairn				4	
Dingwall, Docharty Road	THC				16	
Maryburgh, Donald Cameron Court Ph 2	Albyn				12	
Muir of Ord, Former police station site	THC				4	
Avoch	TBC				35	

Avoch (Non S75)	TBC				20	
Conon Bridge, Ferintosh Centre	THC				11	
North Kessock	TBC				47	
North Kessock (Non S75)	HHA				20	
Fodderty, by Cemetary	Community				6	
Conon Bridge, Former garage site	THC				26	
Dingwall, Castle Park ph5	Albyn				20	
Sub-total				**169**	**221**	**390**
		13.2%				

West Ross						
Lochcarron	THC		14			
Strathcarron (Attadale Estate)	THC		6			
Ullapool, Broom Court	Albyn		4			
Applecross	Community			6		
Applecross	Albyn			4		
Ullapool, Golf course North	THC			16		
Ullapool, NHS Highland building	Albyn			7		
Altbea	CHT				4	
Gairloch, Achtercairn West	THC				8	
Ullapool, Golf course North ph2	THC				12	
Ullapool, Golf course North ph2	HHA				8	
Poolewe	Community				6	
Shieldaig	Albyn				4	
Torridon, rear of Darroch Park	Albyn				4	
Ullapool, Golf course North Ph3	HHA				8	
Ullapool, Golf course North Ph3	THC				20	
Badcaul, Dundonnell	Community				6	
Gairloch, North Fasaich	THC				5	
Sub-total				**33**	**85**	**118**

		3.3%				
Skye & Lochalsh						
Broadford, Campbell's Farm, ph6	LSHA		20			
Broadford, MacKinnon hospital site	THC			12		
Dunvegan ph1	LSHA			16		
Elgol	LSHA			2		
Glendale Borrodale	CHT			6		
Minginish	Community			6		
Portree, Home Farm ph8	LSHA			10		
Portree, Home Farm ph8 - MMR	Albyn			4		
Portree, Kiltaraglen (Nicolson), ph1	LSHA			30		
Portree, Kiltaraglen (Nicolson), ph1 - mmr	Albyn			6		
Staffin Old Surgery	Community			2		
Achmore	LSHA				4	
Edinbane	THC				6	
Plockton, Airfield site	THC				3	
Portree, Home Farm ph9	LSHA				16	
Portree, Woodpark	THC				14	
Ratagan	LSHA				2	
Saraig	Community				3	
Broadford, Caberfeidh ph1	LSHA				15	
Broadford, Caberfeidh ph1	LSHA				5	
Dunvegan Orbost Farmhouse	Community				2	
Kilbeg SMO Ph3	Community				6	
Portree, Home Farm ph10	LSHA				22	
Portree, Kiltaraglen (Nicolson)	THC				22	
Portree, Kiltaraglen (Nicolson), ph2	LSHA				16	
Portree, Kiltaraglen (Nicolson), ph2 - se	LSHA				10	
Shulista, Kilmuir	CHT				5	

Uig / Kilmuir	LSHA				5	
Broadford, Caberfeidh ph2	LSHA				14	
Kyleakin	LSHA				6	
Portree, Home Farm ph11	LSHA				18	
Portree, Kiltaraglen (Nicolson), ph2	THC				30	
Portree, Rockfield site	LSHA				14	
Sub-total				**94**	**238**	**332**
		9.4%				
Sutherland						
Achiltibuie	Community		10			
Dornoch North Ph4	Albyn		12			
Durness	THC		7			
Scourie, Crofters Site	Community			9		
Stoer Crofters Site	Community			4		
Ardgay	Community				2	
Bettyhill, Munro Place	Albyn				6	
Dornoch, Stafford Road	THC				4	
Lochinver The Glebe	Community				10	
Melness	Community				12	
Embo	TBC				10	
SSE Legacy	THC		47		4	
Golspie, Drummuie (SSE)	Albyn				4	
Sub-total			**76**	**13**	**52**	**65**
		1.8%				
Overall totals				**787**	**2763**	**3550**

Average of **710** per year

Highland Housing Challenge – Developer Round Table

September 2026

Summary of key points and actions

Challenges

Community view of housing –public perception of house-building is often negative and there is not an understanding of need.

Demand is steady – not yet seeing high demand from new jobs yet and reduced turnover as a result of cost of living. Consumer confidence is fragile and is influenced heavily by political uncertainty.

Market – in certain areas, low sales value – can buy cheaper than can build

Time – to bring forward projects, through planning and roads consent

Volume – need scale to make sites viable

Workforce – general labour shortages

Energy constraints – on certain sites

Evidence – of demand needed for institutional investors

Approaches

- **Derisking -** derisking by doing more affordable housing in certain areas outwith Inverness
- **SSEN investment -** SSEN supporting viability of some sites and reacting far quicker in terms of grid connection
- **Increased land supply -** Need more land in Inner Moray Firth to reduce costs

- **Rural Tendering Approach** - new tendering approach for rural projects. Pipeline of projects over longer period to make the approach viable. Would assist with costs and logistics, employment of local apprentices and local supply chain.

- **Joint Venture Approach**- over a single or multiple sites. Long term planning and partnership. Providing scale and certainty over a longer period of time and taking community with you.

- **Standard House designs for rural areas** – support with planning, support for community developers

- **Larger MCAs in rural areas** – over a wider geographical area which could assist in supporting build in rural areas

- **Evidence base** – for institutional investors in build to rent. Need to build confidence. Will require a Joint Venture approach

- **Scottish Government Partnership Fund** – awareness needed as can support market failure in rural areas

- **Review Scheme of Delegation for Planning** – review the scale of projects going to planning committee, review number of objections received that require planning committee consideration.

- **Lobbying issues**
    - Procurement approaches
    - Building standards/Regulation
    - Support for rural infrastructure costs

Actions

Action	Lead
Actively seek additional land for purchase and development within Inner Moray Firth	Housing Developers
Develop a new model for tendering in rural areas over multiple sites and time period in order to support viability of local projects.	Housing Development, Highland Council
Consider opportunities for a Joint Venture Model within the Inner Moray Firth area as a way of building confidence and accelerating the build programme.	Housing Development Highland Council and Housing Developers
Share the Standard Housing Types that have been developed with all developers.	Housing Development, Highland Council
Consider development of a Master Plan Consent Area over a wider geographical area within rural communities.	Development Plan Team, Highland Council
Review Scheme of Delegation for Housing Developments to reduce time taken for planning.	Planning Team, Highland Council
Lobby Scottish Government on shared areas of joint concern: ○ Procurement approaches ○ Building standards/Regulation ○ Infrastructure costs fund	Highland Council, on behalf of Development Partners

Contact Information

If you have any questions or would like further information, please email: servicesupport.place@highland.gov.uk or contact the Housing Development Team at Housing.Development@highland.gov.uk