Arneil Johnston

Highland Housing Market Partnership

Housing Need & Demand Assessment

Final Report

October 2026

INVESTORS IN PEOPLE™
We invest in people Platinum

Donna Milton (MCIH)
Managing Director

Elaine Byrne (CPFA)
Director of Housing Consultancy

Table of Contents

Highland 2026 HNDA Glossary: Commonly Used Abbreviations 3
1 Housing Need & Demand Assessment Introduction 5
1.1 Purpose of the HNDA 5
1.2 The Highland HNDA Methodology 6
1.3 HNDA Final Report Structure 8
1.4 Governance and Consultation 11
1.5 Quality Control 16
1.6 Limitation of Data Sources and Methodologies 18
1.7 Rural & Island HNDA Implications 21
2 Validating Housing Market Areas 25
2.1 Badenoch & Strathspey Housing Market Area Validation Outcomes 27
2.2 Caithness Housing Market Area Validation Outcomes 28
2.3 East Ross Housing Market Area Validation Outcomes 28
2.4 Inverness Housing Market Area Validation Outcomes 28
2.5 Lochaber Housing Market Area Validation Outcomes 29
2.6 Mid Ross Housing Market Area Validation Outcomes 29
2.7 Nairn Housing Market Area Validation Outcomes 29
2.8 Ross & Cromarty West Housing Market Area Validation Outcomes 30
2.9 Skye & Lochalsh Housing Market Area Validation Outcomes 30
2.10 Sutherland Housing Market Area Validation Outcomes 30
2.11 Understanding the Relationship between Inward Migration and Housing Market Profiles 31
2.12 Housing Market Operation: Rural and Island Housing Issues 33
3 Housing Need & Demand Assessment Primary Research 34
3.1 Primary Research Methodology 34
3.2 Questionnaire Design 35
3.3 Sample Size and Data Confidence 35
3.4 2025 HNDA Household Survey: Topline Results 39
3.5 HNDA Survey: Rural and Island Housing Issues 44
3.6 2025 HNDA Household Survey: Overall Outcomes 45
4 Core Output 1: Housing Market Drivers 46
4.1 Core Output 1 Headline Findings 46
4.2 Core Output 1: Key Issues – Highland Housing Market Drivers 47

4.3 Future Projected Economic Growth in the Highland Region 55
4.3.1 2025 Highland Employers Survey 57
4.3.2 Highland HNDA Workforce Housing Calculation 58
4.4 Evidencing HNDA Scenarios - Key Housing Market Drivers 62
4.5 Housing Market Drivers: Rural and Island Housing Issues 62
5 Core Output 2: Estimating Future Need & Demand 64
5.1 Highland HNDA Scenarios and Assumptions 67
5.2 HNDA Backlog: Estimate of Households in Existing Need 81
5.3 New Need: Household Projection Scenarios 86
5.4 Highland Housing Estimates 87
5.5 Housing Estimates by Housing Market Area 92
5.6 Housing Estimates by Housing Tenure 93
5.7 Estimating Housing Need & Demand: Key Issues 97
5.8 Estimating Future Housing Need & Demand: Rural and Island Housing Issues 98
6 Core Output 3: Specialist Housing 100
6.1 Core Output 3 Headline Findings 100
6.2 Specialist Housing Provision in Highland 101
6.3 Highland Profile: Households with a Health Condition or Disability 101
6.4 National Policy Context for Specialist Housing 102
6.4.1 Accessible, Adapted and Wheelchair Housing Evidence 104
6.4.2 Non-Permanent Housing Evidence 109
6.4.3 Supported Housing Evidence 116
6.4.4 Care & Support Delivered at Home Evidence 124
6.4.5 Special Housing Provision: Site Provision 131
6.5 Core Output 3: Key Issues – Highland Housing Market Area 135
6.6 Specialist Housing: Rural and Island Housing Issues 139
7 Core Output 4: Housing Stock Profile & Pressures 141
7.1 Core Output 4 Headline Findings 141
7.2 Core Output 4: Key Issues – Highland Housing Market Area 143
7.3 Stock Profile and Pressures: Rural and Island Issues 159
8 Stakeholder Consultation & Engagement 160
8.1 HNDA Calculation Validation Conference Outcomes 162
8.2 Specialist Housing Conference Outcomes 168

Appendix A - Highland HNDA Survey Technical Report
Appendix B - Highland HNDA Household Survey Topline Results
Appendix C - Core Output 1 Briefing (Housing Market Drivers)
Appendix D - Core Output 1 Databook (Housing Market Drivers)
Appendix E – Highland Employers Survey Databook
Appendix F – Workforce Housing Estimates Briefing Paper
Appendix G - Core Output 2 Briefing (HNDA Estimates)
Appendix H - Core Output 2 Databook (HNDA Estimates)
Appendix I - Core Output 3 Briefing (Specialist Housing)
Appendix J - Core Output 3 Databook (Specialist Housing)
Appendix K - Core Output 4 Briefing (Stock Profile & Pressures)
Appendix L - Core Output 4 Databook (Stock Profile & Pressures)
Appendix M - HNDA Estimates Validation Workshop - Stakeholder Consultation Report
Appendix N - Specialist Housing Workshop - Stakeholder Consultation Report

Arneil Johnston
Falkirk Business Hub
45 Vicar Street
Falkirk
FK1 1LL

HNDA SUMMARY CALCULATION TABLE

Housing Need and Demand Assessments			
Key Findings Template: Estimates of Additional (New) Future Housing Units - Version 5.0			
		Number of years to clear existing need	
Total households with existing need (net)	8,690	10	
Household projection period (years)	20		
	Principal Projection	High Migratio	Workforce Housing Growth
Total number of new households over the projection period	8,794	11,693	23,164
	HNDA Projection Period		
HNDA projection period (years)	20		
	Annual Need Years 1 to 5		
Total households over the projection period who may afford:	Scenario 1	Scenario 2	Scenario 3
Owner Occupation	2,202	2,144	2,436
Private Rent	2,301	1,046	1,993
Below Market Rent	979	2,457	4,279
Social Rent	2,006	2,354	4,712
Total additional future housing units	**7,488**	**8,001**	**13,420**
	Annual Need Years 5 to 10		
Total households over the projection period who may afford:	Scenario 1	Scenario 2	Scenario 3
Owner Occupation	2,091	2,297	4,315
Private Rent	2,175	2,385	5,484
Below Market Rent	871	956	1,840
Social Rent	1,805	1,983	2,304
Total additional future housing units	**6,942**	**7,621**	**13,943**

Annual Need Years 15 to 20

Total households over the projection period who may afford:	Scenario 1	Scenario 2	Scenario 3
Owner Occupation	593	842	1,039
Private Rent	596	845	1,099
Below Market Rent	231	328	349
Social Rent	490	695	567
Total additional future housing units	**1,910**	**2,710**	**3,054**

Annual Need Years 15 to 20

Total households over the projection period who may afford:	**Scenario 1**	**Scenario 2**	**Scenario 3**
Owner Occupation	290	652	568
Private Rent	126	654	413
Below Market Rent	364	227	143
Social Rent	363	520	313
Total additional future housing units	**1,143**	**2,053**	**1,437**

Cumulative Total At The End Of The Projections Period

Total households over the projection period who may afford:	**Scenario 1**	**Scenario 2**	**Scenario 3**
Owner Occupation	5,176	5,935	8,358
Private Rent	5,198	4,930	8,989
Below Market Rent	2,445	3,968	6,611
Social Rent	4,664	5,552	7,896
Total additional future housing units	**17,483**	**20,385**	**31,854**

Highland 2026 HNDA Glossary: Commonly Used Abbreviations

ASHE	Annual Survey of Hours and Earnings
BTS	Below Tolerable Standard
CACI	CACI Paycheck – commercially developed income dataset
CHMA	Centre for Housing Market Analysis
CML	Council of Mortgage Lenders
CTR	Council Tax Register
DWP	Department for Work and Pensions
FTB	First Time Buyers
FTE	Full time equivalent
HMA	Housing Market Area
HMO	Houses in Multiple Occupation
HMP	Housing Market Partnership
HNDA	Housing Need and Demand Assessment
HMA	Housing Market Area
HoTOC	Homeless & Temporary Accommodation Plus Overcrowding AND Concealed
HSCP	Health and Social Care Partnership
HST	Housing Supply Target
LCHO	Low-Cost Home Ownership
LDP	Local Development Plan
LHA	Local Housing Allowance
LHLR	Local Housing Land Requirement
LHS	Local Housing Strategy
LIFT	Low-Cost Initiative for First Time Buyers
LLTI	Limiting Long Term Illness
LTV	Loan to Value
MATLHR	Minimum All Tenure Housing Land Requirement
NRS	National Records of Scotland
NSSE	New Supply Shared Equity
ONS	Office for National Statistics
PRS	Private rented sector
RoS	Registers of Scotland
RSL	Registered Social Landlord
SDS	Self-Directed Support
SHCS	Scottish House Condition Survey
SHIP	Strategic Housing Investment Plan
SHQS	Scottish Housing Quality Standard
SHS	Scottish Household Survey
SIMD	Scottish Index of Multiple Deprivation
SNS	Scottish Neighbourhood Statistics
SPP	Scottish Planning Policy

2026 Highland HNDA Housing Market Partnership Signatories

The following named Heads of Service, responsible for housing and local development planning functions within the Highland Council, have signed this document on behalf of the Highland Housing Market Partnership, and has agreed the Core Outputs.

This statement is in fulfilment of the requirements of Core Process 6 as detailed in the HNDA Practitioners Guide (July 2026).

Authorised by	Signature
Name: Alison Clark Designation: Chief Officer – Housing & Communities Email address: Alison.Clark@highland.gov.uk	
Name: David Mudie Designation: Strategic Lead – Planning & Building Standards Email address: david.mudie@highland.gov.uk	

1 Housing Need & Demand Assessment Introduction

A Housing Need and Demand Assessment (HNDA) is an important evidence base required by the Scottish Government to inform the preparation of Local Housing Strategies (LHS), under the Housing (Scotland) Act 2001; and the preparation of Local Development Plans, under the Town and Country Planning (Scotland) Act 1997, as amended by the Planning Scotland Act 2019.

The purpose of the HNDA is to provide an evidence base to inform the Local Housing Strategy and Development Plan. Specifically, it is expected that the HNDA should underpin the following key areas of housing policy and planning:

- **Housing Supply Target(s)** (HSTs): to inform the setting of a HST for use in the LHS and Local Development Plan. The HST sets out the extent and nature of housing to be delivered over the period of the plan(s)
- **Stock management**: to assist understanding of the current and future demand for housing by size, type, tenure, and location in order to optimise the provision, management and use of housing stock. This in turn feeds into policy and planning decisions about future stock in the LHS
- **Housing investment**: to inform future housing investment decisions, for example through Strategic Housing Investment Plans (SHIPs)
- **Specialist Provision**: to inform the provision and use of specialist housing and housing related services to enable independent living for all, as expressed in policy in the LHS and to inform planning decisions e.g. land for Gypsy/Travelers
- **Geographic distribution of land**: to inform the spatial allocation of land through the Development Plan for new housing at both Housing Market Area level and local authority level.

1.1 Purpose of the HNDA

Housing need refers to households lacking their own housing or living in housing which is not adequate or suitable and who are unlikely to be able to meet their needs in the housing market without some assistance. Housing demand is the quantity and type of housing which households wish to buy or rent and can afford.

An important element of the HNDA involves assembling evidence to produce a range of ‘housing estimates’ – that is, estimates of the number of new homes that partners will need to plan for in the future. Estimates of housing need described in two categories:

- future need for households yet to form or migrating into an area
- existing (or backlog) need experienced by households currently living in unsuitable housing which cannot be adapted or improved to meet the needs of the household

HNDAs are designed to give broad, long-run estimates of what future housing need might be, rather than precision estimates. They provide an evidence-base to inform

housing policy decisions in Local Housing Strategy (LHS) and land allocation decisions in Local Development Plans.

Producing an HNDA is the first stage in the housing planning process
HNDA methodology and process is set out in Scottish Government Guidance
The HNDA guidance offers a tool and sets out the approach to build the evidence needed to:

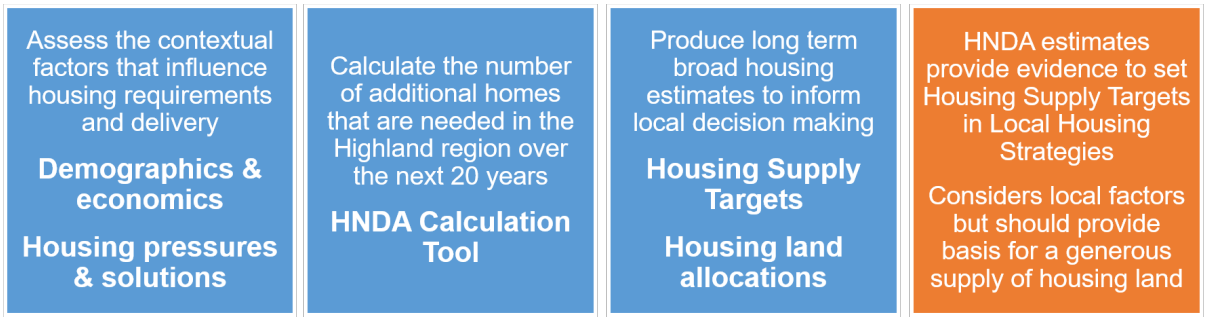


Diagram 1.1: HNDA Purpose and scope

The previous Housing Need & Demand Assessment for the Highland region was developed in 2021. In preparation for a new Local Development Plan and the next Local Housing Strategy, an updated Housing Need and Demand Assessment was commissioned for completion in 2026.

1.2 The Highland HNDA Methodology

Arneil Johnston was commissioned to deliver a Housing Need & Demand Assessment for the Highland region in September 2026. To produce the evidence and calculations required, a seven-stage methodology was developed and agreed with the Highland Housing Market Partnership. The methodology focuses on producing the prescribed requirements for a robust and credible HNDA, through extensive desk-based analysis and research. As many secondary data sources have major limitations in providing consistent, real-time data on the circumstances, needs, aspirations and future expectations of households living in the Highland region; a primary research study was also commissioned to address gaps in insight and to allow credible analysis at a Housing Market Area level. Working in partnership with Arneil Johnston, Research Resource carried out an extensive household survey across the Highland region, reporting in November 2025.

As well as producing analysis to deliver the contextual insight on what's driving housing need and demand, and how housing need could be met by the existing housing stock or through specialist forms of provision (HNDA Core Outputs 1, 3 and 4); the HNDA evidence base was used to produce housing estimates detailing the number of new homes required to meet future housing need across the Highland region.

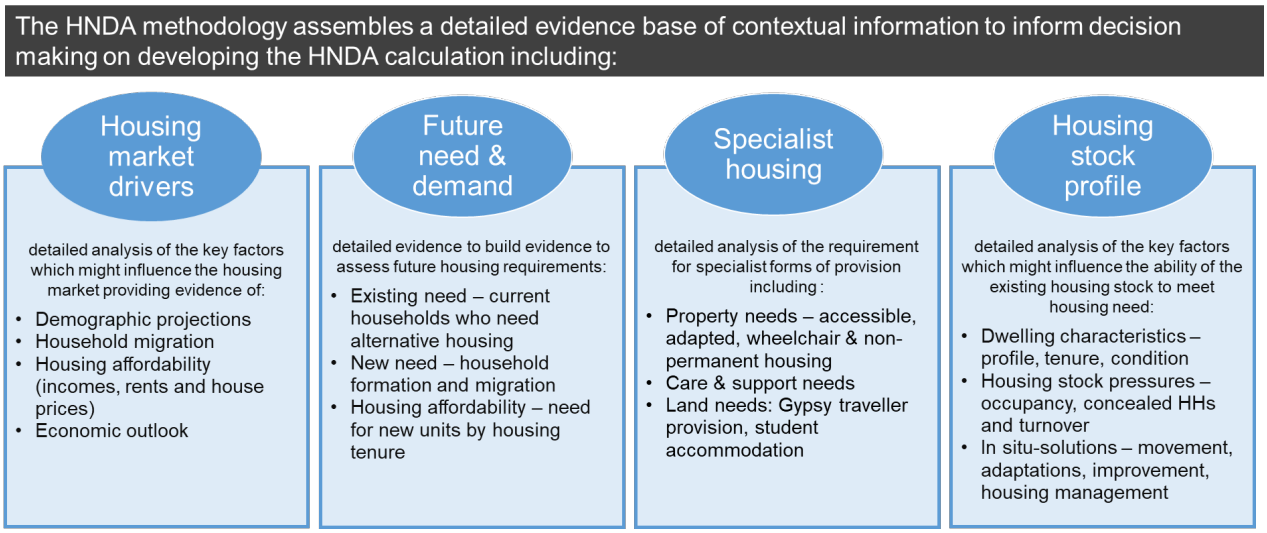
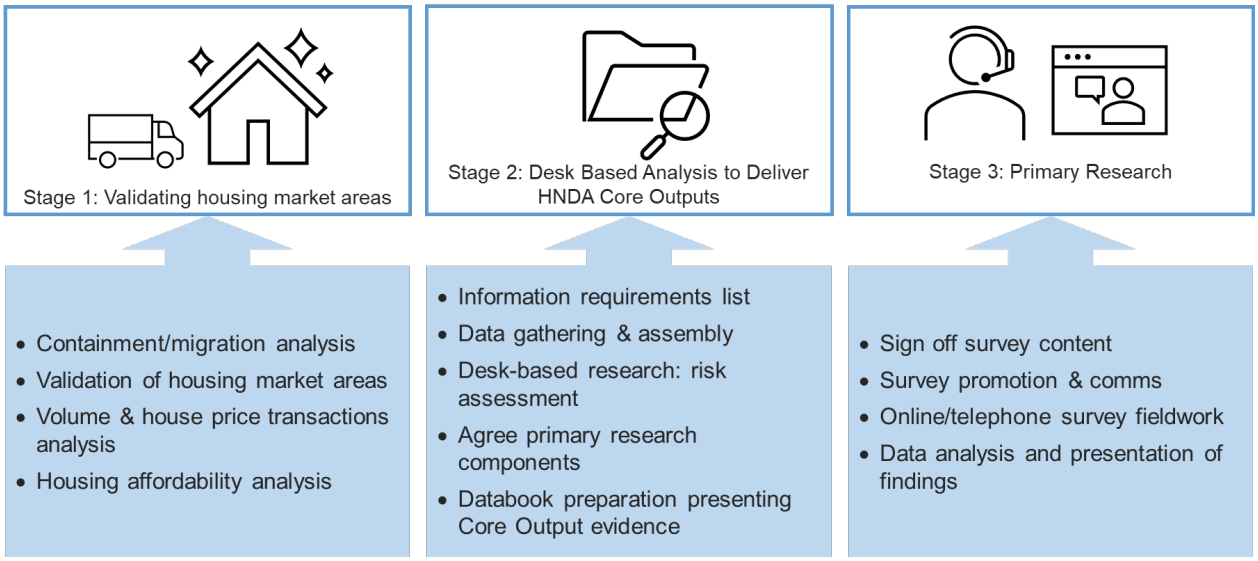


Diagram 1.2: HNDA Methodology & structure

These housing estimates were then subject to scrutiny and analysis by housing system partners and stakeholders in two interactive HNDA conference events held between March (Specialist Housing) and September (HNDA Calculation) 2026. The seven-stage Highland HNDA methodology is set out below:



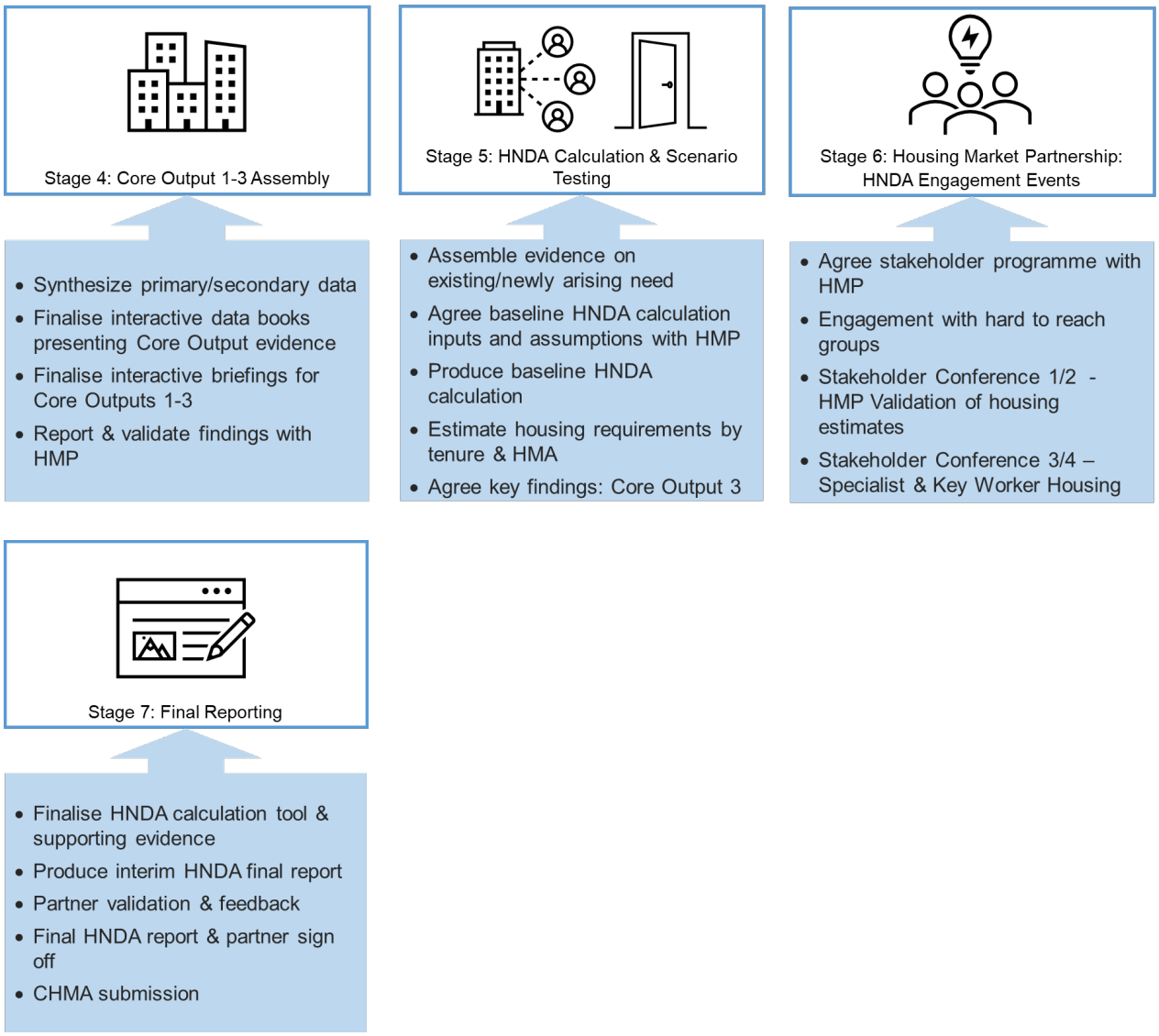


Diagram 1.3: HNDA Methodology

1.3 HNDA Final Report Structure

The Scottish Government's Centre for Housing Market Analysis (CHMA) will consider whether the HNDA is 'robust and credible' by assessing the study against the HNDA Practitioner's Guide, which states that the HNDA must deliver four 'Core Outputs' and follow six 'Core Processes'. Each stage of the HNDA is detailed in the chapters of this final report, with the insight delivered by each Core Output detailed within the template prescribed by the CHMA, which summarises the key issues to be considered within Local Housing Strategies and Local Development Plans.

This final report reflects the structure and approach set out in the HNDA Practitioner's Guide. Table 1.1 outlines where the Core Processes have been evidenced within the document and within supporting appendices. The details of each Core Output are also summarised in Table 1.2.

Core Process	Final Report References/Materials
A Housing Market Partnership (HMP) has overseen production of the HNDA, and other stakeholders have been appropriately engaged with via consultation. All HMP decisions have been clearly reported in the HNDA.	Chapter 1, Section 1.4: Governance and consultation Chapter 8: Stakeholder consultation and engagement
Housing Market Areas have been agreed with the Housing Market Partnership and are considered in the production of all core outputs.	Chapter 2: Validating Housing Market Areas
The methodology, limitations and quality control mechanisms are given full technical explanation.	Chapter 1, Section 1.2: HNDA methodology Chapter 1, Section 1.5: Quality Control Chapter 1, Section 1.6: Data Limitations Chapter 3: HNDA Primary Research, plus HNDA Survey Technical Report (Appendix A)
Assumptions, judgements, and scenarios are well reasoned and transparent.	Chapter 5: Core Output 2: Estimating Future Housing Need and Demand Core Output 2: HNDA Calculation Databook Core Output 2: Briefing
Key findings have been summarised, at the start of the HNDA, using the template provided by the CHMA.	Preface: HNDA Calculation Summary Table
HNDAs have been officially signed off by the Head(s) of Housing and the Head(s) of Planning or the designated senior official.	Preface: Signatory statement jointly agreeing HNDA Core Outputs and housing estimates

Table 1.1: Final Reporting Evidence of Highland HNDA Core Processes

Core Outputs	Final Report References/Materials
Core Output 1: Housing Market Drivers	Chapter 4: Key findings/HNDA key issues table Appendix C: Core Output 1 Briefing Appendix D: Core Output 1 Databook

Core Output 2: Estimating Future Need & Demand	Chapter 5: Key findings/HNDA key issues table Appendix G: Core Output 2 Briefing Appendix H: Core Output 2 Databook
Core Output 3: Specialist Provision	Chapter 6: Key findings/HNDA key issues table Appendix I: Core Output 3 Briefing Appendix J: Core Output 3 Databook
Core Output 4: Housing Stock Profiles and Pressures	Chapter 7: Key findings/HNDA key issues table Appendix K: Core Output 4 Briefing Appendix L: Core Output 4 Databook

Table 1.2: Final Reporting Evidence of Highland HNDA Core Outputs

This final report focuses on Highland evidence, outcomes and key issues, providing a high-level overview of each Core Output as well as outcomes from primary research and stakeholder engagement processes



HNDA final reporting in a digitally accessible format

Within the Highland final report, a suite of technical reports and appendices provide HNDA insights in accessible, easy to digest digital formats.

Each Core Output Chapter is accompanied by an interactive briefing presenting key findings through infographics. These briefings come with recorded voiceovers and have been made available by the Highland HMP on YouTube.

Furthermore, HNDA analysis is presented in user friendly Core Output data-books presenting insights in tables and graphs which are fully referenced to HNDA key issues and findings.

- Highland HMP HNDA Interactive Briefing 1: https://youtu.be/ZiojEuC9SoY?si=lqJx9Haepr4zVJ_k
- Highland HMP HNDA Interactive Briefing 2: https://youtu.be/8GT-47Gsa0M?si=5XnqxoPpqi24hxN8
- Highland HMP HNDA Interactive Briefing 3: https://youtu.be/QoU1Dx6m7C0?si=8HIfsUgkpDzjCw5Y

- Highland HMP HNDA Interactive Briefing 4: https://youtu.be/Oji3qB6uXTc?si=OSHv-YBGg0jUkxuY

1.4 Governance and Consultation

The 2026 HNDA process has been overseen by the Highland Housing Market Partnership (HMP) which comprises key housing, development planning, economic development, health and social care, private sector and third sector partners. The agreed role and remit of the Highland HMP is as follows:

- to develop a clear shared understanding of the operation of the housing market across the Highland region
- to develop a long-term strategic view of the operation of functional housing market areas and dynamics of the Highland housing system
- to encourage and support dialogue between partners including the development of local planning policies and strategies to meet future housing need and demand
- to share information and intelligence, and to jointly oversee the primary research process to address data and insight risks across Highland partners
- to agree a consistent methodology for data assembly, analysis and interpretation of housing market intelligence in producing HNDA Core Outputs
- to oversee the development of the HNDA process providing direction and final sign off on all methodological, research, analytical and consultation processes.

Working practices have been established, with reports, presentations and verbal feedback on key HNDA processes through a cycle of HMP meetings, with outputs and draft materials circulated to HMP partners for validation and approval. Membership of the Highland HMP includes the following representatives:

HMP Member	Partner Organisation	Partner Job Title
Alan Webster	The Highland Council	Economy and Regeneration Manager
Alison Clark	The Highland Council	Chief Officer - Housing and Communities
Allan Rae	Kirkwood Homes	Land Director
Andrew Martin	Albyn Housing Association	Interim Deputy CEO and Executive Director of Group Services
Brian Cameron	The Highland Council	THC Housing Policy & Strategy
Carolyn Hunter-Rowe	NHS Highland	Public Health Intelligence Manager
Catherine Dryburgh	Barratt Homes	Strategic Land Manager
Cathy Steer	NHS Highland	Head of Health Improvement

Christian Nicolson	NHS Highland	Area Manager Caithness/Sutherland/E Ross & Nairn
Christopher Ross	Barratt Homes	Development Director at Barratt Developments North Scotland
Claire Watt	NHS Highland	Head of Service - Social Work & Professional Standards
Colin Souter	Robertson Homes	Senior Development Manager at Robertson Property
David Cargill	Cairn Housing Association	Regional Lead North
David Jewell	Springfield	Land & Planning Director
David Mudie	The Highland Council	Strategic lead - Planning & Building Standards
Debbie Delonnette (Service Lead Housing and Homelessness)	The Highland Council	THC Housing Operations
Fiona Malcolm	NHS Highland	HSCP – Planning & Commissioning Manager
Gail Matheson	Highland Housing Alliance	CEO
Gavin Sell	NHS Highland	Area Manager Lochaber/Skye/Lochalsh & Wester Ross
Helen Cameron	The Highland Council	THC Private Sector Housing Team
Ian Douglas	NHS Highland	Senior Public Health Intelligence Specialist
Ian Thomson	NHS Highland	Head of Service Quality Assurance
James Swinnerton	Lochalsh & Skye Housing Association	Development Manager
Jill Fraser	Caledonia Group	Executive Director of Operations
Kevin Murphy	Homes for Scotland	Director of Planning
Laura Fiddes	Places for People	Regional Development Manager
Mairi McIvor	NHS Highland	TEC Service Manager
Margaret Moynihan	Lochaber Housing Association	Chief Executive

Martin Johnson	Highlands & Islands Enterprise	Director of Strategy and Regional Economy
Meadhbh Maguire	The Highland Council	THC Planning/Development Services
Mike Atkinson	The Highland Council	Research Officer - Infrastructure, Environment and Economy
Neil Ross	Places for People	Director of Development
Rhona Donnelly	Capstone Construction	Managing Director
Richard MacDonald	NHS Highland	Director of Estates, Facilities and Capital Planning
Robert Grant	Cala Homes	Development Manager
Sharon Hammell	NHS Highland	Area Manager Inverness/Mid Ross & B&S
Steven Gregg	NHS Highland	HSCP - Key Client Group Lead
Stuart Black	Highlands & Islands Enterprise	Highlands & Islands Enterprise
Stuart Morrison	Springfield	Land & Planning Director
Tim Stott	The Highland Council	Development Plans Manager

Over and above the HMP, a group of specialist economic development partners and investors were assembled to build the evidence required and validate the methodology associated with developing workforce housing calculations for the Highland region. The remit of this Group including:

- identifying major infrastructure projects or economic development opportunities that would have a transformational impact on the Highland region during the HNDA projection period
- Provide data and analysis estimating the scale of potential job growth associated with major infrastructure and growth projects
- Overseeing the development of a workforce housing methodology
- Validating the workforce housing calculation inputs and assumptions.

Membership of the Highland HNDA Workforce Housing Working Group includes the following representatives:

HMP Member	Partner Organisation	Partner Job Title
Eann Sinclair	Highlands & Islands Enterprise	Area Manager - Caithness & Sutherland
Audrey MacIver	Highlands & Islands Enterprise	Area Manager - Inner Moray Firth

Alistair Nicolson	Highlands & Islands Enterprise	Area Manager - Lochaber, Skye and Wester Ross
Morven Fancy	Highlands & Islands Enterprise	Head of Housing, Skills & Population

HMP Member	Partner Organisation	Partner Job Title
Alli Vass	Inverness & Cromarty Firth Green Freeport	Power House Manager
Calum MacPherson	Inverness & Cromarty Firth Green Freeport	CEO
Alan Webster	The Highland Council	Economy and Regeneration Manager
Matt Bailey	The Highland Council	Strategic Lead - Commercialisation
Colin Marr	Inverness Chamber of Commerce	Chief Executive
Frazer Copeland	West Chamber of Commerce	Chief Executive
Trudi Morris	Caithness Chamber of Commerce	Chief Executive
Mike Duncan	Federation of Small Businesses	Development Manager (North Scotland)
Gavin Miles	Cairngorms National Park	gavinmiles@cairngorms.co.uk
Stephen Sheridan	University of the Highlands & Islands	Director of Economic Development & Advancement
Jonathon Milne	Haventus	Chief Corporate Affairs Officer
David Logie	Haventus	Chief People Officer
Alastair Ferguson	Ferguson Transport	Managing Director
Magnus Davidson	NRS Dounreay	Socio Economics Manager

The production of the 2026 HNDA project was managed, directed and quality assured by the Highland HMP and HNDA Workforce Housing Working Group in the following meetings:

HMP HNDA Meetings	Meeting Date
Project Initiation Meeting	16th August 2025
Full Highland Housing Partnership HNDA Launch	28th August 2025
Core Output Research Review Meetings	3rd September 2025 18th September 2025
Highland HNDA Household Survey Planning Meeting	15th September 2025 22nd September 2025
Highland HNDA Household Survey Weightings Meeting	2nd December 2025

Highland HNDA Workforce Housing Working Group 1	8th October 2025
Highland HNDA Workforce Housing Working Group 2	29th October 2025
Highland HNDA Workforce Housing Working Group 3	12th December 2025
HNDA Calculation Meeting (Backlog Need)	6th January 2026
HNDA Calculation Meeting (Baseline Calculation)	8th January 2026
Highland HMP Partner: HNDA Calculation Meeting (Growth Scenario)	19th January 2026
Specialist Housing Conference	9th February 2026
HNDA Toolkit Projections – Scenario meeting	29th July 2026 12th August 2026
Stakeholder Engagement HNDA Validation Conference	23rd September 2026

Table 1.4: Highland HMP: HNDA Project Management and Engagement Meetings

The detailed overview of the methodological approach agreed by the HMP and the insight and assumptions underpinning each HNDA Core Output is set out in this final report. A technical report detailing the methodology and approach agreed by the HMP to deliver the primary research element of the study is detailed in Appendix A.

1.5 Quality Control

HNDA processes and outcomes have been rigorously scrutinised throughout the study period and are subject to detailed quality assurance procedures. This includes triangulating a range of data sources to ensure variations or anomalies are accounted for, and that HNDA calculations are based on, or derived from, evidence that is high quality, fit-for-purpose and aligns with local and professional validation.

The Highland HMP governance arrangements outlined in Section 1.4, have provided project management and quality control oversight in relation to key HNDA processes and activities including:

- project managing the overall programme for HNDA production
- coordinating and validating the production of Core Output materials including proofing interactive briefings, data-books, and stakeholder engagement materials
- coordinating and validating primary research materials including the production of survey tools, final reporting materials, crosstabulations
- validating the accuracy and credibility of HNDA calculation inputs and assumptions and providing final sign off on HNDA calculation scenarios and housing estimates. This includes triangulating calculation inputs to assess their robustness and representativeness using housing waiting list, HNDA survey and HL1 homelessness statistics, plus using HMP scrutiny and assessment of HNDA calculation inputs as further validation controls

- proofing and validating all final HNDA reporting outputs and digital materials.

In producing the analysis underpinning each Core Output, the Housing Need & Demand Assessment has adopted a rigorous evidence-based approach, drawing upon a range of data-sources, both primary and secondary, to deliver research outcomes. No individual dataset has been relied upon in isolation. Instead, findings have been triangulated across multiple sources to establish a robust understanding of current and future housing need and demand. For example, in detailing the profile of housing tenure in Highland (Core Output 4), the following triangulation and quality assurance approach was applied:

- secondary data-sources were assembled to provide a Highland-wide measure from national datasets including the 2022-Census, Scottish Government Housing Statistics, the Scottish House Condition Survey
- this Highland wide evidential baseline was then used to inform and validate a detailed profile of housing tenure by Housing Market Area, assembled using local data including RSL stock lists, data from the Private Landlord Register, Short-term Let licensing data and the Council Tax Register
- the disaggregated tenure profile was then triangulated against the outcomes of the 2025 HNDA Survey outcomes detailing housing tenure by HMA
- where divergence in tenure patterns by HMA were evident, further engagement with local partners was delivered to build a representative, disaggregated housing tenure profile
- this tenure profile was then further validated by Planning colleagues who benchmarked outcomes against internal analysis of ineffective housing stock and the extent and nature of the private rented sector.

Using these techniques, quality assurance has been undertaken throughout the HNDA process to provide credible Core Output measures by targeting data validation, cross-referencing of key indicators, stakeholder review and sensitivity testing. Any areas where evidence sources diverge have been explored further to understand the underlying causes and ensure conclusions remain proportionate and defensible.

Final HNDA Core Outputs therefore reflect both statistical evidence and local intelligence, providing confidence that the identified housing requirements are grounded in a comprehensive understanding of local housing market conditions and demographic change.

Furthermore, the consultants commissioned to produce HNDA outcomes were selected on their commitment to complying with professional standards and Codes of Conduct, as well as the quality systems in place to ensure data accuracy and integrity e.g.

- Arneil Johnston: Quality system based on requirement of BS EN ISO 9000, plus CIH and CIPFA professional practice standards

- Research Resource: MRS Code of Conduct and ISO20252:2012 – Market, Opinion and Social Research.

Final drafts of the individual chapters of the HNDA have been subject to thorough proof-reading to ensure both narrative and tabulated figures are accurate, consistent, and fully evidenced.

1.6 Limitation of Data Sources and Methodologies

In compiling the 2026 Highland HNDA, extensive desk-based analysis and research of nationally available secondary datasets was performed. A review of this evidence base by the Highland Market Partnership concluded that secondary data insights could be strengthened given the limitations in local data collection and availability.

1.6.1 Data Limitations

The following data limitations were addressed by the partnership by commissioning a Highland wide HNDA household survey:

HNDA Core Output	Secondary data risk/evidence limitation
Core Output 1: Housing Market Drivers	• No nationally available data insights on extent and nature of demand for market housing or latent demand within functional HMAs • No nationally available insights on housing market operation at HMA level including push and pull factors which underpin migration or movement • No nationally available data insights on the impact of the cost-of-living crisis on household incomes, access to finance or levels of housing induced poverty • No nationally available data insights or credible information on housing affordability by housing tenure including % income devoted to housing costs and financial capability

Core Output 2: Estimating Future Need & Demand	• No ability to disaggregate many secondary datasets to functional HMAs (which are often reported by local authority administrative boundaries only). This is particularly problematic in estimating elements of existing need including:
	  ○ concealed households
	  ○ requirements for specialist housing that cannot be met in existing provision
	  ○ households in housing below tolerable standard or serious disrepair

	• No ability to eliminate double counting between secondary datasets estimating each element of existing need • No nationally available, credible or recent data insights into household circumstances, housing intentions or aspirations which can be disaggregated to functional HMAs • No ability to disaggregate housing estimates to property size, type, or amenity as the basis for LHS development or setting Housing Supply Targets
Core Output 3: Specialist Provision	• Poor data reliability from partner agencies across several key elements of specialist housing requirements with no universal systems for defining or assessing unmet need for specialist housing • General lack of cross-sector data between housing partners and NHS Highland. Most data sources on current and future need for specialist housing are held by the NHS Highland and fail to capture insight on housing tenure, property type, etc. • Lack of universal formal definitions for accessible and adapted housing across housing providers and data systems • Secondary data on specialist housing requirements is limited to measuring provision in the social housing sector (e.g., the number of wheelchair, accessible or adapted homes) or expressed need for specialist housing in the social housing sector (waiting list information) • Limited sample sizes in national secondary data sources offer poor statistical confidence in estimating the incidence of households with long-term health conditions • No credible secondary data sources which measure the suitability of the existing homes of households with a long-term health condition or disability, with households in private housing a major data gap • Quantifying the need for specialist provision such as core and cluster accommodation for key client groups is inconsistent with data across third sector providers often fragmented • Limited data on student accommodation by provision or unmet requirements – University of the Highland's & Islands confirm no growth plans within the student

	accommodation estate or hold data on unmet student accommodation need • No updated national mechanism for meaningfully collecting the experiences and demographics of Gypsy/Travellers or Travelling Show people in Scotland, beyond local engagement in commissioned site provision.
Core Output 4: Housing Stock Profiles and Pressures	• National data sources on housing stock profile, condition and amenity are limited as a result of small sample sizes, with the private rented sector being particularly problematic e.g., Scottish House Condition Survey • No secondary data on housing need in rural and island communities, beyond expressed demand for social housing • No nationally available data insights or credible information on the number of households who would LIKE or NEED to move home in the short medium or longer term by functional HMA • No ability to disaggregate data on property condition or disrepair to functional HMAs • No nationally available data insights or credible information on housing pressures in private sector housing • No known data-sources/records of private sector properties that have been specifically designed or adapted

Table 1.5: Secondary data risk analysis outcomes

To mitigate these risks, the Highland HMP opted to commission primary research to address limitations in insight and to enable stronger analysis of housing need and demand at a Housing Market Area level. This approach was successful in delivering a fully representative evidence base of the current circumstances, needs and future requirements of households living in the Highland region, achieving a high degree of statistical confidence (+/-2% based upon a 50% estimate at the 95% level of confidence.

Data confidence levels represent a sampling error which gauges the extent to which a survey sample may differ from the true population. For example, a sampling error of +/- 2% indicates that the true range is likely to fall within the margins of 48% and 52%. This level of data accuracy is considered by market research standards to be statistically robust particularly at the overall Highland region level.

Despite strong data confidence levels, validation checks were carried out to test if the data was representative of the Highland population by household composition and

housing tenure. Whilst good representation was achieved across Highland, under representation in single person households, households over the age of 75 and marginal under representation in the owner-occupied sector. To correct this, the survey data has therefore been weighted by tenure per HMA and then by collated age categories (under 35, 35-64 and 65+) and household composition to address these imbalances and ensure that the results reported are representative of the overall Highland population.

Higher sampling errors may occur when smaller sample sizes by HMA are considered. On this basis, careful triangulation of survey outcomes against secondary data sources has taken place to identify sampling risks and to select the most credible sources of data at disaggregated level.

This approach has enabled the delivery of a blended evidence base which maximises the use of credible, high-quality national datasets with current and reliable primary research intelligence on the extent and nature of housing need and demand across the Highland region.

1.6.2 Data Restrictions and Gaps

Throughout the HNDA there are various limitations in terms of available data and research which are listed below:

Chapter 2: Validating Housing Market Areas: Containment and migration analysis is based on a 5-year time series from 2019/20 – 2023/24. At the time of writing, annual CHMA data-packs for 2024/25 and 2025/26 were available but did not include the purchaser origin code required to track migration patterns.

The 2025/26 data-pack has been used to supplement house price analysis in Chapter 4: Core Output 1 and to update housing affordability modelling.

Chapter 4: Core Output 1 – Housing Market Drivers: To gauge shifts in income distribution by HMA, it is not possible to compare income inflation by decile in highland using the HNDA toolkit Local Level Household Income Estimates for 2018 and 2024. The 2026 HNDA Toolkit is pre-populated with Scottish Government Small Area Income Estimates uprated from 2018 to 2023 using Gross Disposable Household Income data. This uplift has been applied consistently at an overall Highland level (22%) and not down to income deciles

Chapter 6: Core Output 3 – Specialist Housing Need: There are identified data gaps in relation to:

- The extent and nature of refuge provision for households experiencing domestic abuse
- The population of migrant workers in Highland
- The population of Travelling Showpeople in or visiting Highland.

Chapter 7: Core Output 4 – Stock Profile and Pressures: There are identified data gaps in relation to:

- The tenure of long-term empty homes in Highland: this is not recorded on The Highland Council Tax Register or Private Landlord Register
- There is no register of Mid-Market Rent properties or turnover in Highland nor is data held by Highland Housing Register partners
- There is no register of Low Cost Home Ownership units or shared equity units.

1.7 Rural & Island HNDA Implications

Throughout the HNDA report, evidence which provides specific housing system impacts reflecting the distinct nature and characteristics of rural and island Housing Market Areas will be highlighted. This includes evidence which suggests particular housing pressures or policy implications relating to existing housing supply, the delivery of housing services and the supply of new build homes.

To achieve this, using the Scottish Government sixfold classification system, the following Housing Market Areas have been identified as 'remote rural' or 'island' communities:

	Urban/rural classification
Badenoch & Strathspey	Remote rural
Caithness	Remote rural
East Ross	Accessible rural
Inverness	Urban
Lochaber	Remote rural
Mid Ross	Accessible rural
Nairn	Accessible rural
Ross & Cromarty West	Remote rural
Skye & Lochalsh	Remote rural (Island)
Sutherland	Remote rural

Table 1.6: Urban/rural classification of Housing Market Areas

1.8 The Strategic Context for the 2026 Highland Housing Need & Demand Assessment

The 2026 Highland Housing Need & Demand Assessment is set in the context of the Highland Housing Challenge, which was declared in June 2024, in recognition of the issues facing the Council, its partners, and communities across the region in meeting current and anticipated future demand for housing in the area. The Housing Challenge was based on an emerging picture of future demand, relating to planned economic development activity.

In 2024, this analysis was based on the update of Housing Supply Targets in Highland to take account of economic modelling based on potential increases in jobs associated with the development of the Inverness and Cromarty Firth Green Free Port. The analysis estimated that an additional 24,000 houses will be required in Highland in the next ten years. This is around double rate of normal housebuilding in the region.

The solutions to addressing the Housing Challenge are complex and interdependent and Highland Council acknowledged that no one area of activity or sector is able to address the challenge in isolation. It was identified that actions are required across three critical areas:

- **Increasing land**: housing cannot develop without a sufficient pipeline of sites and critically sites in the right locations to meet both need and demand. This therefore requires sites across the whole of the Highland area.
- **Increasing finance:** different sources and models for finance are required beyond the current planned building programme. It needs to maximise funds derived from investment to the area, increasing the affordable housing programme and seek solutions to addressing the exceptionally high costs of building in some rural parts of Highland.
- **Increasing developer capacity:** this includes building confidence within the existing development sector, attracting new partners and types of building to the area and addressing the challenges to build e.g. grid capacity. Strengthening and growing the construction sector is critical and therefore workforce skills and capacity is a critical area for focus.

Following the Highland Housing Challenge Summit on 22nd October 2024 which brought together partners from national and local government and private sector partners from the energy, housebuilding and finance sectors, a Highland Housing Challenge Action plan was established. Key actions and outcomes arising from the Action Plan to date include:

- a call for sites which has delivered 250 sites, with a potential to deliver 25,000 housing units over the next 10 years
- consultation programmes on 3 Masterplan Consent Areas to support accelerating building across Highland
- the creation of an integrated property service which will support accelerating the pre-application processes for developments
- collaboration with the Scottish National Investment Bank to establishing a new public/private joint venture model
- the creation of a Highland Council ALEO (Arm's Length External Organisation) to develop mid-market rental properties, with a particular focus on key worker accommodation
- creation of an empty homes challenge fund to provide financial assistance to eligible owners to support essential repairs, upgrades or conversions

- SSEN Transmission commitment to delivering legacy housing for Highland, with a minimum of 400 housing units via the Social Value Charter.

The 2026 Highland Housing Need & Demand Assessment will inform the future delivery of the Highland Housing Challenge programme, providing the evidence to pursue innovation, target housing system intervention and drive an increase in housing delivery across the region. Evidence on the impact of estimated workforce growth associated with new economic development opportunities will inform the development of updated housing estimates, beyond the 10-year target delivery of 24,000 homes.

2 Validating Housing Market Areas

At an early stage in the development of 2026 Highland HNDA, analysis was performed to validate functional Housing Market Areas (HMAs); testing whether this spatial structure continued to provide a credible basis to assess housing system operation and to produce housing estimates.

The purpose of the validation exercise was to:

- determine whether any statistical evidence exists to justify a change to current housing market area boundaries
- evidence the extent and nature of any cross-boundary housing market areas across the Highland region and including market areas crossing the Highland Council boundary
- validate the functional market area boundaries operating across the Highland region to provide a spatial basis for HNDA primary research and calculation purposes.

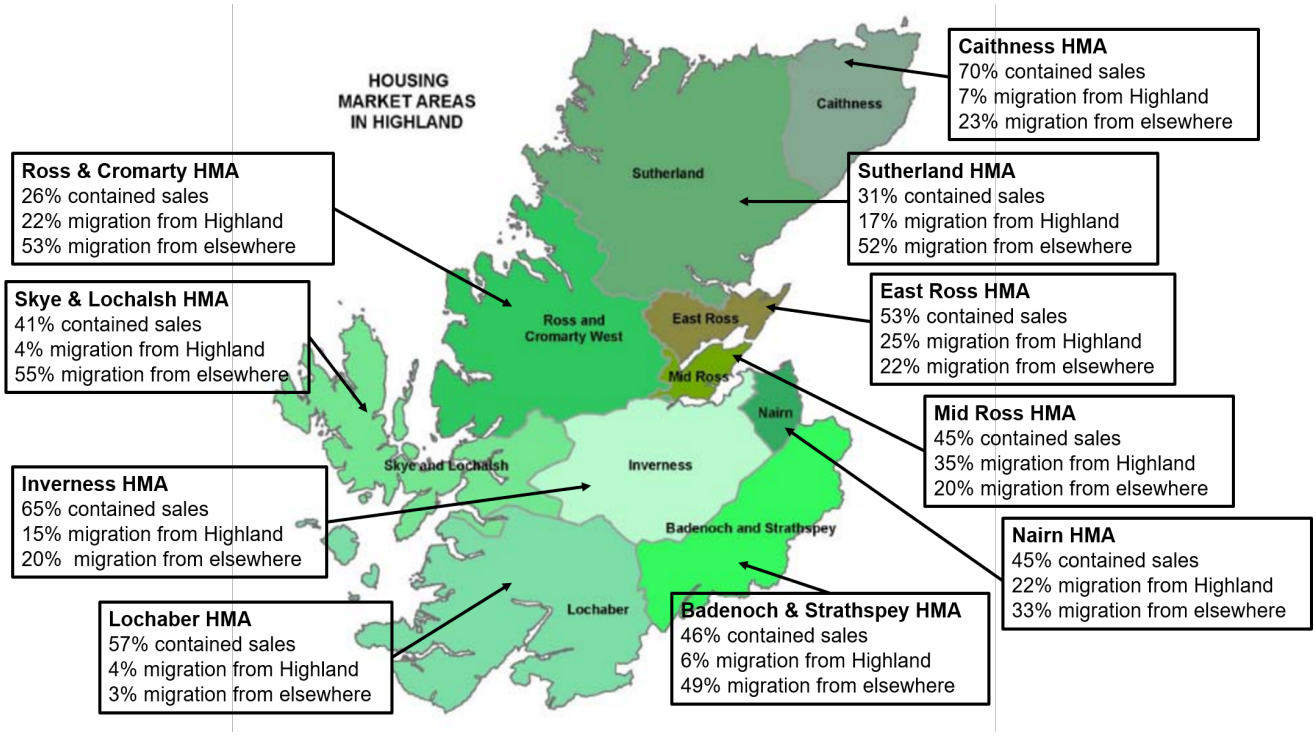
The approach began with the functional market area boundaries validated in the 2021 HNDA and undertook origin-based containment analysis using Registers of Scotland data for private house sales over a 5-year period of available transactions, from 2019/20 – 2023/24. In total, the destination patterns of 20,797 house price purchasers were tracked to validate the extent to which Housing Market Areas were contained.

This analysis identifies the origins of households purchasing residential properties within each existing Housing Market Area. A series of more detailed analysis took place at boundaries and in locations where cross-boundary links were possible. This exercise was reinforced by local knowledge and triangulation using the socio-economic, housing stock and demographic datasets produced in parallel to HMA analysis, to build each HNDA Core Output.

The validation of HMA boundaries reveals that the functional housing market areas used as the basis of the 2021 HNDA study remain robust.

The evidence on origin based containment was shared with the Highland Housing Market Partnership at the HNDA Calculation Conference on Wednesday 25th September 2026. The HMP validated existing Housing Market Areas as appropriate spatial boundaries for future land use and housing delivery strategies informed by the estimates produced in the 2026 Housing Need & Demand Assessment.

The following HMA boundaries have therefore been used as the spatial basis for preparing HNDA evidence, plus housing and land-use planning evidence. They will also be used as a spatial basis for future housing delivery and development planning policy decisions including the setting of Local Housing Land Requirements using HNDA housing estimates.



Overall, Highland is a self-contained area with 71% of all house sale transactions made by households already living in the region. The most populated HMA in Highland, Inverness, has the highest level of self-containment with 81% of sales made by Highland households and 65% of sales made from households already living within the Inverness HMA. In comparison, self-containment is lowest in Skye and Lochalsh (45%), Ross and Cromarty West (47%) and Sutherland (48%) where more than half of purchasers originate from out with the Highland region.

There are high levels of variation in internal self-containment across the Highland HMAs. Caithness has the highest levels of internal self-containment at 70%, with over half of sales in Inverness, East Ross and Lochaber also made by households already living within the HMA. All other HMAs have internal self-containment levels below 50%.

In-migration patterns also vary across the Highland HMAs. Migration from elsewhere in Scotland accounts for 34% of sales in Badenoch and Strathspey, while migration from out with Scotland accounts for a third of sales in Skye and Lochalsh (34%), Sutherland (33%) and Ross and Cromarty West (32%). Movement between HMAs within Highland is also notable in some areas, particularly Mid Ross, where 35% of sales are made by households moving from elsewhere in Highland.

Details of the extent and nature of containment and migration patterns are set out in Table 2.1:

	Highland Self-Containment	Internal HMA Self-Containment	In-Migration from Elsewhere in Highland	In-Migration from Elsewhere in Scotland	In-Migration from Out with Scotland
Badenoch & Strathspey	51%	46%	6%	34%	15%
Caithness	77%	70%	7%	8%	15%
East Ross	78%	53%	25%	10%	12%
Inverness	81%	65%	15%	11%	8%
Lochaber	61%	57%	4%	17%	22%
Mid Ross	80%	45%	35%	11%	9%
Nairn	67%	45%	22%	20%	14%
Ross & Cromarty West	47%	26%	22%	20%	32%
Skye & Lochalsh	45%	41%	4%	20%	34%
Sutherland	48%	31%	17%	18%	33%
Highland	**71%**			14%	14%

Table 2.1: HMA Self-Containment/Migration Outcomes in Highland 2019/20 – 2023/24

The evidence underpinning the validation of each functional HMA is set out below:

2.1 Badenoch & Strathspey Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Badenoch & Strathspey HMA reveals that:

- 46% of property purchasers in Badenoch and Strathspey originate from the Badenoch & Strathspey area, with overall Highland self-containment at 51%
- Of the remaining HMAs in Highland, there is limited influence on the Badenoch & Strathspey housing market with Inverness accounting for 3% of sales and Mid Ross accounting for 1%, respectively
- Migration from adjoining Councils is notable at 11%, with 5% of sales from Aberdeenshire, whilst the wider Scottish housing market has a greater influence on Badenoch & Strathspey accounting for 23% of sales
- Purchasers from out with Scotland account for a further 15% of sales, meaning that almost half (49%) of purchasers in Badenoch & Strathspey originate from out with Highland.

2.2 Caithness Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Caithness HMA reveals that:

- Caithness is the most internally self-contained Highland HMA, with 70% of all housing transactions made by households living in Caithness
- Overall, 77% of all transactions in Caithness are made by households living in Highland. Of the remaining Highland HMAs, Sutherland exerts the greatest influence although this remains limited to just 3% of sales
- There is very limited movement from adjoining local authorities to Caithness accounting for just 2% of sales, with the wider Scottish housing market accounting for a further 6%
- Elsewhere, purchasers from out with Scotland have a greater influence on the Caithness market, accounting for 15% of sales.

2.3 East Ross Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the East Ross HMA reveals that:

- 53% of property purchasers in East Ross originate from the East Ross area, with overall Highland self-containment considerably higher at 78%
- Of the remaining Highland HMAs, Inverness has the greatest influence on the East Ross market, accounting for 10% of sales, with Mid Ross accounting for a further 7% and Sutherland (4%)
- The influence of the wider Highland market is notable, with a quarter (25%) of all sales in East Ross made by households originating from elsewhere in Highland
- Elsewhere, migration from adjoining Councils and the wider Scottish housing market is more limited at 3% and 7%, respectively; whilst purchasers from out with Scotland account for 12% of sales.

2.4 Inverness Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Inverness HMA reveals that:

- The Inverness HMA has the highest level of Highland self-containment at 81%, with 65% of all housing transactions made by households already living within Inverness
- Of the remaining HMAs in Highland, Mid Ross exerts the greatest influence on the Inverness market at 5% of sales, with East Ross and Nairn accounting for 2% each
- Overall, movement from elsewhere in Highland accounts for 15% of sales. There is no single HMA that exerts a significant influence on the operation of the Inverness market

- Migration from out with Highland is relatively limited, with adjoining Councils accounting for 5% of sales, the wider Scottish housing market (7%) and purchasers from out with Scotland (8%).

2.5 Lochaber Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Lochaber HMA reveals that:

- 57% of property purchasers in Lochaber originate from the Lochaber area therefore the HMA can be regarded as an internally self-contained housing market
- There is very limited influence from the remaining Highland HMAs, which collectively account for just 4% of sales in Lochaber
- Migration from adjoining Councils account for 5% of sales, while the wider Scottish housing market has a greater influence on the Lochaber market at 12%
- Elsewhere, purchasers from out with Scotland have a notable influence on the Lochaber market, accounting for 22% of all sales

2.6 Mid Ross Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Mid Ross HMA reveals that:

- 45% of property purchasers in Mid Ross originate from the Mid Ross area, although overall Highland self-containment is considerably higher at 80%
- There is significant movement between Inverness and Mid Ross, with almost a quarter (24%) of all sales in Mid Ross made by households originating from the Inverness HMA
- Overall, 35% of sales in Mid Ross are made by households from elsewhere in Highland, demonstrating a notable influence from the wider Highland housing market
- Migration from out with Highland is more limited, with adjoining Councils accounting for 4% of sales, the wider Scottish housing market (7%) and purchasers from out with Scotland at 9%.

2.7 Nairn Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Nairn HMA reveals that:

- Internal self-containment in the Nairn HMA accounts for 45% of sales, increasing to 67% when purchasers from elsewhere in Highland are included
- Of the remaining Highland HMAs, Inverness exerts the greatest influence on Nairn accounting for 16% of all transactions, with no other Highland HMA accounting for more than 2% of sales

- Migration from adjoining Councils is notable in the Nairn HMA at 11%, including 7% of sales from Moray
- Elsewhere, the wider Scottish housing market accounts for 9% of sales, whilst purchasers from out with Scotland account for a further 14%.

2.8 Ross & Cromarty West Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Ross and Cromarty West HMA reveals that:

- Internal self-containment is very limited in the Ross & Cromarty West HMA with just 26% of sales made by households already living in the HMA and overall, Highland self-containment at 47%
- Of the remaining Highland HMAs, Mid Ross and Inverness exert the greatest influence accounting for 7% and 6% of sales, respectively
- Overall, 22% of sales are made by households originating from elsewhere in Highland, while adjoining Councils and the wider Scottish housing market account for 8% and 12%, respectively
- The greatest external influence is from out with Scotland, accounting for almost a third (32%) of all sales in Ross & Cromarty West.

2.9 Skye & Lochalsh Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Skye and Lochalsh HMA reveals that:

- 41% of property purchasers in Skye & Lochalsh originate from the HMA, with overall Highland self-containment only slightly higher at 45%
- The remaining Highland HMAs exert very limited influence on the Skye & Lochalsh market, collectively accounting for just 4% of all sales
- Migration from adjoining Councils accounts for 5% of sales, while the wider Scottish housing market has a more notable influence at 15%
- The greatest influence is from purchasers out with Scotland, accounting for more than a third (34%) of all sales in Skye and Lochalsh

2.10 Sutherland Housing Market Area Validation Outcomes

Analysis of the origins of households purchasing residential properties in the Sutherland HMA reveals that:

- Internal self-containment is limited in the Sutherland HMA, with 31% of sales made by households already living in the area and overall Highland self-containment at 48%
- East Ross exerts the greatest influence on Sutherland at 6% of sales, followed by Inverness at 4% and Caithness at 3%

- In total, movement from across Highland accounts for 17% of sales, whilst adjoining Councils and the wider Scottish housing market accounts for 6% and 13%, respectively
- Elsewhere, purchasers from out with Scotland have the most notable influence on the Sutherland market, accounting for a third (33%) of all sales.

2.11 Understanding the Relationship between Inward Migration and Housing Market Profiles

The HMA validation analysis demonstrates considerable variation in the origin of households purchasing properties across Highland. Overall, 29% of sales are made by purchasers originating from out with Highland. This increases to more than half of sales in Skye and Lochalsh (55%), Ross and Cromarty West (53%) and Sutherland (52%), and to 49% in Badenoch and Strathspey.

To understand how this migration may influence individual housing markets, purchaser origins have been considered alongside the prevalence of second homes and Short-Term Lets (STLs) as shown in Table 2.2.

	Second Homes	Short-term lets	Total Second Homes and Short-Term Lets
Badenoch & Strathspey	8%	8%	16%
Caithness	1%	2%	3%
East Ross	1%	2%	3%
Inverness	1%	3%	4%
Lochaber	3%	8%	11%
Mid Ross	1%	2%	3%
Nairn	2%	2%	4%
Ross & Cromarty West	7%	9%	16%
Skye & Lochalsh	5%	13%	18%
Sutherland	6%	7%	13%
Highland	2%	4%	6%

Table 2.2 Second Homes and Short-Term Lets as a Proportion of All Dwellings by HMA in Highland

The HMAs with the highest levels of inward migration also generally have the greatest concentrations of second homes and STLs. Second homes and STLs account for 18% of all dwellings in Skye & Lochalsh, 16% in Ross & Cromarty West and Badenoch & Strathspey, and 13% in Sutherland. In comparison, second homes and STLs account for between 3% and 4% of dwellings across Caithness, East Ross, Inverness and Mid Ross, which have some of the highest levels of Highland self-containment.

The influence of external demand can also be assessed by considering the difference in average house sale price between contained sales and sales from buyers originating out with Highland.

	Average House Price - Internal Self-Contained Sales	Average House Price - Self-Contained Sales	Average House Price - Purchaser Origin Outside Highland	Price Difference: Purchasers from Out with Highland	% Higher than Self-Contained Sales
Badenoch & Strathspey	£218,011.31	£221,754.36	£305,273.61	£83,519.25	38%
Caithness	£127,521.20	£127,316.24	£151,441.30	£24,125.06	19%
East Ross	£164,371.30	£164,788.16	£208,011.67	£43,223.51	26%
Inverness	£203,834.41	£204,505.90	£243,490.78	£38,984.88	19%
Lochaber	£193,642.21	£196,164.24	£276,304.65	£80,140.42	41%
Mid Ross	£200,416.44	£203,708.72	£281,205.12	£77,496.40	38%
Nairn	£203,713.11	£209,343.48	£262,689.52	£53,346.04	25%
Ross & Cromarty West	£192,917.23	£197,947.36	£267,038.65	£69,091.29	35%
Skye & Lochalsh	£200,247.53	£201,314.74	£271,325.23	£70,010.50	35%
Sutherland	£166,068.60	£174,035.49	£217,271.38	£43,235.89	25%
Highland	£192,735.92	£192,735.92	£249,204.82	£56,468.90	29%

Table 2.3: Average House Price by Buyer Origin and HMA (2019/20 – 2023/24)

Across Highland, purchasers originating from out with the area paid an average of £249,205 compared to £192,736 for self-contained house sales. This represents a difference of 29%. The same pattern is evident across every HMA. The greatest differences are recorded in Lochaber (41%), Badenoch and Strathspey (38%), Mid Ross (38%), Ross and Cromarty West (35%) and Skye and Lochalsh (35%).

Based on this evidence, the consistent differences in average purchase price suggest that purchasers from out with Highland may have greater purchasing power or be willing to pay more for housing. In areas where external purchasers account for a substantial proportion of transactions, this could increase competition for available properties, inflate house prices and make it more difficult for local households to compete within the market.

These findings are particularly relevant in the context of Short-Term Let Control Areas (STLCAs). Badenoch and Strathspey have operated as an STLCA since March 2024, while further control areas have been proposed for Inverness City and a wider Highland Rural area. The proposed rural area covers a number of the housing markets

where this analysis identifies high levels of external purchasing alongside greater concentrations of second homes and STLs.

Overall, the findings demonstrate that the influence of external demand varies considerably across Highland. In some rural HMAs, particularly Skye & Lochalsh, Ross & Cromarty West, Sutherland and Badenoch & Strathspey high levels of purchasers from out with Highland coincide with greater concentrations of second homes and STLs. However, higher average purchase prices among those moving into Highland are evident across all HMAs, including some areas with relatively high levels of self-containment. This suggests that both the scale and nature of external demand are relevant when considering how individual housing markets operate and the potential competition faced by local households.

2.12 Housing Market Operation: Rural and Island Housing Issues

With the exception of Caithness, which displays high levels of self-containment and lower than average levels of second homes and short-term lets; all other remote rural or island HMAs show:

- high levels of inward migration from elsewhere in Scotland (above 33%)
- high rates of second homes and short-term lets (above 10%)
- above average house prices paid by external purchasers.

This evidence could suggest that in Badenoch & Strathspey, Ross & Cromarty West, Skye & Lochalsh and Sutherland, external migration out with Scotland is driving house price inflation and fueling the second home and short-term let market/ Local households in the remote rural and island communities are therefore less likely to find affordable and accessible housing options given the impact on house prices and on the availability of principal homes for occupation.

Policy interventions on managing non-effective housing stock could therefore be important considerations in these rural and island communities to both ease housing affordability pressures and reduce the impact of ineffective housing stock.

3 Housing Need & Demand Assessment Primary Research

A priority for the Highland Housing Market Partnership in producing the HNDA was to commission primary research to provide consistent, current, and reliable intelligence on the extent and nature of housing need and demand across the region. Furthermore, partners sought to address the major limitations in relying solely on secondary data to produce HNDA Core Outputs and housing estimates, namely:

- no credible information on the housing suitability or affordability drivers of Highland households (including limited intelligence on household income and financial circumstances)
- no credible, recent information on household circumstances, housing intensions or aspirations
- no insights on the impact of the cost-of-living crisis on the extent and nature of housing need across Highland
- limited sample sizes in national secondary data sources offering poor statistical confidence in key measures of housing need
- inconsistencies in data collection, assembly and reporting by Highland Housing Market Partners, leading to poor data reliability across several key measures of housing need (and particularly in relation to specialist housing requirements)
- very limited ability to disaggregate data to functional HMAs (or sub-areas) using many secondary datasets (which often report by local authority administrative boundaries only).

A key aspect of the 2026 Highland HNDA study was therefore to commission a large-scale HNDA survey of households living in the Highland area. The purpose of the HNDA survey was to provide a credible assessment of housing need by property size, type, and tenure across each Housing Market Area. Arneil Johnston commissioned Research Resource (a professional market research agency) to deliver the HNDA household survey, with fieldwork taking place between September and November 2025. A full technical report detailing the survey methodology, sampling, questionnaire design and data accuracy is available in Appendix A: Highland HNDA Research Technical Report.

The primary research was designed to meet the information needs of the Housing Market Partnership and fill the gaps identified in a risk assessment of the HNDA evidence base using secondary data alone.

3.1 Primary Research Methodology

A hybrid methodology was used to deliver the primary research study comprising a statistically robust interview led survey with a representative sample of residents across the region and housing tenure. The interview-led telephone and face-to-face survey enabled in-depth questioning and analysis, allowing the capture of detailed responses from the household population.

The interview led survey was augmented with an online survey which was promoted by Highland Housing Market Partners to capture the views of a wider population and increase the number of interviews achieved. The online survey provided an excellent opportunity to gather the views from a large audience, in a quick and economical way. HMP partners were provided with a survey link and promoted the opportunity to participate in the survey via social media, partner websites and stakeholder networks.

3.2 Questionnaire Design

Arneil Johnston took the lead in questionnaire design ensuring that the HNDA survey fully met research objectives and information needs, with input provided from Research Resource from an operational perspective; ensuring the survey tool flowed, worked from an interviewer viewpoint and was easy to complete for respondents.

Two survey questionnaires were designed, one for the interview led survey and one for the online survey. The interview led survey questionnaire was a more in-depth and detailed survey which allowed full exploration of the issues surrounding housing need and demand. The telephone questionnaire covered the following topics:

- Household tenure and property type
- Suitability of and satisfaction with current home
- Property condition
- Future household formation (next 2 years)
- Future intentions of current households
- Health, care, and support needs (health, adaptations, care and particular forms of housing)
- Household composition
- Household income

The aim of the research was to develop a robust and credible understanding of housing need across Highland, augmenting secondary data sources and allowing a more detailed local understanding of housing circumstances. The survey also sought to build insight on household circumstances with relation to health, care and particular needs focused on households where there was someone in the household with a health problem or disability.

3.3 Sample Size and Data Confidence

The aim of Highland HMP was to undertake primary research which would achieve a statistically robust level of confidence and therefore allow conclusions to be drawn about housing need and demand across the Highland region. The interviewer led survey was therefore designed to provide a robust and representative sample at a Highland level. This was achieved by procuring a representative sample of resident telephone numbers across Highland by tenure and by the age of head of household. From an overall target of 850, a total of 744 interviews were achieved through the

interviewer led survey process, including 180 on a face-to-face basis targeting underrepresented geographies and 564 interviews carried out by telephone.

The online survey sought to augment the interview led sample, boosting the statistical confidence of the research sample across Highland. A total of 1,415 online survey interviews were achieved, although of those, only 1,361 provided a postcode within the Highland local authority area and therefore used in the survey analysis.

The combined total of 2,105 interviews provides data accurate to a minimum of +/-2% (based upon a 95% level of confidence at the 50% estimate).

The aim of calculating sampling errors is to indicate the confidence which you can have in a particular result. Thus, if we find that 50% of the sample behave in a certain way, the key question is the extent to which this percentage may differ from the true population proportion simply because our results are based only on a sample. The sampling error allows you to say, for example, that the true range is likely to fall within the range of, for example, 48% to 52%. This is expressed in the form +/- 2%.

Table 3.1, 3.2 and 3.3 below show the proportion of interviews achieved compared to the percentage of the response profile and the household profile of Highland. While the surveys achieved good representation across Highland, there was overrepresentation in Lochaber and Nairn and under representation in Inverness. Analysis of the age profile of respondents highlights over representation for the 35-54 age group and under representation for 75 and over age groups. Tenure analysis shows fairly good representation with minor under representation for owner occupiers. Finally, analysis by household composition shows significant under representation for single adult households.

HMA	Highland 2025	HNDA Survey profile %
Badenoch and Strathspey HMA	5.8%	6.0%
Caithness HMA	11.3%	9.9%
East Ross HMA	9.0%	7.5%
Inverness HMA	33.8%	27.9%
Lochaber HMA	8.7%	12.0%
Mid Ross HMA	9.6%	10.3%
Nairn HMA	5.4%	7.5%
Skye and Lochalsh HMA	6.0%	6.3%
Sutherland HMA	6.3%	5.7%
Ross and Cromarty West HMA	4.1%	6.8%

Table 3.1: Highland HNDA Survey 2025 Sample Profile by Tenure and Household Population (Source: Census 2022)

Age	Highland 2025	HNDA Survey profile %
Under 25	2.6%	1.4%
25-34	10.69%	11.3%
35-44	14.34%	21.3%
45-54	15.34%	22.2%
55-64	20.58%	20.9%
65-74	15.18%	16.3%
75-84	15.75%	6.1%
85 and over	5.50%	0.5%

Table 3.2: Highland HNDA Survey 2025 Sample Profile by Age and Household Population (Source: NRS household population projections 2022-based)

Tenure	Highland 2025	HNDA Survey profile %
Owner Occupation	68%	64%
Social Housing	19%	22%
Private Rented Sector	13%	14%

Table 3.3: Highland HNDA Survey 2025 Sample Profile by Tenure and Household Population (Source: Census 2022 Table UV404)

2022 Census	Highland 2025	HNDA Survey profile %
1 adult	37%	20%
2 adults	29%	38%
1 adult, 1+ children	5%	7%
2 adults, 1+children	15%	21%
3+ adults	9%	10%
Other	4%	4%
Total	**100%**	**100%**

Table 3.4: Highland HNDA Survey 2025 Sample Profile by Household Composition and Household Population (Source: Census 2022 Table UV112)

The survey data has therefore been weighted by tenure in each HMA and then by age categories (under 35, 35-64 and 65+) and household composition to address these imbalances and ensure that the results reported are representative of the overall Highland population. This weighting is delivered in the SNAP survey software by detailing the expected number within each group by tenure and HMA and then the % of each group for age and household composition. The software then calculated the expected values and applied the weight to the data to reflect these as follows:

Variable	Code	Ratio	Expected	%	Actual	%
HMATenure	Badenoch and Strathspey - Owner	4353	4353	3.9%	74	3.4%
	Badenoch and Strathspey - Social rented	1032	1032	0.9%	27	1.3%
	Badenoch and Strathspey - PRS/ other	958	958	0.9%	24	1.1%
	Caithness - Owner	8445	8445	7.6%	142	6.6%
	Caithness - Social rented	2607	2607	2.3%	48	2.2%
	Caithness - PRS/ other	1236	1236	1.1%	17	0.8%
	East Ross - Owner	6491	6491	5.8%	82	3.8%
	East Ross - Social rented	2886	2886	2.6%	55	2.6%
	East Ross - PRS/ other	1202	1202	1.1%	19	0.9%
	Inverness - Owner	26535	26535	23.8%	376	17.5%
	Inverness - Social rented	7063	7063	6.3%	123	5.7%
	Inverness - PRS/ other	5784	5784	5.2%	87	4.1%
	Lochaber - Owner	5712	5712	5.1%	137	6.4%
	Lochaber - Social rented	2366	2366	2.1%	70	3.3%
	Lochaber - PRS/ other	1058	1058	0.9%	43	2.0%
	Mid Ross - Owner	8087	8087	7.2%	175	8.2%
	Mid Ross - Social rented	1861	1861	1.7%	25	1.2%
	Mid Ross - PRS/ other	1260	1260	1.1%	15	0.7%
	Nairn - Owner	4009	4009	3.6%	101	4.7%
	Nairn - Social rented	949	949	0.8%	38	1.8%
	Nairn - PRS/ other	811	811	0.7%	18	0.8%
	Ross and Cromarty West - Owner	2602	2602	2.3%	94	4.4%
	Ross and Cromarty West - Social rented	568	568	0.5%	21	1.0%
	Ross and Cromarty West - PRS/ other	491	491	0.4%	26	1.2%
	Skye and Lochalsh - Owner	4694	4694	4.2%	82	3.8%
	Skye and Lochalsh - Social rented	1261	1261	1.1%	28	1.3%
	Skye and Lochalsh - PRS/ other	659	659	0.6%	21	1.0%
	Sutherland - Owner	4754	4754	4.3%	79	3.7%
	Sutherland - Social rented	1126	1126	1.0%	19	0.9%
	Sutherland - PRS/ other	825	825	0.7%	22	1.0%

Age	Under 35	13.41	14975.5	13.4%	271	12.6%
	35-64	53.4	59633.8	53.4%	1369	63.8%
	65+	33.2	37075.7	33.2%	487	22.7%
hhcomp	1 Adult	37	41740.9	37.4%	423	19.7%
	2 Adults	29	32715.8	29.3%	809	37.7%
	1 adult and 1 + children	5	5640.7	5.1%	146	6.8%
	2 adults and 1 + children	15	16922	15.2%	450	21.0%
	3 + adults	9	10153.2	9.1%	215	10.0%
	Other	4	4512.5	4.0%	77	3.6%

HNDA analysis is then performed using the weighted survey data set which is representative of the Highland household population by age, tenure and HMA.

3.4 2025 HNDA Household Survey: Topline Results

A research presentation summarising the key findings from the 2025 Highland HNDA Household Survey can be found in Appendix B: Highland HNDA Household Survey: Topline Results.

The results from the Highland HNDA survey offer invaluable insights into both existing and emerging unmet housing need in Highland. They provide a clear understanding of how well the housing system serves households and communities across the region. Key findings are outlined below:



Most households living in the Highland region live in owner occupied housing (68%), with 19% living in social housing and 10% in the private rented sector. There are high levels of property equity in the Highland housing market, with 39% of households in owner occupation achieving outright ownership.

Low rise properties are the predominate property type in Highland, with 81% of homes either houses or bungalows. In contrast, just 14% of households live in flatted accommodation including four-in-a-block and maisonette properties. In terms of property size, 9% of Highland dwellings have at least 1 bedroom, 32% have 2 bedrooms, 38% have 3 bedrooms, with 20% offering 4 or more bedrooms.



The proportion of concealed households is relatively small at 5.7% of all Highland households, with 93.5% of households reporting they do not share rooms or amenities with any other households (a further 0.8% of households were unsure).

Two thirds (67%) of Highland households expressed that they have the right number of rooms in their current home to meet the needs of their household. 10% of households have too few rooms to meet their needs, with highest proportion of

overcrowded households in private rented sector at 18%. A higher proportion of households (22%) are currently under occupying their property.

Just under a quarter (23%) of households advised that they have issues with outstanding repair and maintenance/property condition, with just over half of Highland households reporting that their current home requires no upgrading or improvement works (51%).

Of those who do require housing repairs or improvements, 23% need double glazing or window replacements, 21% need to modernize their kitchen or bathroom (19%), 11% require loft and/or cavity wall insulation, 8% report safety concerns with smoke alarms or electrical wiring, and 10% require a new boiler and/or full central heating system. Social housing tenants who require property upgrades are most likely to require double glazing or window replacements (26%), followed by upgrades to kitchens (23%) or bathrooms (21%). These improvements and upgrades are also the most needed in the PRS and owner occupied sectors in Highland.

Whilst 77% of households report no property condition problems in their current home, 17% require repairs, maintenance or improvement (6% don't know). This includes 7% of Highland households who live in dwellings with significant dampness, 6% who need better heating or ventilation, and 5% who need insulation.

Most respondents were satisfied with their current home (83%) with 53% very satisfied and 30% satisfied. Overall, just 10% of households are dissatisfied with their current home, with notably higher levels of dissatisfaction in the social rented (22%) and private rented sector (21%).



A significant proportion of residents have lived at their current address for more than 20 years (38%), and this number increases to 66% for those who have lived at their current address for over 10 years. In comparison, just 11% of Highland households have moved home in the last 5 years with 35% of private rented tenants moving in the last five years compared to 9% of owners.

The main drivers for moving home in Highland are:



Diagram 3.1: Main Drivers for Moving Home (2025 HNDA Household Survey)

Over a quarter of households (26%) who moved in the last 5 years currently living in the Inverness area, did so because they wanted a smaller property, with 28% currently in Nairn moving because they wanted to reduce housing costs.



There is evidence of positive intended household formation across Highland in the immediate future. 23% of Highland households state that there is someone living in the household who would like to form a separate household within the next 7 years. The HMA with the highest proportion of newly forming households is Sutherland (31%), followed by Lochaber (29%) and Inverness (25%). 81% of new households want to move but stay within the Highland area and 10% want to move elsewhere in Scotland or UK.

Just 7% of respondents said there was nothing that would prevent new formation within their household. In contrast, 81% said they would be constrained by a 'lack of housing availability in the areas of their choice' and 80% stated that financial constraints may stop a household member moving out of their property. 3% said that a lack of specialist housing in the Highland area was a barrier to their household member moving out.



Most people want to remain in their current property in Highland (64%). Just under a third of households (29%) state that they would like to move (21%) or need to move (8%) home in the next two years. Movement across the housing system is most anticipated in the Inverness area with 33% of households wanting or needing to move, followed by Lochaber and Badenoch and Strathspey at 30%. In total, 8% of households who want or need to move expressed a desire to move from the Highland area altogether.

A high proportion of households would like to move from their current accommodation in the private rented sector (49%) compared to just 15% of households in the owner-occupied sector. This pattern is true for households who need to move, with 24% of private rented sector tenants in this category compared to just 3% of owners. 75% of owners said they didn't want to move compared to 20% of private renters. The main reasons for moving vary for those who would like to move and those who need to move. For households who would *like* to move, the most common reasons are larger property (13.5%), want own home (10.5%) and improved or different type of property (9%). For households who *need* to move, the most common main reasons are require a larger property (12.9%), need accessible housing (9.5%) or home is temporary (8.4%).

Furthermore, the highest proportion of households that need to move are aged between 25-34 (30%). Just 10% of the 65 and over age groups need to move. There are a similar proportion of single adult households who need to move home in Highland (20.5%) as two parent families (20%).

Overall, those who would like or need to move home are motivated by the following 10 top main reasons:

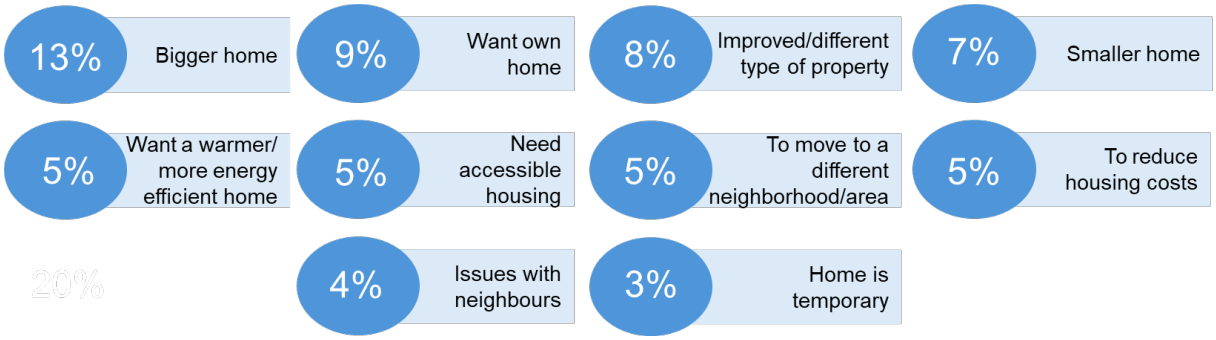


Diagram 3.2: Main Reasons to Like or Need to Move Home (2025 HNDA Household Survey)

The largest majority of households under the age of 35 said their main reason for wanting to move was to access a bigger home (25.1%). Other key drivers for younger households include wanting to own their own home (15.3%), wanting an improved/ different type of property (8.3%) and reducing housing costs (7.8%).

In contrast, 17.6% of the over 65 age group said the main reason that they would like to move was to source a smaller property, with a further 11.2% planning for changing health needs in the future and 10.6% wanting to move to a different neighbourhood/area.

With the exception of the Nairn (51%) and East Ross (53%), almost two thirds of households who would like or need to move intend to remain in the area they originate from i.e. 85% of movers will remain in Sutherland, 81% will remain in Badenoch & Strathspey and 77% will remain in Lochaber. A lower proportion of movers intend to stay in Nairn, with 14% moving elsewhere in Scotland and 10% moving elsewhere in the UK. In East Ross there are higher than average concentrations of households who would like to move to a different neighbourhood/area (65%) or as they do not like the area (16%).



Across Highland, 45% of households contain someone with a long-term health condition or disability. Of this proportion, 19% have a long-term illness or disease, 17% have a physical disability and 15% have a mental health condition. 79% of households with a health condition or disability felt that their current housing meets their health and disability needs.

This ranges from 89% in the Caithness HMA to 70% in Lochaber. The prevalence of long-term health conditions or disability by tenure is highest in the social housing sector (64%).

Just over half of respondents (67%) said that the location of their property would not be very suitable for someone using a wheelchair or who had mobility issues. Furthermore, 13% of respondents feel that someone in their household has unmet needs for special forms of housing including:

- 8% who need accommodation without stairs/level access housing

- 3% who need accommodation suitable for a wheelchair
- 2% who need specialist housing for older people.

20% of households with health conditions or disabilities do not think their current housing meets their needs, with 13% stating their home does not meet their needs 'very well' and 7% stating their home is 'not at all well' suited to their needs. There are a notably higher proportion of households with an unmet need for specialist housing in the private rented sector (36%) and social housing sector (28%).

37% of households with a health condition or disability have had adaptations to their property including: handrails (25%), level access showers (20%), ramps (9%), door widening (5%) and relocated light switches/power points (2%).

16% of households with a health condition or disability need further property adaptations to meet their needs, whilst 4% of households that have property adaptations that are no longer required.



18% of Highland households are currently spending more than 25% of their income on mortgage or rent. 5% are spending between 31-40% of their income on housing costs. A further 3% of households in Highland are experiencing extreme housing affordability problems, spending more than 40% on rent and mortgage costs.

Furthermore, almost half of respondents are spending more than 10% of their income on heating their homes (47%) with the highest proportion of households in social housing (63%), followed by the private rented sector (56%). Additionally, 51% of respondents stated that the cost of utility bills is a bit of a problem (37%) or a serious problem (14%) for their household.



The final element of the HNDA household survey asked households, *what would you say are the top 5 housing challenges faced by people who live in Highland*'.

The results indicate that households in Highland identify a housing affordability pressures (46%) and a shortage of social housing (25%) as the main housing challenges. The top 5 housing challenges in Highland were identified as follows:

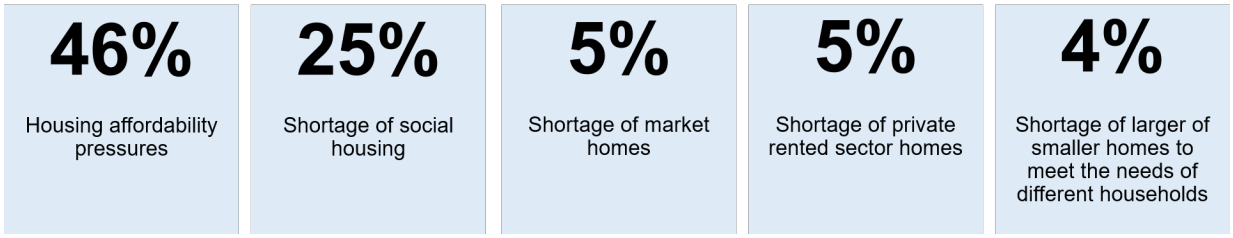


Diagram 3.3: Main Housing Challenges facing Highland Residents (2025 HNDA Household Survey)

Households were also asked if they believe that there is a need for more housing to be developed in their area/community/town. 79% of Highland households believe that there is a need for more housing to be developed in their area. This varies from 96% of households in Lochaber to 71% in Mid Ross. The top 3 forms of housing that need to be developed according to people who live in Highland are as follows:



Diagram 3.3: Main Housing Types needed by Highland Residents (2025 HNDA Household Survey

3.5 HNDA Survey: Rural and Island Housing Issues

For many HNDA survey questions, there is a consistent response across households living in rural and island communities and the general population. However, with the exception of Badenoch & Strathspey and Caithness, all other rural HMAs show a higher proportion of households who need to move in the next 2 years including Ross & Cromarty West (12%), Lochaber (10.5%), Skye & Lochalsh (9.2%) and Sutherland (9.1%). These results potentially indicate a higher level of existing housing need in rural and island communities.

Generally, housing satisfaction levels with current home (83%) are consistent with households across Highland, with the exception of Lochaber, which has the lowest rate of housing satisfaction in Highland (79%).

Finally of note, is a particularly high level of intended household formation In Lochaber (29%) and Sutherland (31%) in comparison to the rest of Highland (23%). Housing options for newly forming households in these particular rural HMAs, coupled with evidence of potentially higher rates of existing need could indicate specific future housing pressure.

3.6 2025 HNDA Household Survey: Overall Outcomes

The 2025 Highland HNDA household survey has succeeded in delivering credible insight into housing need and demand across the area, providing consistent up to date measures of housing need for the purposes of calculating housing estimates. The level of data accuracy achieved by the survey sample ensures that Housing Market Partners can be confident in using this research to inform housing and development planning policy judgements. Furthermore, the survey intelligence provides crucial contextual evidence of housing market drivers, housing stock pressures and the need for specialist housing solutions across the area. This insight has been used to meet the requirements of HNDA Core Outputs detailed in Chapters 4 – 7 of this report. Headline findings from 2025 Highland HNDA Survey can be summarised as follows:

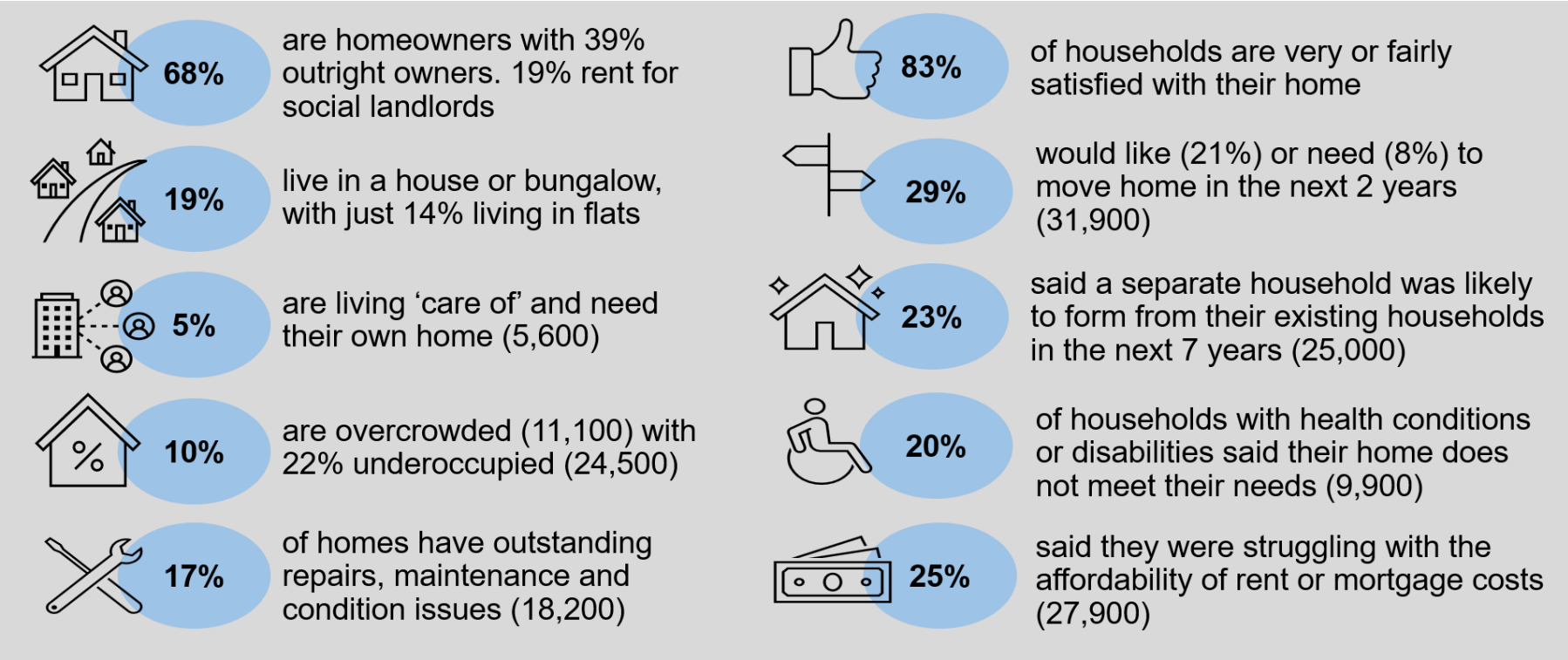


Diagram 3.5: 2025 HNDA Survey Headlines (2025 HNDA Household Survey)

4 Core Output 1: Housing Market Drivers

Chapter 4 provides an overview and insight into the housing market drivers across the Highland area as described in 'Core Output 1' of the Housing Need and Demand Assessment Practitioners Guide (July 2026). Core output 1 evidence:

'…identifies the key factors driving the local housing market.

This should consider household formation, population and migration, housing affordability including income, house prices, rent levels, access to finance, and key drivers of the local and national economy.

This analysis should reflect the data that has been input into the HNDA Tool and the choice of scenarios that are chosen to run the Tool'.

4.1 Core Output 1 Headline Findings

Insight and analysis of Housing Market Drivers focused on the following questions:

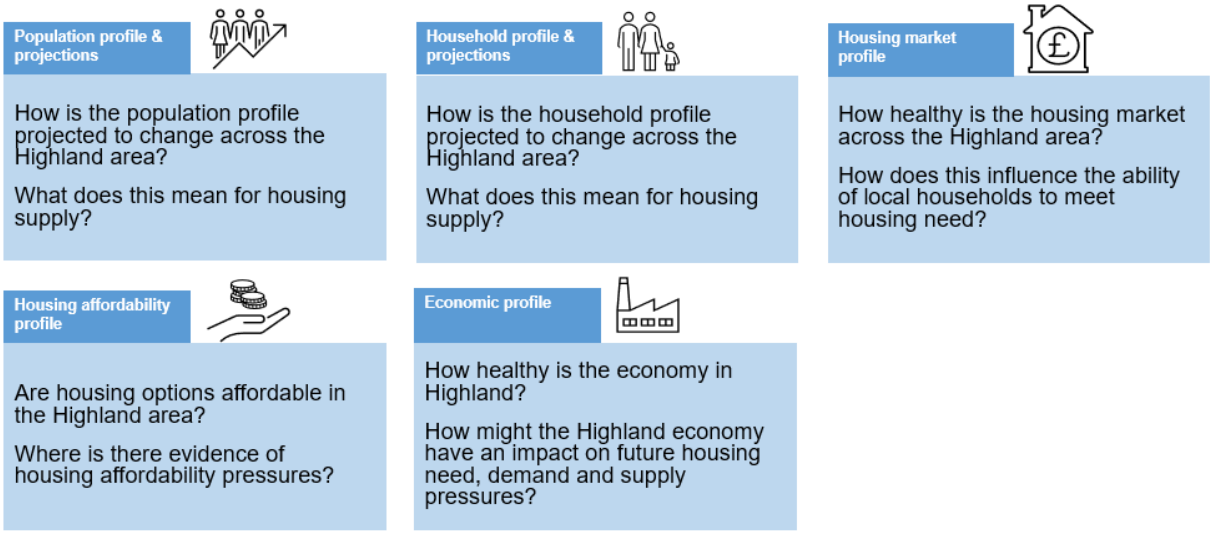


Diagram 4.1: Core Output 1 Key Questions

An interactive briefing with a recorded voiceover presents the evidence and provides the headline statistics, main findings and key conclusions associated with the analysis of HNDA Core Output 1: Housing Market Drivers Appendix C: Core Output 1 Briefing.

An interactive data book presenting all Core Output 1 evidence aligned to extensive housing market analysis, can be accessed here: Appendix D: Core Output 1 Databook. This interactive data book presents Core Output 1 evidence in detailed graphs, tables and aligns statistical evidence to summary findings and conclusions at both a Highland region and where possible HMA level.

The key housing market drivers influencing the operation of the Highland housing system are summarised as follows:

Population profile & projections

Over the last 20 years, the population living in the Highland area grew by 11%. Net migration trends have remained positive, with a spike evident post-pandemic. Projections to mid-2047 indicate an increase in population, with the over 75's being the fastest growing age cohort. This has implications for housing and social care interventions.

Household profile & projections

In 2024, there were an estimated 113,906 households living in Highland, an increase of 7.69% since 2014. Recent household projections produced by the National Records of Scotland estimate that the number of households living in Highland will increase by 8% over the next 20 years fuelled by a growth in smaller households.

Housing market profile

House sales in Highland rose modestly by 3.5% between 2014/15 and 2024/25, while average prices increased significantly by 36%. Prices vary widely—from £157k in Caithness to £297k in Badenoch and Strathspey—and a notable share of purchases from outwith Highland, ranging from 19% in Inverness to 55% in Skye and Lochalsh.

Housing market access

Market affordability analysis reveals that households must spend up to 5 times the local median income to afford the median house price in Highland.

In some HMAs this increases to 5.7 times. This is well in excess of the typical 3.2 X's multiplier used for mortgage purposes.

Housing affordability

Whilst Council rents are affordable for 85% households in Highland, market rents are only affordable to 57% households

A household would need to earn over £36k to afford market rent levels at a 30% income to rent ratio. This is well in excess of lower quartile incomes (£23,797). 41% of households cannot afford lower quartile house prices and 64% cannot afford the average house price in Highland.

Economic profile

From 2012-22, Gross Value Added (GVA) grew by 13% in Highland with the GVA per head 32% lower across Highland (£45,729) than Scotland (£67,476). Average Highland weekly pay equals £628.50 which is lower than the mean for Scotland (£674).

Diagram 4.2: Core Output 1 – Key Findings

4.2 Core Output 1: Key Issues – Highland Housing Market Drivers

The assembly of Core Output 1 of the HNDA has provided Highland Housing Market Partners with a clear, evidence-based understanding of:

- key demographic factors and how these are driving the Highland housing market
- key affordability factors and how these are driving the Highland housing market
- key economic factors and how these are driving the Highland housing market.

Highland HNDA: Core Output 1: Housing Market Drivers	
LHS & Development Plan	Key Issues identified in the HNDA
Demographic issues for the local housing market	• **Population increase:** The population of Highland grew by 11% between 2004 and 2024 compared to a 9% growth across Scotland. Since 2014, the rate of population growth in Highland has been slower, with a 1.8% increase between 2014 and 2024. This is lower than the national rate (which increased by 4% over the same period). During this time, inward migration was greater than the rate of natural change across Highland by approximately 4,110 individuals, resulting in overall population increase. Following a spike in net migration post Covid, this trend remained positive over the last 3 years (2021/22-2023/24). Highland's population growth is projected to increase further between 2022 and 2047, with an average annual increase of 272 people creating an overall projected increase in population of 2.9%. This is a lower rate than the projected increase in the national population of 6.2% over the same period. • **Ageing population:** Since 2001, population change across the Highland area has been marked by an ageing population with a 59% increase in those aged 65+ and an 84% increase in the 85+ age group. There has also been a 9% overall reduction in the number of young people aged 0-15 across Highland relative to an overall national reduction of 4%. Population ageing is projected to continue with a 24% increase in those aged over 65 and a 55% increase in those aged 75+ between 2026 and 2046. The 85+ age group will increase at a higher rate over the same 20 years period across Highland, with a 128% increase in the male 85+ population and 103% increase in the female 85+ population. Notably, during this period, negative growth is projected for those of working age, with a 5% decline across Highland. These projections could have a significant impact on the sustainability of the Highland economy, as well as necessitating housing, health and care interventions that enable the growing population of older people across the Highland region to live independently and well. • **Inward migration:** Since 2004, total net migration has been erratic in Highland. Driven by a notable drop in net migration following the global financial crash in 2009, there

	was limited growth in positive migration to Highland for most of the following decade. Since 2004, there has been an approximate 37% decrease in the rate of net migration into Highland. On average, working aged people (16-64) have had the highest net migration rates across Highland, with a 2,091% difference in net migration between this group and those aged 65+. Over the last 20 years, on average, working aged people (16-64) have had the highest net migration rates into Highland, with an average of 1,026 households moving into Highland per year. This compares to an average net migration of 47 older households (65+) per annum. Following a modest recovery in net migration in 2013, there is evidence of a Covid-19 related boost to net migration into the Highland region. From mid-2020 to mid-2021, the population grew by 0.83% (2,900 households), driven by inward migration of 2,384 working age adults, 337 children and 182 households over 65. Whilst this peak net migration has not been sustained, a more positive net migration pattern to the region has been sustained over the last 3 years. • **Increasing household numbers:** Against a backdrop of modest projected population increase in Highland (2.9% from 2022 to 2047), National Records of Scotland (NRS) estimate that the number of households living in Highland will also increase. NRS principal household projections suggest a 7% increase over the next 2 decades (2026-2045), equating to an additional 8,613 households over the 20-year period. Whilst the NRS low migration scenario projects a lower rate of growth, household numbers are still expected to increase by 4%, equating to an additional 5,171 households. Under the high migration scenario, greater household growth is projected, with a 10% increase equaling an additional 11,333 households over the next two decades. • **Age:** The projected increase in the household base in Highland is driven by an increase in older households. Overall households aged over 75 are projected to increase by 56% between 2026-46, with a 2% increase in households aged between 45-59 and a 1% increase in households aged between 30-44. In sharp contrast, households aged under 29 are projected to decrease by 13% and households aged between 60-74 are projected to decrease by 8%.

	• **Household types:** The principal projections suggest that single person households will experience the greatest growth in Highland, with a 13.07% projected increase between 2026 and 2046. Two adult households are also projected to increase by 7.91%. All other household types are expected to increase at a much lower rate, with a 1.83% increase in 2+ adults & 1+ children households and a 0.69% increase in 3+ adult households. Single parent households are the only household type projected to decline, decreasing marginally by 0.5%. According to the 2025 HNDA survey data, the most common household type in Highland is 1 single person household amounting to approximately 37% of households. Housing delivery plans will therefore need to be aligned to an ageing and increasingly smaller household profile.
Affordability issues for the local housing market	• **Household incomes:** According to 2024 CACI Paycheck data, median household incomes across Highland (£42,195) are higher than the Scotland median of £39,386. Local Level Household Income Estimates for Highland (LLHIE) produced in 2018 updated for 2023 Gross Disposable Household Income suggests that median income inflation across Highland has been 22%. Between 2018 and 2024, comparison of LLHIE and CACI Paycheck data (to allow HMA analysis of income inflation) suggests that median household incomes across Highland increased by 38%, from £30,680 to £42,195 although it should be noted that this is not a like for like comparison. However, the analysis suggests that income growth has varied significantly across Highland Housing Market Areas over this period, ranging from 31% in Caithness (£26,520 in 2018 to £34,653 in 2024); to 56% in Nairn (£28,080 in 2018 to 43,931 in 2024). • Analysis of lower quartile incomes over time using 2018 LLHIE estimates (£18,720) and 2024 CACI Paycheck (£23,797), suggests that lower quartile incomes have also increased across Highland. Again, the growth in lower quartile incomes has varied significantly by HMA over this period from a growth of 22% in Sutherland (£17,680 in 2018 to £21,561 in 2024); to 54% in Nairn (£16,640 to 25,588). • Benchmarking lower quartile income estimates from 2018 (£18,720 LLHIE) to 2026 HNDA toolkit benchmarks (£22,881), suggests overall income inflation of 22%. This trend analysis suggests that whilst lower quartile incomes in Highland have increased since 2018, relative to house

	price inflation in the area over the last decade (29% from 2014/15 – 2024/25), households are likely to have experienced some decline in relative housing affordability. As a result, households with modest incomes across Highland may increasingly find housing market access challenging, if not indeed out of reach. The Scottish House Condition Survey (SHCS) 2022-2024 shows average incomes in Highland at £35,210. SHCS income estimates suggest that households in social housing across Highland have incomes which are on average £9,020 lower than their counterparts in owner occupation. Likewise, older households consistently have lower incomes (on average £18,120 lower (41%) than family household types. • **Access to Mortgage Finance:** Analysis from Bank of England data detailing residential loans provided via the FCA, shows that first time buyer mortgages accounted for between 27-31% of all mortgage loans during 2025 with an average of 29% over the 4 quarters, which is an increase of 1% on the average of the 4 quarters in 2024 (28%). • The percentage of home-owners re-mortgaging accounted for just over 28% of all mortgages in Q1 2026, increasing from 25% in the previous quarter. The Covid pandemic coupled with stricter bank lending requirements on large LTV mortgages have played a role in mortgage lending trends over recent years, although lending patterns are increasingly returning to more favourable rates. • The mean loan-to-value (LTV) ratio on mortgages advanced to first-time buyers in Scotland edged down from 83.5% in Q4 2025 to 82.8% in Q1 2026, as did the ratio for home movers, which fell from 71.0% to 70.7%. The ratio for first-time buyers is now higher than pre-pandemic levels in Q1 2020 (1.4% points higher), whilst the ratio for home movers remains slightly below its pre-pandemic level (1.0% points lower). [Source UK Finance] • Analysis of Bank of England data on lending multiples reveals that for buyers on a single income, the most consistent lending multiple is 4.00 or over in Q1 of 2026. For joint income borrowers, the most consistent LTI income multiple is 3 or over, representing 33% of all loans in Q1 of 2026. As the affordability calculation in the HNDA Toolkit uses a default LTI of 3.2, this evidence suggests there is no strong case to change this assumption with 3.00 plus LTI (joint income) being the most recurring lending multiplier between 2015 and 2026.

	• **Home Ownership:** Following recovery from the housing market crash in 2012, there has been a small increase in house sale volumes in Highland between 2014/15 and 2024/25 of 3.5%. This is lower than the national rate of change, where sales volumes increased by over 7% over the same period. Having said this, there is evidence that the housing market in Highland has slowed in the last 5 years with a decrease in house sale volumes of almost 9% (in contrast to a 2% decline in Scotland). Whilst the pandemic has impacted on the pattern of market volumes both nationally and locally since 2019, sales volumes are beginning to signs of returning to pre pandemic levels. • **House price analysis:** House prices have grown steadily in Highland over the last 10 years and on average by almost 30% between 2014/15 and 2024/2025. At a 30% income to rent ratio, 47% of households in Highland cannot afford to access home ownership at market entry levels and 66% cannot afford median house prices. The ROS Property Market Report 2024/25 reveals a 29% increase in the median house price across Highland from £150,000 in 2014/15 to £210,000 in 2024/25. This analysis also shows a slowing of house price inflation across the pre-Covid period (average 2% increase per annum 2014-2019) relative to the average 5% increase per annum experienced over the last 5 years (2019-2025). This rate of house price inflation is higher than the national level of 4%. Using detailed analysis of housing sale transactions from Registers of Scotland reveals that the median house price in 2025/26 in Highland was £215,000. This varies significantly across HMAs from £141,000 in Caithness to £253,000 in Badenoch and Strathspey. Additionally, lower quartile house prices in Highland in 2025/26 also significantly vary between HMAs from £88,500 in Caithness to £185,000 in Badenoch & Strathspey and Skye & Lochalsh. Despite this, market access remains extremely challenging. Across Highland in 2025/26, households require to spend over 5 times the median income to afford the median house price. If house prices continue to rise, a greater range of affordable and intermediate housing options may be required across the Highland area. • **Private Renting:** According to Scottish Government BRMA statistics, the average market rent in Highland in 2025 was £778.19. This is an increase of 35% since 2015, and a rise

	of 23% since 2020. In 2025, Highland private sector rents were 19% lower than the Scottish average of £966.42. Rental inflation by property size between 2015 and 2025 is reasonably consistent across 1, 2, 3 and 4-bedroom rents. Rental inflation in 1-bed shared property rents is notably higher at 73%, within an overall Highland trend of 35%. Further analysis of 2026 commercial PRS listings in Highland for the purposes of housing affordability modelling, suggests an average market rent in Highland of £907.09 per month. This ranges from £595.14 in Caithness to £1,253.38 in Skye and Lochalsh, highlighting the significant variation in market rental costs across Highland's HMAs. Using estimated 2026 rents, Local Housing Allowance rates are 28% lower than the average market rent in Highland. Based on a 30% income to rent ratio, 43% of households in Highland cannot afford private rented sector rents. A further 29% cannot afford Mid-Market Rent if rents are set at 100% of LHA. • **Social Renting:** RSL rents are on average 24% higher than Highland Council rents with a monthly average of £500.03 for RSL rents compared to £402.74 for Council rents. Whilst RSL rents are affordable for 80% of households, the remaining 20% require some form of subsidy to meet housing costs. Highland Council rents are affordable to 85% of households and unaffordable to 15% of households without subsidy (based on a 30% income to rent ratio). • **Household Expenditure on Housing:** Highland HNDA 2025 survey data estimates that 18% of households in the Highland area spend more than 25% of their income to meet rent or mortgage costs, with 8% spending more than 30%, which is unlikely to be a sustainable level of expenditure. Those spending more than 25% on housing costs range from 3% of households in Nairn to 23% of households in East Ross and Inverness. This profile broadly aligns with differences in levels of outright home ownership across Highland, with 30% of households in East Ross and 31% in Inverness owning their homes outright, compared with 54% in Nairn. Across Highland overall, 39% of households enjoy outright ownership of their home.
Economic issues for the local housing market	• **Economic Growth**: From 2012-22, Gross Value Added (GVA) per head has increased by 13% in Highland, from £40,426 to £45,729. However, overall GVA in Highland is

	significantly lower than Scotland's productivity per head by 32% (£67,476). • **Employment**: 123,300 people were employed in Highland in 2024, with the employment levels increasing by 4.6% between 2014 and 2024. Key economic sectors in Highland include (i) Agriculture, Forestry, and Fishing and (ii) Construction which between them account for 35% of all employment opportunities in the region. Average Highland weekly pay equals £628.50 which is slightly lower than the mean for Scotland (£674.20). Lower wages reflect income inequality in the Highland economy, with 27% of the household population earning less than £25k per annum whilst 41% earning more than average incomes at £50k. • **Unemployment**: Economic inactivity in Highland accounts for 18.7% of the population, with the claimant count rate for income-related benefits sitting on average at 2.2%. This is lower than Scotland's claimant count rate of 3.6%. • **Economic growth:** As well as the announcement by the Scottish and UK Governments in January 2023 to select the Inverness & Cromarty Firth Green Freeport, as the first of its kind in Scotland; Highlands & Islands Enterprise published research on 'Regional Transformation Opportunities' in May 2025 detailing major infrastructure and renewable energy projects with the potential to transform the Highland economy. It is estimated that the scale of projected economic expansion in Highland could create up to 20,000 new jobs over the next 10 to15-year period. • Given above average levels of employment in the Highland region, it is anticipated that growing the future Highland workforce will depend on significant inward migration of skilled workers. Undoubtedly, housing will play a central role in enabling the scale of projected economic expansion in Highland by providing accessible accommodation options for existing and relocating workers • The resulting increase in Highland's workforce and household base will have a significant impact on future housing requirements. To estimate the scale of these impacts, specific workforce housing research and extensive stakeholder engagement with economic development agencies, investors and local employers has been delivered as part of the 2026 HNDA, to build credible evidence of housing's role in enabling future economic growth.

	Details of this research are outlined in Section 4.3 below.

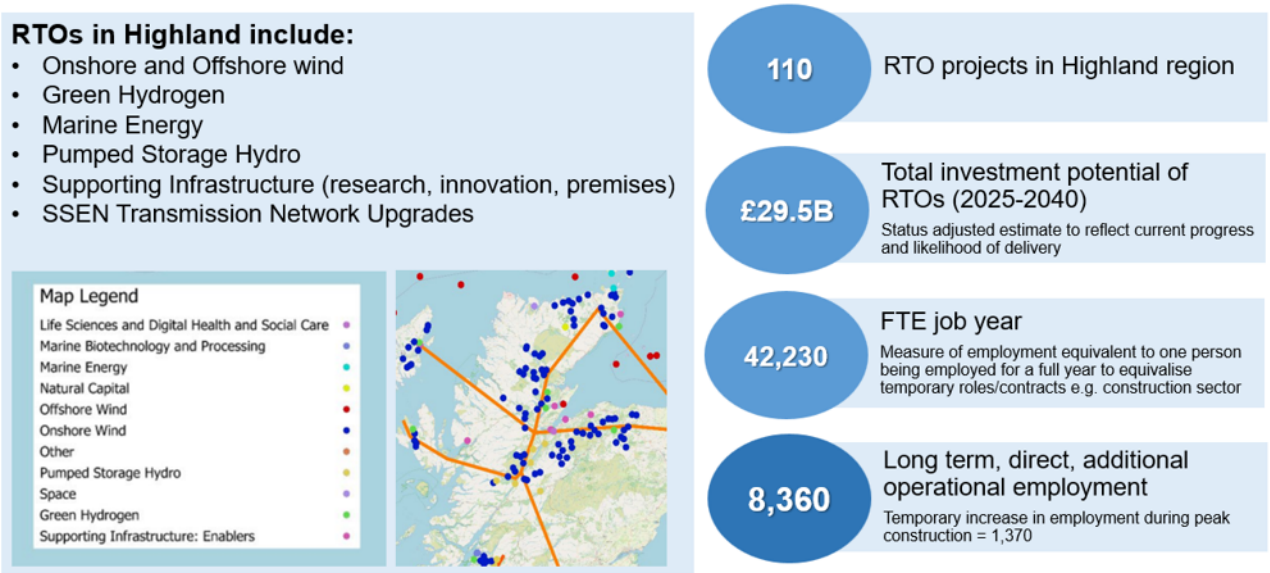
Table 4.1: 2026 Highland HNDA Key Issues - Core Output 1 Housing Market Drivers – Highland Housing Market Area

4.3 Future Projected Economic Growth in the Highland Region

In May 2025, Highlands & Islands Enterprise (HIE) published a research report scoping the extent and nature of 'Regional Transformational Opportunities' (RTOs). The purpose of this research was to better understand the breadth of economic opportunities with greatest potential to bring transformational change to the region's economy and society, and to inform planning and decision-making across regional economic partners to maximise benefits. It was intended that the findings should be used to inform policies and planning around topics such as population attraction and retention, skills, housing provision and transport development.

The study sought to identify and quantify (where possible) strategic projects and investments planned or proposed for the region over the period 2025 to 2040. Overall, the research confirmed that the share of economic investment potential in Highland is £40.8B, 41% of the total estimated economic opportunity across the Highlands & Islands region.

Key economic transformation opportunities in Highland focus primarily on the delivery of renewable energy including onshore and offshore wind, marine energy, green hydrogen, pumped storage hydrogen, supporting infrastructure and SSEN transmission network updates. In total, 110 economic transformation projects were identified in Highland with likely investment potential of £29.5Bn (a status adjusted estimate to reflect current progress and likelihood of project delivery). It estimated that across these 110 projects, 8,360 long-term operational jobs could be created beyond the construction phase to deliver each project.

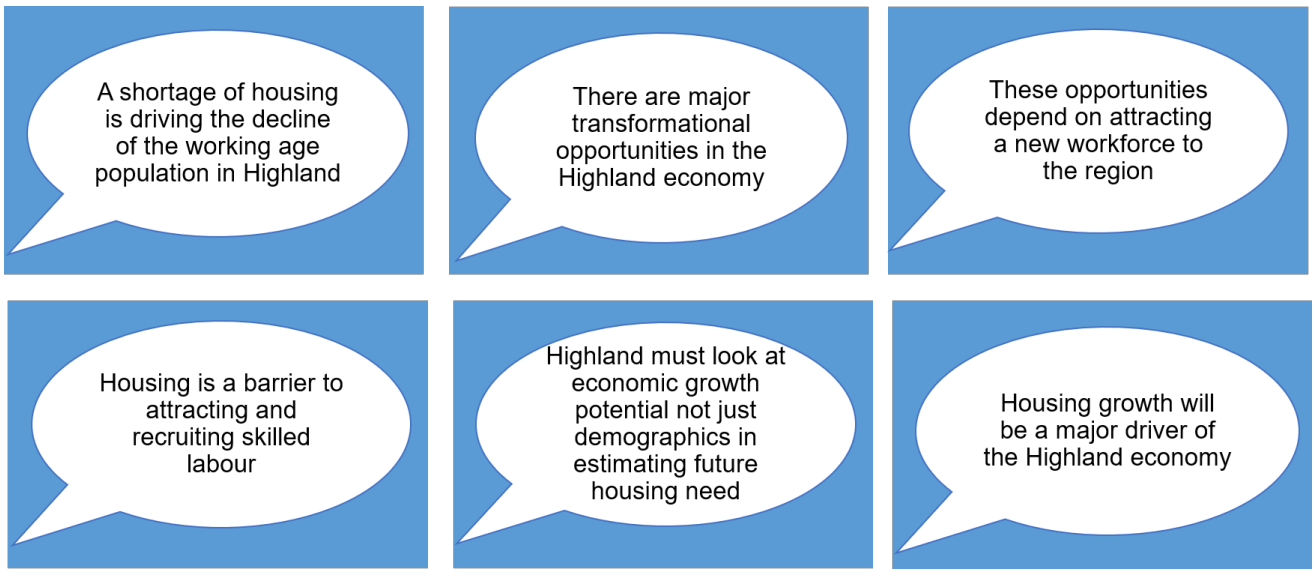


As well as assessing the scale of job growth associated with RTOs across Highland, partners identified a number of additional major economic and employment opportunities

which were not captured within the HIE research programme. These include employment growth associated with the Inverness and Cromarty Firth Green Freeport (ICFGF), the SSEN Pathway to 2030 programme, the expansion of Kishorn Port and future activity associated with the Dounreay nuclear site.

To achieve this, a programme of engagement was carried out with economic development agencies, investors and local employers to consider how the 2026 HNDA should account for project job growth in the region, agree a methodology to estimate workforce housing requirements over the next 20 years and to source credible data on direct job growth in the region including job numbers, location and the timing of job creation.

Initial discussions focused on the extent to which housing is currently a barrier to economic growth in the Highland region and whether an HNDA growth scenario should be developed to consider both future demographics, as well as economic, household projections. On the initial point, partners agreed that a primary research survey with employers across Highland should be carried out to determine the extent of housing related recruitment and retention pressures being experienced regionally. On the latter point, partners agreed that a workforce housing calculation should be carried out to determine the extent and nature of job growth projected and the projected housing requirements associated with realising future growth. It was agreed that the workforce housing calculation should provide the evidence to inform an HNDA growth scenario which delivered housing estimates based on both demographic change AND economic development policy and opportunity. This 'policy on' approach to projecting future housing estimates was seen as essential following years of under delivery in the Highland housing market and the resulting impacts on the region's declining working age population and economic performance. Partner feedback included the following:



On this basis, partners worked with the research team over a 4-month period to develop and refine the methodology for a workforce housing calculation, provide credible evidence on direct job growth and executive a survey of local employers in the Highland economy.

4.3.1 2025 Highland Employers Survey

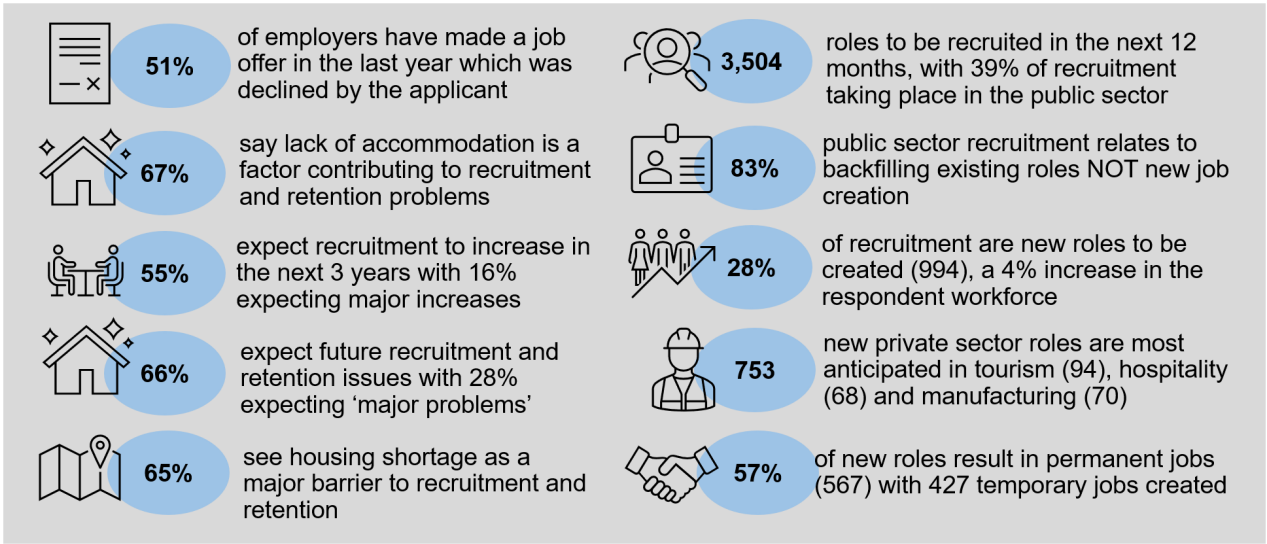
To understand the current workforce housing pressures facing employers in Highland economy and to assess the potential for growth within the local economy, an employer engagement survey was launched in November 2025. The survey was available online and hosted via the Highland Council website, with promotion across the social media channels of local economic and business development partners. Furthermore, local employers were invited to respond to the survey via trusted economic development partners including the Council's Economic Development Team, Business Gateway and Inverness, West Highland and Caithness Chambers of Commerce.

A statistical results workbook detailing analysis of the workforce housing survey can be accessed in Appendix E: Highland HNDA Employers Survey Databook.

The aim of the survey was to gather evidence on the extent to which housing availability is impacting business growth, workforce recruitment, and employee retention. Survey questions explored a range of topics including employee profiles, recruitment and retention trends, future employment plans and workforce housing needs. The survey results offer valuable insights into the evolving housing needs of Highland's workforce and the challenge posed to local employers. They provide a clear understanding of how housing shortage is impacting recruitment and retention for businesses operating in the region.

In total, 175 employers responded to the survey representing an overall workforce of over 23,000 employees across Highland. Most respondents came from the Tourism (34), Hospitality (25), Allied Health (13), Construction (10), Manufacturing (7) and Agriculture (7) sectors.

The key findings of the HNDA employers survey are summarised below.



Survey outcomes provide evidence that housing shortage is negatively impacting on the operation of the Highland economy as well as the delivery of essential public services. One in two employers have experienced a job offer decline in the last year, with two thirds

(67%) citing housing as a contributing factor. Whilst more than half of all employers expect recruitment to increase in the future, 65% see housing shortage as a major barrier to recruitment and retention.

There is evidence of backlog recruitment in the public sector with 83% of vacancies relating to existing job roles. This evidence aligns with the key worker housing challenges highlighted in the 2024/25 Highland Health & Social Care Partnership Annual Performance Report, which describes recruitment across the health and social care system as a '*high risk pressure*'… The report concludes that persistent vacancies in rural areas and specialist roles are impacting on service continuity.

In the private sector, a 4% increase in the respondent workforce is estimated with notable growth taking place in the tourism, hospitality and manufacturing sectors. This positive and organic growth in the existing economy will only take place, if housing related recruitment and retention pressures are eased.

Housing Market Partners were assured that delivering a 'policy on' HNDA scenario which reflects the scale of job growth projected across the region could be more than justified given the compelling evidence that the Highland economy is currently operating at a sub-optimal level as a result of housing shortage. Developing a credible 20-year workforce housing estimate which could be broken down by HMA, and housing tenure was therefore progressed to facilitate this.

4.3.2 Highland HNDA Workforce Housing Calculation

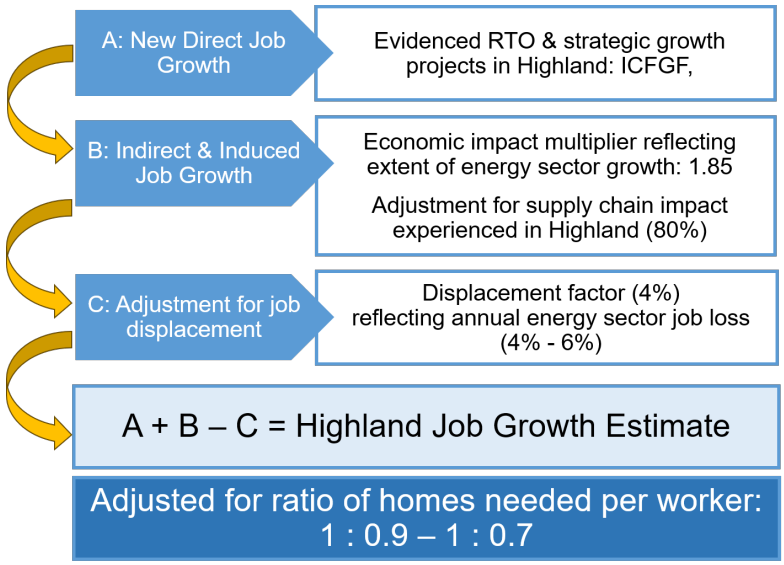
Building a 20-year workforce housing calculation in Highland has involved engaging with stakeholders from across the Highland economy including economic development agencies at a local and regional level. This engagement has enabled key investment and economic development opportunities to be identified and calculation inputs and assumptions to be informed by credible planning sources.

The workforce housing calculation considers the employment impact associated with new direct job growth, whilst also assessing the wider benefits to the Highland economy associated with:

- indirect job growth: supply chain job growth arising from investment
- induced job growth: additional employment created as a result of increased spending and economic activity generated by new direct jobs.

As well as assessing employment growth, the calculation also makes an adjustment for displacement reflecting the natural loss of jobs in key sectors where growth is stimulated.

To assess the housing impacts associated with economic growth, the calculation determines the number of additional new homes that may be required in Highland by applying a ratio of new homes to new jobs. This ratio reflects the fact that some new jobs will be taken up by working households currently living in Highland and that workers moving to the area could access existing housing supply. The structure of the calculation is detailed in the following diagram.



Working with investors, employers and Highlands & Islands Enterprise to derive data to inform job estimates, the following assumptions were made regarding job growth in wider sectors:

- 8,633 jobs associated with Inverness & Cromarty Firth Green Freeport[1]
- 2,910 wider RTO projects
- 800 jobs associated with the expansion of Kishorn Port
- 200 operation and maintenance jobs associated with SSEN's major investment in electricity transmission infrastructure across Highland
- 300 operational and maintenance jobs associated with SSEN's major investment in electricity distribution infrastructure across Highland and
- 800 jobs associated with future activity at Dounraey nuclear site.

In total, these employment opportunities are estimated to generate 13,643 additional long-term direct jobs across the Highland economy over the next 20 years.

It should be noted that a prudent approach has been taken to estimating future job growth with a specific focus on major infrastructure projects and the use of mid-point or status adjusted job growth numbers. The Highland Council acknowledge wider sectors actively developing proposals on economic expansion including planning applications associated with the Inverness and Highland City-Region Deal, HMP Highland, the expansion of UHI's Inverness Campus, as well as plans to grow the tourism industry. On this basis, the methodology for creating direct job growth estimates in Highland should be considered a defensible and credible approach.

[1] Of the 8,633 operational and maintenance jobs expected within the ICFGF, 5,450 are associated with RTO projects and are therefore already included within the 8,360 status-adjusted RTO jobs identified above.

The Highland workforce housing calculation acknowledges that whilst the location of direct jobs can be determined by tracking back to the location of specific investment projects, indirect and induced employment may include supply chain benefits that could reach beyond the Highland boundary. To estimate the impact of this, NRS Census analysis on travel to work patterns was used to assess the potential proportion of jobs which could be delivered by employees remote working or living in surrounding areas. The data suggests an extremely contained employment market in Highland where up to 96% of all jobs in the region are delivered by households living in the region.

Using this evidence, the workforce housing calculation assumes that 80% of supply chain impact employment will remain in the Highland region. The nature of job growth in the renewable energy sector and the extent of international investment associated with major infrastructure is likely to create a higher degree of supply chain leakage from Highland than is currently the case in the existing Highland economy.

To assess indirect and induced job growth arising from direct job growth estimates, a Scottish Government Type II Employment Impact Multiplier was applied to direct employment growth numbers. These multipliers measure the total effect of a change in employment on an area's economy, including direct, indirect, and induced effects. A Type II Employment Impact Multiplier for Repair and Maintenance (0.85) was used, based on the nature of employment growth (in the renewable energy sector) and the creation of long-term operational and maintenance jobs.

Finally, whilst assessing the housing impacts associated with job creation, the workforce housing calculation acknowledges that in parallel to job growth, job displacement will occur, i.e. employees lose jobs because roles are no longer needed or are replaced as the structure of the economy changes.

Given the proportion of new jobs estimated to arise in the energy sector as a result of major infrastructure projects and given the likely displacement that could take place in the energy sector given the switch to renewable energy, a displacement rate for this sector has been calculated and applied to the workforce housing calculation. According to the World Energy Employment Report[2], annual job displacement rates for the renewable energy sector can typically range from 4-6%, with a high demand for new skills evident in the transition to renewable sources.

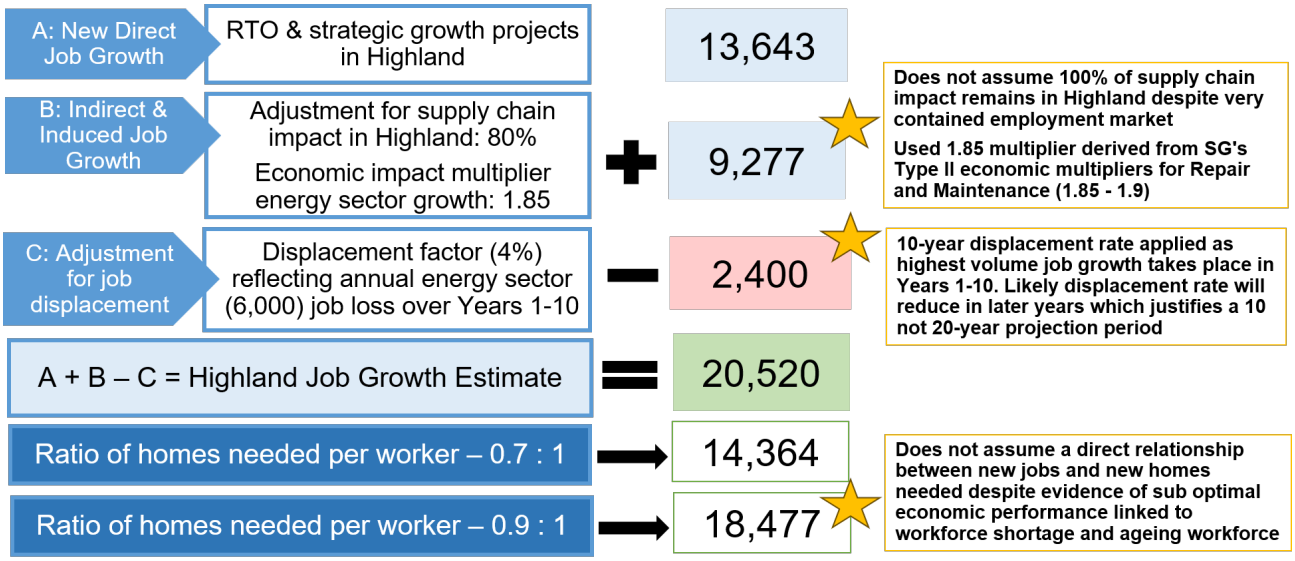
Employment forecasts by key sectors provided by Skills Development Scotland[3], estimate that the size of the energy workforce in Highland in 2025 was 6,000 people. It has therefore been assumed that annually for the first 10 years, as well as job creation, 240 jobs (4%) will be displaced in the Highland energy sector. The displacement assumption has been applied over the first 10 years of the projection period, reflecting that the highest volume of anticipated job growth and associated economic restructuring is expected to take place during this period.

Despite workforce housing survey evidence of sub-optimal economic performance because of workforce housing shortage and an ageing workforce, the workforce

2 World Energy Employment Report, International Energy Agency 2025
3 Employment Forecast by Industry 2025, Skills Development Scotland Data Matrix

calculation does not assume a direct relationship between the number of new jobs projected and the number of new homes that may be required.

The Regional Transformation Opportunities research report published by Highlands & Islands Enterprise in 2025. A further scenario which uses a 0.9 ratio of homes to jobs has also been prepared. This reflects the assumption that given the tightness of the Highland labour market, where jobs are filled by existing residents, this will in turn create replacement demand which will necessitate population attraction and associated housing need. Applying these ratios assumes that the number of homes associated with projected employment growth in Highland ranges from 14,371 – 18,477 as detailed in the diagram below:



In validating the HNDA calculation, partners and stakeholders were consulted on the assumptions and methodology associated with the workforce housing calculation. Whilst stakeholders expressed almost unanimous support for using the 'policy on' scenario as the basis for future housing estimates, some stakeholders suggested that the 0.9 ratio of homes needed per worker may be overstating the housing requirements associated with job growth. Stakeholder feedback questioned whether household relocation would create such a close relationship between new homes and new jobs, as job creation may impact on several members of the same household who are relocating to Highland.

Based on stakeholder feedback and in order to maintain the prudent approach to estimating workforce housing needs applied elsewhere in the calculation, a ratio of 0.7 homes will be applied to every job created and has been selected as the preferred economic scenario within a 'policy on' HNDA calculation.

It is therefore assumed, that over the next 20 years, 14,371 homes will be required in the Highland region to enable planned economic expansion. These estimates have been profiled over a 10-year projection and disaggregated by Housing Market Area and tenure to allow them to be combined with existing need and household growth estimates.

A detailed briefing paper setting out the methodology for disaggregating workforce housing estimates is available in Appendix F: Workforce Housing Estimates Briefing Paper.

4.4 Evidencing HNDA Scenarios - Key Housing Market Drivers

The Highland economy is facing a 'once in a generation[4]' transformational opportunity, with prudent estimates suggesting that up to 15,000 jobs could be created over the next 20 years. There are obvious impacts for the housing system in the region in terms of household attraction, with unanimous support from Housing Market Partners that the HNDA must consider the impact of economic growth and not just demographic change in estimating future housing need.

There is clear evidence of housing market pressure in the Highland housing system, both in terms of market access, housing affordability and housing related recruitment and retention challenges. To relieve these pressures, the Highland HMP recognise the need to pursue housing and land-use interventions which enable significant growth in housing delivery. It is recognised that to realise investment potential of £30Bn in Highland's economy and the associated social, environmental and economic benefit for communities, the housing system must play its part. On this basis, a 'policy on' HNDA scenario informed by the workforce housing calculation validated by the HMP should be progressed.

NRS principal projections for the Highland region project a growth in the number of households of 7.6% over the next 20 years, which is slightly lower than the projected growth in Scotland at 8.7%. Housing market partners are assured that this growth rate is achievable as it benchmarks well to the level of growth in the Highland household population achieved in the last decade (8%). Whilst stakeholders acknowledge that historic household growth will have been held back by housing related recruitment pressures, the HMP is assured this scenario offers a prudent growth scenario in the context of the potential economic expansion facing the region. Whilst the high migration NRS projection will assume a more positive level of growth in the Highland housing market and economy, it is acknowledged that migration to Highland implicit within the workforce housing calculation may lead to double counting in developing future housing estimates.

Whilst evidence of housing market inflation (in both rents and house prices) can be identified in Highland, the volatility of the current housing market following global economic shocks and current inflationary pressures makes future housing market operation challenging to gauge. It is also acknowledged that increasing housing supply with the right tenure balance in the region will contribute to managing ongoing inflationary pressures. On this basis, the Highland HMP consider real trend growth in housing costs to offer the most credible baseline assumption as the basis for establishing area housing estimates.

4.5 Housing Market Drivers: Rural and Island Housing Issues

There is evidence of significant housing pressure in rural communities, including higher market values and greater affordability pressures. In particular, average house prices are

[4] Regional Transformational Opportunities in the Highland and Islands (May 2015), Highlands and Islands Enterprise

20% higher in Badenoch & Strathspey, 10% higher in Ross & Cromarty West and 12% higher in Skye & Lochalsh.

But relative to local incomes, higher house prices have a significant impact on housing affordability in Lochaber (52%), Ross & Cromarty West (55%) and Skye and Lochalsh (58%) where more than half of all households cannot afford to enter the housing market. The delivery of a wide range of affordable housing options will be particularly important in these rural and island communities to ensure ongoing sustainability and arrest the decline of the working age population.

Workforce housing requirements will also have a significant impact in Caithness (1,102 homes), Ross & Cromarty West (1,230 homes) and Sutherland (1,098). This extent of potential growth will require careful alignment of housing and economic development programmes, as well as strong multi-agency planning to ensure environmental and social infrastructure capacity exists or can be developed. Taking a place-based approach to workforce growth will also be essential in rural island communities ensuing that local living can be achieved and the unique character of communities protected.

5 Core Output 2: Estimating Future Need & Demand

Chapter 5 provides an overview of the evidence and calculation used to estimate the number of additional housing units required to meet housing need and demand across the Highland region as described in 'Core Output 2' of the Housing Need and Demand Assessment Practitioners Guide (July 2026).

Core Output 2 evidence should:

'Explain how partners have estimated the number of new homes that are likely to be required over the next 20 years to meet local need and demand. These housing estimates are then disaggregated by tenure, based primarily on a household's ability to afford:

- *Market housing (owner occupation)*
- *Market rents (the PRS)*
- *Below market rent or Mid-market rents*
- *Social housing rents.*

In assessing housing requirements by tenure, Highland Housing Market Partners have opted to use the term 'below market housing' instead of 'below market rent' or 'mid-market rent'. The term 'below market housing' refers to a range of subsidised intermediate housing tenures including mid-market rent, shared equity/ownership and other forms of low-cost home ownership.

Estimates are based on the outputs of the HNDA Tool, which has been developed by the Scottish Government's Centre for Housing Market Analysis (CHMA). The tool is an Excel-based platform intended to produce broad, long-term measures of future housing need rather than precise estimates. Detailed, annual workforce housing requirements, which are disaggregated by Housing Market Area and tenure, have been added to 20-year HNDA Toolkit projections to create a 'policy on' HNDA growth scenario[5].

The Scottish Government's HNDA calculation tool is prepopulated with data to estimate the number of new homes needed in the area. The HNDA tool works by projecting the number of new households who will require housing across the Highland region by considering existing households who need new homes PLUS new households who will need homes in the next 20 years.

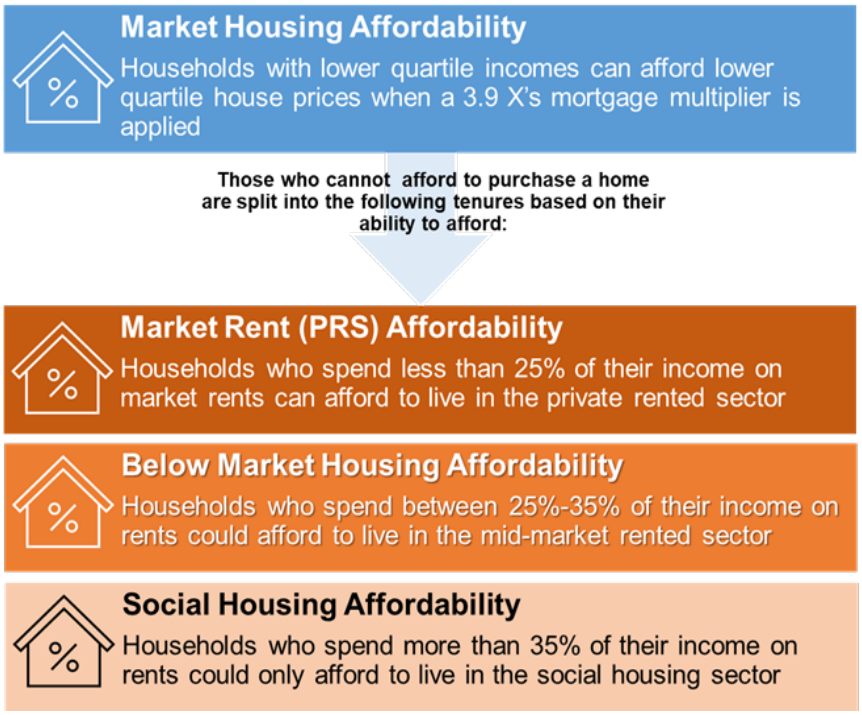
[5] Workforce housing estimates have been disaggregated by tenure aligned to evidence of the sector salaries associated with job growth in each HMA. This salary profile has then been subject to housing affordability modelling reflecting specific HMA housing costs. The CHMA advised that the toolkit affordability model could not apply bespoke tenure percentages to a growth scenario, hence the need for an offline calculation and addition to 20-year HNDA toolkit projections reflecting existing and new need arising from household growth.



Partners can adjust the tool using local evidence of housing need and housing pressures.

Underpinning the primary inputs to the tool that form the basis of the HNDA calculation, is an affordability assessment which splits overall housing estimates into the requirement for different housing tenures.

This calculation works by applying the following assumptions to input data on household incomes and housing costs (including house prices and rental values).



Scenarios on housing affordability can then be developed by varying economic, market and affordability assumptions, which affect the tenure split of housing estimates, but which do not have an impact on the overall requirements. These assumptions include testing scenarios on income growth, income distribution, house prices and market rent inflation.

The model also assumes how long it will take to address the backlog of households in existing homes which are not suitable for the needs of the household. Whilst this can be varied, it is typically assumed that existing housing need will be met over a five-year period (which is the default assumption within the HNDA toolkit). Given the scale of backlog housing need identified, the assumption made by the Highland Housing Market Partnership is that existing housing need is cleared over a 10-year period.

The HNDA tool enables partners to test scenarios to derive housing estimates with the HNDA Guidance encouraging partnerships to prepare a range of estimates for consideration. Highland partners produced three HNDA scenarios against default settings

within the HNDA toolkit. The various assumptions which underpin each scenario are summarised as follows:

Household Projections	Default	Scenario 1.1	Scenario 1.2	Scenario 1.3
Household Projections	2022 Principal	2022 Principal	2022 High Migration	2022 Principal
Growth +	0%	0%	0%	Workforce Housing Calculation = 14,364
Existing Need	Default	Scenario 1.1	Scenario 1.2	Scenario 1.3
Existing Need	Default	LA HOTOC	LA HOTOC	LA HOTOC
Years to clear backlog	10	10	10	10
Income, Growth & Distribution	Default	Scenario 1.1	Scenario 1.2	Scenario 1.3
Income Data	SG Income Data			
Growth in median income scenario	Moderate Real term (Default) (2.5%)			
Change in income distribution	No Change (Core Default)			
Prices and Affordability	Default	Scenario 1.1	Scenario 1.2	Scenario 1.3
Trend Growth	Trend Growth (Core default) (2%)			
Percentile	25%	25%	25%	25%
Income Ratio	3.9	3.9	3.9	3.9
Split Need into tenure	Default	Scenario 1.1	Scenario 1.2	Scenario 1.3
Rent Growth Assumption	Trend Growth (Core default) (2%)			
Proportion of market who buy	65%	65%	65%	65%
Upper income-to-rent threshold	25%	25%	25%	25%
Lower income-to-rent threshold	35%	35%	35%	35%

Table 5.1: 2026 Highland HNDA Calculation Baseline Assumption

5.1 Highland HNDA Scenarios and Assumptions

Informed by the evidence assembled in Core Output 1: Housing Market Drivers; three HNDA scenarios were developed providing an upper and lower range of housing estimates across the Highland region. Tables 5.2 – 5.5 set out the assumptions that underpin each scenario and as a benchmark, the assumptions which offer default settings in the HNDA toolkit. The evidence that has underpinned the selection of each assumption is also detailed:

HNDA Scenario: HNDA Toolkit Default for Highland		
HNDA Model Input	Assumption	Evidence/justification
Households	Principal household growth = 7%	HNDA Toolkit Default Settings
Existing need	HoTOC utilised and affordability filter is off (i.e., all households in existing need to be met by social rent) Highland HoTOC = 572	
Years to clear existing need	10 years	
Income growth	Moderate real terms growth 2.5%	
Income distribution	No change in income distribution. Point of income distribution set at 25th and 75th percentile	
House prices	Trend growth 2% per annum	
Affordability	Entry to home ownership set at the 25th percentile house price; 3.9 x lower quartile income	
Rental threshold	If 35% of income spent on rent – household is suitable for social rent	
Rental growth	Trend growth 2% per annum	

Table 5.2: Highland HNDA Tool Default Assumptions

HNDA Scenario 1: Highland Principal Scenario		
Overview: This scenario represents the HNDA Tool default settings with all income and house price assumptions being based on the economic outlook for Scotland in 2026. Existing need is updated based on locally generated existing need figures.		
HNDA Model Input	Assumption	Evidence/justification
Households	Principal household growth = 7%	NRS high migration household projections for the Highland region project a 10% growth in the number of households over the next 20 years, which is below the projected growth rate in Scotland (12%). As this growth rate represents a substantial reduction in household growth beyond the rate achieved in Highland over the last 2 decades (22%), partners have assumed this as a worst-case scenario in the context of economic expansion in the absence of an economic growth scenario.
Existing need	Highland existing need (local estimate) = 8,690 • Badenoch & Strathspey = 199 • Caithness = 470 • East Ross = 669 • Inverness = 3,868 • Mid Ross = 886 • Nairn = 349 • Ross & Cromarty West = 238 • Skye & Lochalsh = 556 • Sutherland = 599	Detailed in Section 5.2: HNDA Backlog: Estimate of Households in Existing Need
Years to clear existing need	10 years	HMP partners agreed that because HNDA survey evidence shows that households in unsuitable housing across each backlog housing

	Backlog clearance assumes housing need will be met across tenure using the HNDA toolkit affordability calculation and not the default setting assumption that all backlog need will be met by social housing.	need element currently reside in a diversity of housing tenures, they are likely to seek alternative housing across a similar tenure profile. Applying the affordability calculation to backlog housing need therefore enables a more realistic approach to estimating future housing requirements arising from existing households. However, in a worst-case scenario where all backlog households require to access social housing to address unsuitability issues, a 10-year clearance period is considered reasonable relative to annual affordable housing supply across Highland. Based on recent social housing turnover rates in existing stock (7%, c. 1,620 lets per annum in 2024/25), plus confirmed capacity for new social housing delivery projected in the Highland Strategic Housing Investment Plan 2025-30 (c. 4,088 units over 5-years); meeting existing housing need fully over 10 years would require c. 43% of all affordable supply per annum to address the current estimated backlog (inclusive of the homeless backlog). This is considered a realistic and feasible assumption by the HMP, as it relies primarily on secondary letting as the basis of clearing backlog need. Furthermore, whilst a 10-year clearance assumption was considered feasible, partners had no appetite to extend the period that households in Highland would spend in unsuitable housing for longer than a 10-year term.
Income growth	Moderate real terms growth 2.5%	Moderate real term growth is selected by the Highland HMP given the economic uncertainty associated with the current economic context. Whilst cost of living pressures including the high inflationary environment may negatively impact on income growth, the transformational economic opportunities available across the Highland region, should at a minimum, balance these risks.

Income distribution	No change in income distribution. Point of income distribution set at 25th and 75th percentile	It is not possible to compare income inflation by decile in Highland using the HNDA toolkit Local Level Household Income Estimates for 2018 and 2024[6]. Whilst Highland-specific household income deciles are not published annually, an analytical estimate has been established using Scottish household income deciles, adjusted for Highland earnings levels and inflation. This analysis shows real household incomes stagnated between 2019 and 2023 due to high inflation, with lower-income households experiencing the greatest cost pressures. Median incomes recovered somewhat during 2024-2026 as inflation fell back toward target levels. In real terms, higher rates of income inflation were likely to be experienced by median earners in Highland (1.4%) than the lowest 10% (0.8%). Income distribution stability is selected despite evidence of income inequality; given scale of economic expansion projected in Highland over the next 20 years. This growth will be driven by up to £30Bn of direct investment in the Highland economy as a result of regional transformational opportunities, including the delivery of the Inverness & Cromarty Firth Green Freeport. Further details on economic growth forecasts are available in Appendix F: Workforce Housing Estimates Briefing Paper
House prices	Trend growth 2% per annum	Default assumption selected. Whilst aggregate annual growth in Highland house prices over the last 10 years has equaled 3%, there has been significant volatility in Highland housing inflation over the last decade. This ranges from a 2% average increase per annum between 2014/15 – 2019/20, to a 5% average income per annum between 2019/20 – 2024/25. Given this uncertainty, positive trend

[6] The 2026 HNDA Toolkit is pre-populated with Scottish Government Small Area Income Estimates uprated from 2018 to 2023 using Gross Disposable Household Income data. This uplift has been applied consistently at an overall Highland level (22%) and not down to income deciles

		inflation of 2% per annum has been assumed as a prudent assumption.
Affordability	Entry to home ownership set at the 25th percentile house price; 3.9x lower quartile income	Default assumptions selected – despite evidenced housing affordability pressures (43% of Highland households cannot afford the cost of market rents, 47% cannot afford market entry), the scale of economic expansion in Highland over the next 10-15 years should at a minimum hold any worsening of housing induced poverty.
Rental threshold	If 35% of income spent on rent – household is suitable for social rent	
Rental growth	Trend growth 2% per annum	Default assumption selected. Comparison of Rent Service Scotland BRMA statistics for Highland show an 11% increase overall between 2019/20 and 2023/24, a 2.2% average increase per annum

Table 5.3: Highland HNDA Scenario 1: Principal Household Projection and Local Existing Need Estimate

HNDA Scenario 2: Highland High Migration Scenario		
Overview: This scenario assumes limited impacts of macro-economic challenges, with economic risks mitigated by transformational economic opportunities in the Highlands which will drive population attraction to the region a result of committed investment in jobs and infrastructure. This scenario is characterised by moderate real terms income growth, static income distribution, real term trend house price and rental growth.		
HNDA Model Input	Assumption	Evidence/justification
Households	Highland high migration = 10%	NRS high migration household projections for the Highland region project a 10% growth in the number of households over the next 20 years, which is below the projected growth rate in Scotland (12%). As this growth rate represents a substantial reduction in household growth beyond the rate achieved in Highland over the last 2 decades (22%), partners have assumed this as a worst-case scenario in the context of economic expansion in the absence of an economic growth scenario.
Existing need	Highland existing need (local estimate) = 8,690 • Badenoch & Strathspey = 199 • Caithness = 470 • East Ross = 669 • Inverness = 3,868 • Mid Ross = 886 • Nairn = 349 • Ross & Cromarty West = 238 • Skye & Lochalsh = 556 • Sutherland = 599	Detailed in Section 5.2: HNDA Backlog: Estimate of Households in Existing Need

Years to clear existing need	10 years Backlog clearance assumes housing need will be met across tenure using the HNDA toolkit affordability calculation and not the default setting assumption that all backlog need will be met by social housing.	HMP partners agreed that because HNDA survey evidence shows that households in unsuitable housing across each backlog housing need element currently reside in a diversity of housing tenures, they are likely to seek alternative housing across a similar tenure profile. Applying the affordability calculation to backlog housing need therefore enables a more realistic approach to estimating future housing requirements arising from existing households. However, in a worst-case scenario where all backlog households require to access social housing to address unsuitability issues, a 10 year clearance period is considered reasonable relative to annual affordable housing supply across Highland. Based on recent social housing turnover rates in existing stock (7%, c. 1,620 lets per annum in 2024/25), plus confirmed capacity for new social housing delivery projected in the Highland Strategic Housing Investment Plan 2025-30 (c. 4,088 units over 5-years); meeting existing housing need fully over 10 years would require c. 43% of all affordable supply per annum to address the current estimated backlog (inclusive of the homeless backlog). This is considered a realistic and feasible assumption by the HMP, as it relies primarily on secondary letting as the basis of clearing backlog need. Furthermore, whilst a 10-year clearance assumption was considered feasible, partners had no appetite to extend the period that households in Highland would spend in unsuitable housing for longer than a 10-year term.
Income growth	Moderate real terms growth 2.5%	Moderate real term growth is selected by the Highland HMP given the economic uncertainty associated with the current economic context. Whilst cost of living pressures including the high inflationary environment may negatively impact on income growth, the transformational economic opportunities available across the Highland region, should at a minimum, balance these risks.

Income distribution	No change in income distribution. Point of income distribution set at 25th and 75th percentile	It is not possible to compare income inflation by decile in Highland using the HNDA toolkit Local Level Household Income Estimates for 2018 and 2024[7]. Whilst Highland-specific household income deciles are not published annually, an analytical estimate has been established using Scottish household income deciles, adjusted for Highland earnings levels and inflation. This analysis shows real household incomes stagnated between 2019 and 2023 due to high inflation, with lower-income households experiencing the greatest cost pressures. Median incomes recovered somewhat during 2024-2026 as inflation fell back toward target levels. In real terms, higher rates of income inflation were likely to be experienced by median earners in Highland (1.4%) than the lowest 10% (0.8%). Income distribution stability is selected despite evidence of income inequality; given scale of economic expansion projected in Highland over the next 20 years. This growth will be driven by up to £30Bn of direct investment in the Highland economy as a result of regional transformational opportunities, including the delivery of the Inverness & Cromarty Firth Green Freeport. Further details on economic growth forecasts are available in Appendix F: Workforce Housing Estimates Briefing Paper
House prices	Trend growth 2% per annum	Default assumption selected. Whilst aggregate annual growth in Highland house prices over the last 10 years has equaled 3%, there has been significant volatility in Highland housing inflation over the last decade. This ranges from a 2% average increase per annum between 2014/15 – 2019/20, to a 5% average income per annum between

[7] The 2026 HNDA Toolkit is pre-populated with Scottish Government Small Area Income Estimates uprated from 2018 to 2023 using Gross Disposable Household Income data. This uplift has been applied consistently at an overall Highland level (22%) and not down to income deciles

		2019/20 – 2024/25. Given this uncertainty, positive trend inflation of 2% per annum has been assumed as a prudent assumption.
Affordability	Entry to home ownership set at the 25th percentile house price; 3.9x lower quartile income	Default assumptions selected – despite evidenced housing affordability pressures (43% of Highland households cannot afford the cost of market rents, 47% cannot afford market entry), the scale of economic expansion in Highland over the next 10-15 years should at a minimum hold any worsening of housing induced poverty.
Rental threshold	If 35% of income spent on rent – household is suitable for social rent	
Rental growth	Trend growth 2% per annum	Default assumption selected. Comparison of Rent Service Scotland BRMA statistics for Highland show an 11% increase overall between 2019/20 and 2023/24, a 2.2% average increase per annum

Table 5.4: Highland HNDA Scenario 2: High Migration Household Projection & Local Need Estimate

HNDA Scenario 3: Highland Workforce Housing Growth Scenario		
Overview: This scenario assumes limited impacts of macro-economic challenges, with economic risks mitigated by transformational economic opportunities in the Highlands which will drive population attraction to the region a result of committed investment in jobs and infrastructure. It assumes growth in the Highland economy supports growth in the number of households by 14,371 from 2026 to 2045. This scenario is characterised by moderate real terms income growth, static income distribution, real term trend house price and rental growth.		
HNDA Model Input	Assumption	Evidence/justification
Households	Highland Workforce Housing Growth Scenario = 14,371	In May 2025, Highlands & Islands Enterprise (HIE) published a research report scoping the extent and nature of 'Regional Transformational Opportunities' (RTOs). The study sought to identify and quantify (where possible) strategic projects and investments planned or proposed for Highland over the period 2025 to 2040. Key economic transformation opportunities in Highland focus primarily on the delivery of renewable energy including onshore and offshore wind, marine energy, green hydrogen, pumped storage hydrogen, supporting infrastructure and SSEN transmission network updates. In total, 110 economic transformation projects were identified in Highland with likely investment potential of £29.5Bn (a status adjusted estimate to reflect current progress and likelihood of project delivery). It estimated that across these 110 projects, 8,360 long-term operational jobs could be created beyond the construction phase to deliver each project. As well as assessing the scale of job growth associated with RTOs across Highland, partners identified a number of additional major economic and employment opportunities which were not captured within the HIE research programme. These include employment growth associated with the Inverness and Cromarty Firth Green Freeport (ICFGF), the SSEN Pathway to 2030 programme, the expansion of Kishorn Port and future activity associated with the Dounreay nuclear site. In total, these employment opportunities are estimated to generate

		13,643 additional long-term direct jobs across the Highland economy over the next 20 years. Enhancing direct employment estimates for indirect and induced job growth (9,277), as well as adjusting for jobs lost through displacement, produces a job creation forecast for the Highland region of 20,520 jobs over the next 20 years. The workforce housing calculation assumes that 0.7 homes will be needed for every job that is created in the region, based on research carried out by Orkney Islands Council in 2024. **Applying this ratio estimates that the number of homes associated with projected employment growth in Highland is estimated at 14,371 over the next 20 years.** There are obvious impacts for the housing system in the region in terms of household attraction, with unanimous support from Housing Market Partners that the HNDA must consider the impact of economic growth and not just demographic change in estimating future housing need.
Existing need	Highland existing need (local estimate) = 8,690 • Badenoch & Strathspey = 199 • Caithness = 470 • East Ross = 669 • Inverness = 3,868 • Mid Ross = 886 • Nairn = 349 • Ross & Cromarty West = 238 • Skye & Lochalsh = 556 • Sutherland = 599	Detailed in Section 5.2: HNDA Backlog: Estimate of Households in Existing Need

Years to clear existing need	10 years Backlog clearance assumes housing need will be met across tenure using the HNDA toolkit affordability calculation and not the default setting assumption that all backlog need will be met by social housing.	HMP partners agreed that because HNDA survey evidence shows that households in unsuitable housing across each backlog housing need element currently reside in a diversity of housing tenures, they are likely to seek alternative housing across a similar tenure profile. Applying the affordability calculation to backlog housing need therefore enables a more realistic approach to estimating future housing requirements arising from existing households. However, in a worst-case scenario where all backlog households require to access social housing to address unsuitability issues, a 10-year clearance period is considered reasonable relative to annual affordable housing supply across Highland. Based on recent social housing turnover rates in existing stock (7%, c. 1,620 lets per annum in 2024/25), plus confirmed capacity for new social housing delivery projected in the Highland Strategic Housing Investment Plan 2025-30 (c. 4,088 units over 5-years); meeting existing housing need fully over 10 years would require c. 43% of all affordable supply per annum to address the current estimated backlog (inclusive of the homeless backlog). This is considered a realistic and feasible assumption by the HMP, as it relies primarily on secondary letting as the basis of clearing backlog need. Furthermore, whilst a 10-year clearance assumption was considered feasible, partners had no appetite to extend the period that households in Highland would spend in unsuitable housing for longer than a 10-year term.
Income growth	Moderate real term growth 2.5%	Moderate real term growth is selected by the Highland HMP given the economic uncertainty associated with the current economic context. Whilst cost of living pressures including the high inflationary environment may negatively impact on income growth, the transformational economic opportunities available across the Highland region, should at a minimum, balance these risks.

Income distribution	No change in income distribution. Point of income distribution set at 25th and 75th percentile	It is not possible to compare income inflation by decile in Highland using the HNDA toolkit Local Level Household Income Estimates for 2018 and 2024[8]. Whilst Highland-specific household income deciles are not published annually, an analytical estimate has been established using Scottish household income deciles, adjusted for Highland earning levels and inflation. This analysis shows real household incomes stagnated between 2019 and 2023 due to high inflation, with lower-income households experiencing the greatest cost pressures. Median incomes recovered somewhat during 2024-2026 as inflation fell back toward target levels. In real terms, higher rates of income inflation were likely to be experienced by median earners in Highland (1.4%) than the lowest 10% (0.8%). Income distribution stability is selected despite evidence of income inequality; given scale of economic expansion projected in Highland over the next 20 years. This growth will be driven by up to £30Bn of direct investment in the Highland economy as a result of regional transformational opportunities, including the delivery of the Inverness & Cromarty Firth Green Freeport. Further details on economic growth forecasts are available in Appendix F: Workforce Housing Estimates Briefing Paper
House prices	Trend growth 2% per annum	Default assumption selected. Whilst aggregate annual growth in Highland house prices over the last 10 years has equaled 3%, there has been significant volatility in Highland housing inflation over the last decade. This ranges from a 2% average increase per annum between 2014/15 – 2019/20, to a 5% average income per annum between 2019/20 – 2024/25. Given this uncertainty, positive trend inflation of 2% per annum has been assumed as a prudent assumption.

[8] The 2026 HNDA Toolkit is pre-populated with Scottish Government Small Area Income Estimates uprated from 2018 to 2023 using Gross Disposable Household Income data. This uplift has been applied consistently at an overall Highland level (22%) and not down to income deciles

Affordability	Entry to home ownership set at the 25th percentile house price; 3.9x lower quartile income	Default assumptions selected – despite evidenced housing affordability pressures (43% of Highland households cannot afford the cost of market rents, 47% cannot afford market entry), the scale of economic expansion in Highland over the next 10-15 years should at a minimum hold any worsening of housing induced poverty.
Rental threshold	If 35% of income spent on rent – household is suitable for social rent	Default assumption selected. Comparison of Rent Service Scotland BRMA statistics for Highland show an 11% increase overall between 2019/20 and 2023/24, a 2.2% average increase per annum

Table 5.5: Highland HNDA Scenario 3: Household Growth Scenario and Local Existing Need Estimate

The outcomes associated with each scenario are detailed below, ranging from the HNDA Tool default settings (9,364) to an upper range of 31,854 (more than 3 times the HNDA Tool default settings).

Cumulative housing need all tenures	2026-2030	2031-2035	2036-2040	2041-2045
Default	3,713	6,310	8,221	9,364
Scenario 1: Principal	7,488	14,430	16,341	17,484
Scenario 2: High Migration	8,001	15,622	18,330	20,383
Scenario 3: Principal plus workforce housing growth	13,421	27,363	30,418	31,854

Table 5.6: 2024 Highland HNDA Calculation Scenarios

Following careful scrutiny of the outcomes, the Highland HNDA Steering Group agreed that Scenarios 1.1 and 1.3 should form the basis of the range of housing estimates that should be shared with the Highland Housing Market Partnership for scrutiny and analysis. The stakeholder feedback associated with these housing estimates is set out in detail in Chapter 8 of this report.

An interactive briefing presents the evidence and assumptions that inform the Highland HNDA calculation which underpins analysis of HNDA Core Output 2: Estimating Future Housing Need and Demand can be accessed here: Appendix G: Core Output 2 Briefing (HNDA Estimates).

An interactive data book presenting the Core Output 2 evidence and detailing the HNDA calculation outcomes for the Highland area, can be accessed here: Appendix H: Core Output 2 Databook (HNDA Estimates).

The evidence which underpins the major components of each HNDA scenario are detailed below.

5.2 HNDA Backlog: Estimate of Households in Existing Need

Working in partnership, Highland Housing Market Partners developed a local estimate of existing housing need, informed by housing system evidence of households in unsuitable housing and who need to move to a new home. Existing need is driven by several factors such as homelessness, insecurity of tenure, overcrowding, concealed households, poor quality housing, a lack of basic amenities and unmet need for specialist housing.

In some cases, existing need can be met using in-situ solutions as outlined by Core Output 4 of the HNDA e.g., through aids, adaptations or repairs to existing properties. However, a proportion of need must be met through additional housing where an in-situ solution cannot be found e.g., for homeless households in temporary accommodation.

The basis of the local estimate of existing housing need is as follows:

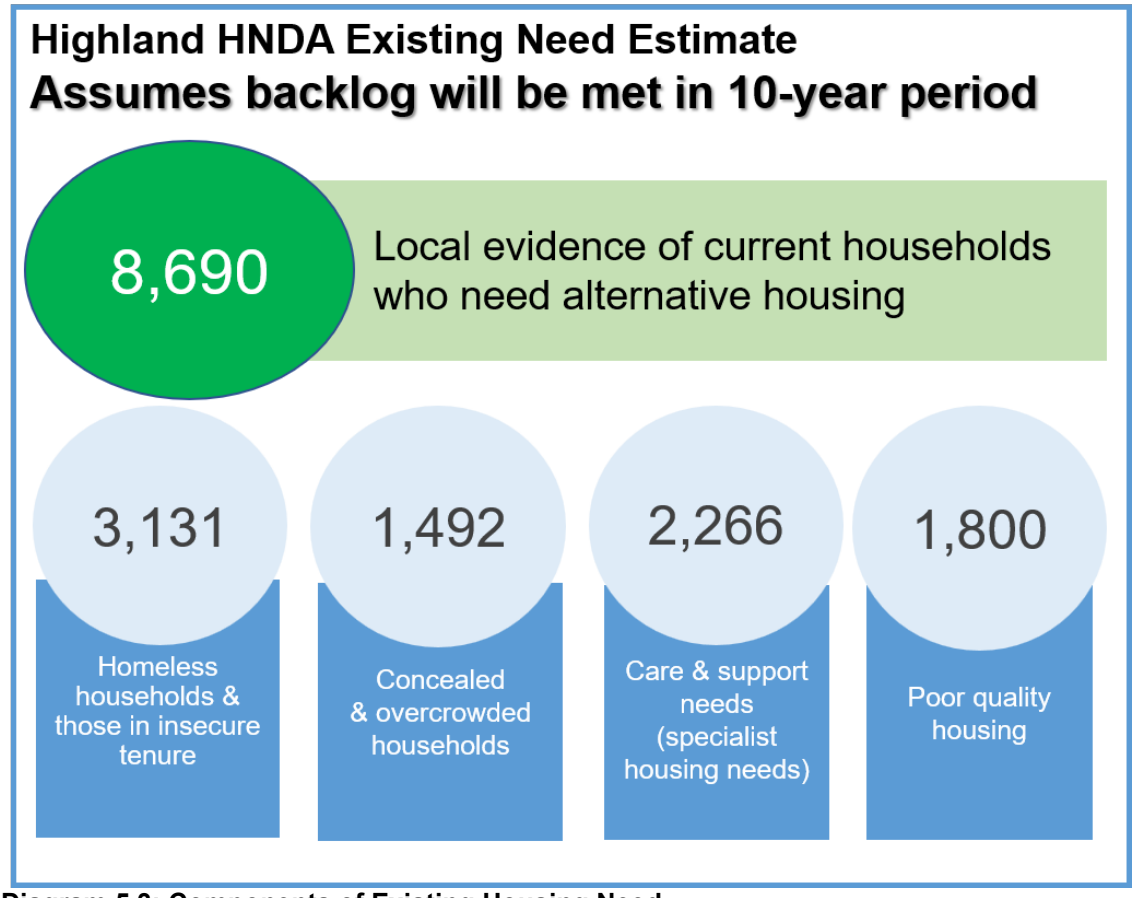


Diagram 5.3: Components of Existing Housing Need

Each element of existing housing need (including full source evidence) is detailed in Appendix H: Core Output 2 Databook (HNDA Estimates). The basis of each measure, including triangulation checks and adjustments for double counting are fully detailed below.

- **An estimate of homeless households in temporary accommodation (1,900) was established by considering evidence and creating an average from:**
  - **i. households currently residing in the Council's temporary accommodation provision (604)**
  - **ii. current households who would like or need to move because their 'home is temporary' (3,167).**

  This estimate considers both evidence of those who are currently accommodated under statutory homeless services and the wider population of households in Highland living in temporary housing. The HMP considers the count of households in statutory homeless services as a specific snapshot in time which does not reflect the wider homelessness pressures experienced in Highland over the last 5 years (including a 26% increase in applications from 2020/21-2024/25).

  Given wider evidence of housing shortage in Highland, 40% of respondents cite housing shortage as the top housing challenge in the region (2025 HNDA Survey outcomes); the HMP considered it appropriate that the existing need calculation reflects the wider population of households in temporary accommodation not expressed formally under the statutory homeless process. Given that the survey

measure reflects the requirements of those who would '*like or need'* to move from temporary housing, using this survey benchmark may not stringently reflect those in existing need. Using an aggregate estimate of both measures was considered to deliver a more prudent and defensible approach to quantifying the needs of those in temporary housing who require an alternative permanent home.

There are no appropriate in-situ solutions to be considered in this category, as each household in temporary accommodation will require a new home to resolve their housing need.

- **An estimate of households experiencing insecure tenure (1,213) was established by considering**
  - **i. official homelessness statistics detailing those who lost their housing status due to mortgage or rent arrears; other action by landlord, or loss of tied accommodation (165 households),**
  - **ii. the number of live applications on the Highland Housing Register awarded points for 'insecure accommodation'* or 'Valid Notice to Leave' (*care of parental home, friends, family, lodgings) (1,514)**
  - **iii. households who would like to need or move as a result of insecure tenure (being evicted by landlord; being thrown out by relatives/friends; home is being repossessed by mortgage/loan company) (723) (2025 HNDA Survey outcomes).**

In triangulating these data-sources, the HMP considered the second estimate to be a credible measure of households experiencing insecure tenure derived from a formal housing need assessment process (1,514). However, aggregating this measure with HNDA Survey respondents who need to move as a result of insecure tenure offers a more prudent estimate which reflects the need for additional housing from the population at serious risk of housing crisis 723). The use of this more prudent data source also ensures that the risk of double counting across other need categories is reduced.

There are no appropriate in-situ solutions to be considered as each household at risk will require a new home to resolve their housing need.

- **An estimate of the number of households who are *both* concealed and overcrowded in Highland (1,492) was established by considering evidence from:**
  - **i. those overcrowded and sharing amenities with another household (1,492) (2025 HNDA Survey Outcomes). A crosstabulation of questions was successful in eliminating positive response bias, double counting and those who could achieve in-situ solutions arising from the total population of concealed households (6,388) and overcrowded households (10,712)**
  - **ii. those who had one or more bedrooms fewer than needed for their households and who need to move as a result (3,038) (2025 HNDA Survey outcomes). This suggests in-situ resolutions could be attained by the 7,647 households who identify as having fewer bedrooms than needed for their household, but who do not need to move to alternative housing**

iii. **those applicants registered with the Highland Housing Register who have been assessed as being overcrowded (1,179) or sharing amenities with another household (383).**

In triangulating these data-sources, which range from gross need figures of between 6,500 - 10,500 households from the 2025 HNDA survey, and between 400 – 1,200 households who express need on housing waiting lists, the Steering Group opted to use the data-source most capable of eliminating any positive bias associated with self-assessment or double counting. Using a 2025 HNDA survey measure which cross tabulates the question on sharing amenities and overcrowding is therefore successful in ensuring that only those who are BOTH sharing amenities and overcrowded (1,492) are considered. The HMP considered this final estimate to a prudent and realistic measure which reflects the need for additional housing arising from overcrowding as a result of sharing amenities, where there are no feasible in-situ solutions to resolve housing need.

- **An estimate of the number of households who have care and support needs and require specialist housing (2,266) was established by considering evidence from:**
  - i. **those who have an unmet need for special forms of housing (6,532) (2025 HNDA Survey Outcomes)**
  - ii. **those who have an unmet need for special forms of housing and NEED to move (2,266) (2025 HNDA Survey Outcomes)**
  - iii. **applicants registered on the Highland Housing Register with points for accessible housing or care and support needs points (1,182).**

  In triangulating these data-sources, the HMP considered the second estimate to be the most credible measure of households who require to move from their existing home into specialist housing as this measure is net of households who could resolve the need for specialist housing without moving to an alternative property (4,266). This measure also compares well with formally assessed need captured under the Highland Housing Register, whilst also reflecting the wider need of those who would not seek social housing to meet specialist housing needs.

  It should be noted that cross tabulating survey evidence also ensured there is no double accounting between those who stated they had an unmet need for specialist housing (6,532) with those who require property adaptations (7,540).

- **An estimate of the number of households living in poor quality housing who need to move (1,800) was selected based on triangulating a number of data sources including:**
  - i. **the number of homes estimated to be Below Tolerable Standard in Highland (2,309) derived from the outcomes of the Scottish House Condition Survey**
  - ii. **those who have condition related issues in their property that result in the NEED to move home (3,391) (2025 HNDA Survey)**
  - iii. **those whose current property condition is a serious problem for the household (6,812) (2025 HNDA Survey)**
  - iv. **applicants awarded points for 'Below Tolerable Standard' (208) under the Highland Housing Register.**

In triangulating these data-sources, the HMP noted that the 2025 HNDA Survey outcome of those living in homes with condition issues who NEED to move (3,391), is a more credible measure than the estimate of BTS housing derived from Scottish House Condition Survey (2,309) as it is derived from an HNDA survey sample with a higher level of statistical confidence than that achieved in the SCHS sample for Highland.

Furthermore, this survey measure is also net of 14,896 households whose needs could be met in-situ (from a population of 18,287 respondents who stated their home had condition related issues). Aggregating the HNDA survey measure (3,391) to the Highland Housing Register measure of (208) creates a credible estimate which eliminates any further risk of positive response bias given the self-assessment nature of this question. This aggregate measure was also considered to be a prudent estimate in the context of the Scottish House Condition Survey estimate of 2,309.

Combining these requirements results in a local existing need estimate of 8,576 households across the Highland region to move to alternative housing to address housing unsuitability.

Existing Need	Highland
Homeless households in temporary accommodation	1,900
Households with insecure tenure	1,231
Concealed households & overcrowding	1,492
Care and support needs	2,266
Poor quality housing	1,800
Total	**8,690**

Table 5.7: 2026 Highland Existing Need Calculation by Component

Existing need estimates were disaggregated to Housing Market Area using the following methodology:

- Raw HL1 data (homelessness statistics) was used to break down reasons for homelessness (Table 16) by postcode origin of homeless household
- HNDA Household survey outcomes were coded by Housing Market Area based on the full postcode information provided by survey respondents
- Highland Housing Register records were provided with address details for each property enabling disaggregation to HMA.

For the purposes of the HNDA calculation, it has been assumed that the backlog of households in existing housing need will be addressed over a 10-year period and in the first 10 years of the 20-year HNDA projections.

HMP members considered that clearing backlog need over a 10-year period to be a reasonable assumption given the volume of estimated supply each year over the next 10 years from both affordable and market tenures including:

- 1,620 tenancies in the social housing sector (16,200 over the next 10 years)
- 4,088 new build affordable housing units delivered over the next 5 years by the SHIP

- 812 new market homes which are developed on average each year in Highland (8,120 over the next 10 years).

To clear the backlog of existing housing need (8,690) over the next 10-year period, would absorb 31% of projected available housing supply (28,408). This assumption was considered feasible by the HMP in the wider context of the 4,320 homes which also become available each year as secondhand sales in the Highland housing market.

Furthermore, partners had no appetite to extend the period that households in Highland would spend in unsuitable housing for longer than a 10-year term.

The HMP have assumed that clearing backlog housing need will be met across tenure using the HNDA toolkit affordability calculation and not the default setting assumption that all backlog need will be met by social housing. HMP partners agreed that because HNDA survey evidence shows that households in unsuitable housing currently reside in a diversity of housing tenures, they are likely to seek alternative housing across a similar tenure profile. Applying the affordability calculation to backlog housing need therefore enables a more realistic approach to estimating future housing requirements arising from existing households.

5.3 New Need: Household Projection Scenarios

The HNDA Calculation tool uses household projections produced by the National Records of Scotland (NRS) to provide broad estimates of the future number of new households who will require housing in the area.

Informed by demographic analysis presented in Core Output 1 (Housing Market Drivers), the Highland region area has shown positive household growth in the last two decades (22% between 2004 and 2024). Partners therefore opted to test two household projection scenarios: one using the NRS principal household projection for the Highland region, and a second using the NRS high migration scenario

The outcomes of household projection scenarios create an estimate of new households emerging in the Highland region over the next 20 years of between 8,613 using the principal household projections and 11,333 using the high migration scenario.

Highland HNDA Toolkit New Arising Need Estimates: Principal/High Migration

8,613
- NRS 2022-based Principal Projections
- Projected 7% increase across Highland

11,333
- NRS 2022-based High Migration
- Projected 10% growth across Highland

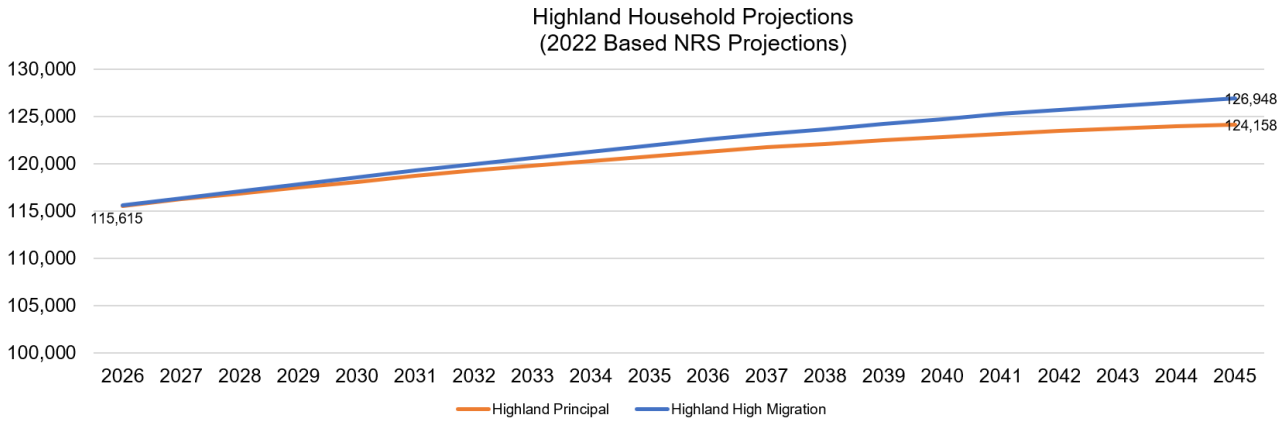
	Households 2004	Households 2014	Households 2024	% Change 2004-24	% Change 2014-24
Highland	93,100	105,770	113,906	22%	8%
Scotland	2,251,307	2,405,752	2,552,388	13%	6%

	2026	2045	20 Year Change	plus Toolkit Yr 21	21 Year Change	% Change
2022 Principal	115,545	124,158	8,613	181	8,794	7%
2022 High	115,615	126,948	11,333	360	11,693	10%

Diagram 5.4: 2026 Highland Newly Arising Need Estimates

The principal household projection estimates a growth in households across the Highland region of 7%. These projections create an average annual increase of 431 households across the area.

The high migration scenario estimates a growth in households across the region of 10%. These projections create an average annual increase of 567 households across the area.



Graph 5.1: Highland HNDA Household Projection Scenarios

5.4 Highland Housing Estimates

The Highland HNDA calculation combines each component of housing need to create the following 'policy off' 20-year housing estimates as follows:



Diagram 5.5: 2026 Highland 'Policy Off' Housing Estimates

Following consultation with Housing Market Partners, Scenario 1 (NRS principal projection) was selected as the preferred option upon which to create a range of housing estimates across the region.

Housing market partners are assured that the principal projection growth rate (7%) not only benchmarks well to the household growth achieved in Highland achieved in the last decade (8%), but it should also be considered a prudent assumption as it reflects a period of household growth where housing shortage had an impact on employment recruitment and population attraction.

Given the transformational opportunities for growing the Highland economy over the next 2 decades, partners felt a further scenario which moves beyond the high migration projection household projection was wholly justifiable as a scenario for the HNDA calculation.

Partners were fully supportive of developing a 'policy on' scenario combining both demographic and economic growth projections; and policy off scenario focusing on demographic growth only. Partners were motivated to develop a policy on scenario based on the outcomes of the 2025 Workforce Housing Survey which evidenced the scale of housing related recruitment and retention pressure in the Highland economy and its sub-optimal operation as a result. It was acknowledged that failure to include meaningful economic estimates in the HNDA calculation would perpetuate the impact of housing shortage on the Highland economy and result in its failure to grow despite the transformational investment opportunities on offer.

Following an extensive engagement programme with economic development partners and investors to estimate the number of new direct jobs in Highland over the next 10-20 years, a workforce housing calculation was developed setting out the impacts of direct, indirect and induced employment growth across the Highland region.

It should be noted that a prudent approach has been taken to estimating future job growth with a specific focus on transformational infrastructure projects largely in the renewable energy sector, as well as the use of mid-point or status adjusted job growth numbers. The calcution therefore does not reflect wider economic development projects happening in Highland. The employment impacts of public sector capital projects (e.g. schools, roads, hospitals etc) will be additional to employment forecasts presented.

The workforce housing calculation estimates that the number of homes associated with projected employment growth in Highland is estimated at 14,371 over the next 20 years.

Workforce housing estimates have been disaggregated by tenure aligned to evidence of the sector salaries associated with job growth in each HMA. This salary profile has then been subject to housing affordability modelling reflecting specific HMA housing costs. A detailed briefing paper outlining the data inputs and assumptions used to disaggregate workforce housing estimates are available in Appendix F: Workforce Housing Estimates Briefing Paper.

The CHMA advised that the toolkit affordability model could not apply bespoke tenure percentages to a growth scenario, hence the need for an offline calculation and addition to 20-year HNDA toolkit projections reflecting existing and new need arising from household growth. The calculation combining toolkit HNDA projections with workforce housing estimates is available in Appendix H - Core Output 2 Databook (HNDA Estimates).

Dissagregated housing estimates arising from workforce growth projections are detailed by HMA and tenure as follows:

	% who can afford social housing	% who can afford below market rent	% who can afford market rent	% who can afford market housing	Total	% by HMA
Badenoch & Strathspey	10	18	30	136	194	**1%**
Caithness	105	39	79	878	1,102	**8%**
East Ross	388	322	2,580	1,360	4,650	**32%**
Inverness	279	628	2,507	1,350	4,764	**33%**
Lochaber	16	23	35	151	225	**2%**
Mid Ross	31	257	123	135	545	**4%**
Nairn	15	71	72	88	247	**2%**
Ross & Cromarty West	76	629	125	401	1,230	**9%**

Skye & Lochalsh	20	40	48	207	315	**2%**
Sutherland	90	91	240	677	1,098	**8%**
Highland	**1,030**	**2,118**	**5,840**	**5,383**	**14,371**	**100%**
% Total by tenure	**7%**	**15%**	**41%**	**37%**	**100%**	

Table 5.8: 2026 Workforce Housing Estimates by HMA and Tenure

Based on the projected salary structure of direct employment growth, almost nine in ten housing requirements (87%) are for market housing, including 54% for market rent and 33% for market housing for sale. No social housing requirement is identified from direct job growth, with the requirement for below-market rent housing (13%) concentrated in Mid Ross, Ross & Cromarty West and Nairn.

The tenure profile of indirect and induced employment is more balanced, with around two thirds (67%) of housing requirements focused on market housing and around one third on affordable housing, including 15% social housing and 18% Mid-Market Rent (MMR). This highlights the important role of affordable housing in supporting the wider workforce generated by economic growth.

Workforce housing requirements are concentrated in Inverness (33%) and East Ross (32%), reflecting the significant scale of employment growth projected in these areas. While requirements are lower across the remaining HMAs, ensuring sufficient housing is available to support workforce growth will remain important, particularly in smaller rural housing markets where housing supply is more limited and levels of second homes and short-term lets can further restrict the availability of permanent housing.

The NRS principal household projection was selected by Housing Market Partners as the basis of both the 'policy off' and 'policy on' HNDA scenarios. Whilst the high migration NRS projection will assume a more positive level of growth in the Highland housing market and economy, stakeholders acknowledged that the migration to Highland implicit within the workforce housing calculation may lead to double counting in developing a 'policy on' scenario.

Using principal household projections and considering the impact of workforce housing estimates, creates the following 'policy on' scenario:

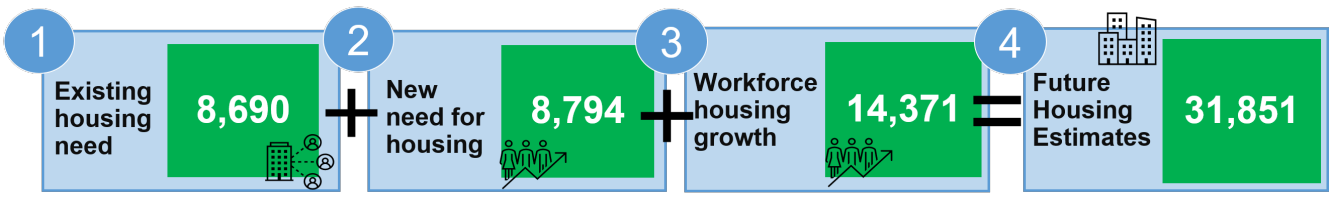


Diagram 5.6: 2026 Highland 'Policy On' Housing Estimates

Housing Market Partners expressed unanimous support for the 'policy on' scenario as the upper range of HNDA estimates. There was full stakeholder agreement that the policy on scenario should be used as a starting point for future housing delivery and land-use planning within the next Local Housing Strategy and new Local Development Plan. Following validation, stakeholders were assured that there is robust local evidence to support the use of the growth scenario aligned to the creation of the workforce housing estimate.

Highland HNDA all tenure housing estimates range from 17,484 to 31,854 over the next 20 years. The 'policy on' scenario projects an 82% increase in housing estimates from the 'policy off' scenario. This results in an additional net annual housing requirement of 718 homes over the next 20 years.

Table 5.9 sets out the 20-year HNDA projections in 5 year bandings.

All tenure need: 5-year bands	2026-2030	2031-2035	2036-2040	2041-2045	Total	% Difference
Default	3,713	2,597	1,910	1,143	9,364	
Scenario 1: Principal	7,488	6,942	1,910	1,143	17,484	46%
Scenario 3: Principal + workforce growth	8,001	7,621	2,709	2,053	20,383	82%

Table 5.9: Highland HNDA Housing Estimates 2026-2045 (Policy on and Policy off HNDA Scenarios)

The calculations which underpin household projection scenarios 1-3 are set out in detail in Table 5.10.

Highland Principal	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
	115,545	116,222	116,878	117,510	118,102	118,688	119,261	119,778	120,282	120,799	121,285	121,726	122,106	122,504	122,867	123,196	123,483	123,721	123,951	124,158	124,339
Change in Profile		677	655	632	592	586	572	517	504	517	487	441	380	398	363	328	288	238	230	207	181
Cummulative		677	1,333	1,965	2,557	3,143	3,716	4,233	4,737	5,253	5,740	6,181	6,561	6,959	7,322	7,651	7,938	8,176	8,406	8,613	8,794
% Change		0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%

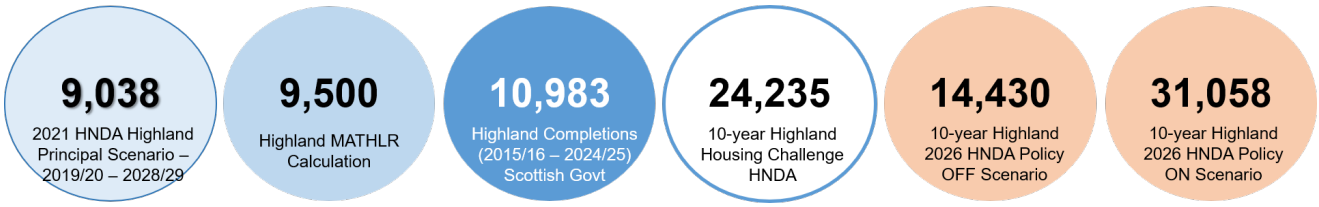
Highland High Migration	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
	115,615	116,361	117,118	117,859	118,563	119,271	119,963	120,612	121,254	121,911	122,547	123,136	123,673	124,233	124,757	125,256	125,716	126,139	126,549	126,948	127,308
Change in Profile		746	757	741	704	708	692	649	642	657	636	589	537	560	524	498	461	423	410	399	360
Cummulative		746	1,503	2,244	2,948	3,656	4,348	4,996	5,638	6,296	6,932	7,520	8,057	8,618	9,142	9,640	10,101	10,524	10,934	11,333	11,693
% Change		0.65%	0.65%	0.63%	0.60%	0.60%	0.58%	0.54%	0.53%	0.54%	0.52%	0.48%	0.44%	0.45%	0.42%	0.40%	0.37%	0.34%	0.33%	0.32%	0.28%

Highland Workforce Growth	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
	115,545	116,969	118,347	120,122	122,363	124,621	127,182	129,706	131,454	132,948	134,218	135,124	135,778	136,193	136,847	137,273	137,637	137,951	138,228	138,481	138,709
Change in Profile		1,423	1,378	1,775	2,242	2,257	2,562	2,524	1,748	1,494	1,270	906	654	415	654	426	364	315	277	254	228
Cummulative		1,423	2,802	4,577	6,818	9,076	11,637	14,161	15,909	17,403	18,673	19,579	20,233	20,648	21,302	21,728	22,091	22,406	22,683	22,936	23,164
% Change		1.23%	1.18%	1.50%	1.87%	1.84%	2.06%	1.98%	1.35%	1.14%	0.96%	0.68%	0.48%	0.31%	0.48%	0.31%	0.27%	0.23%	0.20%	0.18%	0.16%

Annual comparison of each household projection scenario, showing difference from the ‘policy on’ and ‘policy off’ household projection, is detailed in the following table:

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Highland Principal	115,545	116,222	116,878	117,510	118,102	118,688	119,261	119,778	120,282	120,799	121,285	121,726	122,106	122,504	122,867	123,196	123,483	123,721	123,951	124,158	124,339
Highland High Migration	115,615	116,361	117,118	117,859	118,563	119,271	119,963	120,612	121,254	121,911	122,547	123,136	123,673	124,233	124,757	125,256	125,716	126,139	126,549	126,948	127,308
Highland Workforce Growth	115,545	116,969	118,347	120,122	122,363	124,621	127,182	129,706	131,454	132,948	134,218	135,124	135,778	136,193	136,847	137,273	137,637	137,951	138,228	138,481	138,709
% Difference: Principal - High Migration	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.2%	1.3%	1.4%	1.5%	1.7%	1.8%	2.0%	2.1%	2.2%	2.4%
% Difference: Principal - Workforce Growth	0.0%	0.6%	1.3%	2.2%	3.6%	5.0%	6.6%	8.3%	9.3%	10.1%	10.7%	11.0%	11.2%	11.2%	11.4%	11.4%	11.5%	11.5%	11.5%	11.5%	11.6%

Stakeholders benchmarked the 10-year projections arising from each HNDA calculation scenario as a comparison to the Minimum All Tenure Housing Land Requirement for Highland (MATHLR, 9,500). The MATHLR sets out the minimum land use planning assumption for housing land supply in Highland, benchmarked to completions and Housing Supply Target scenarios as follows:



It was noted that the HNDA policy on scenario provides an upper range more than 3 times higher than the 2022 MATHLR which was set at a level lower than actual housing completions in the last decade. The policy on scenario is, however, closer to the Housing Supply Target set by The Highland Council in 2024, which takes into account the migration impacts associated with creation of the Inverness & Cromarty Firth Green Freeport (24,235). Stakeholders recognised that the 2024 Target did not reflect new evidence of major infrastructure projects or the impact of indirect and induced employment. On this basis, the policy scenario was validated as an appropriate estimate to inform future land-use and housing delivery planning.

5.5 Housing Estimates by Housing Market Area

Future housing estimates for the Highland area estimate a requirement for new homes in the range of 17,484 (Policy On Scenario) to 31,854 (Policy Off Scenario) over the next 20 years. At a Housing Market Area level, based on the policy on projection:

- 37% of this global housing estimate should be met in the Inverness HMA
- 19% of this global housing estimate should be met in the East Ross HMA
- 8% of this global housing estimate should be met in the Caithness HMA
- 7% of this global housing estimate should be met in the Mid Ross and Sutherland HMAs.

Table 5.12 sets out the Highland HNDA estimates for Scenario 2 by HMA.

Policy On HNDA Estimates by HMA and Tenure						
	2021-2025	2026-2030	2031-2035	2036-2040	Total	% Total
Badenoch & Strathspey	447	274	111	67	899	3%
Caithness	1,023	732	429	346	2,530	8%
East Ross	1,956	3,421	590	129	6,097	19%
Inverness	4,580	5,613	1,067	424	11,683	37%
Lochaber	892	681	165	99	1,837	6%
Mid Ross	901	1,028	236	115	2,280	7%
Nairn	473	418	118	64	1,074	3%
Ross & Cromarty West	1,119	576	77	47	1,819	6%
Skye & Lochalsh	736	472	114	69	1,392	4%
Sutherland	1,293	727	147	77	2,244	7%
Total	13,421	13,943	3,054	1,437	31,854	100%

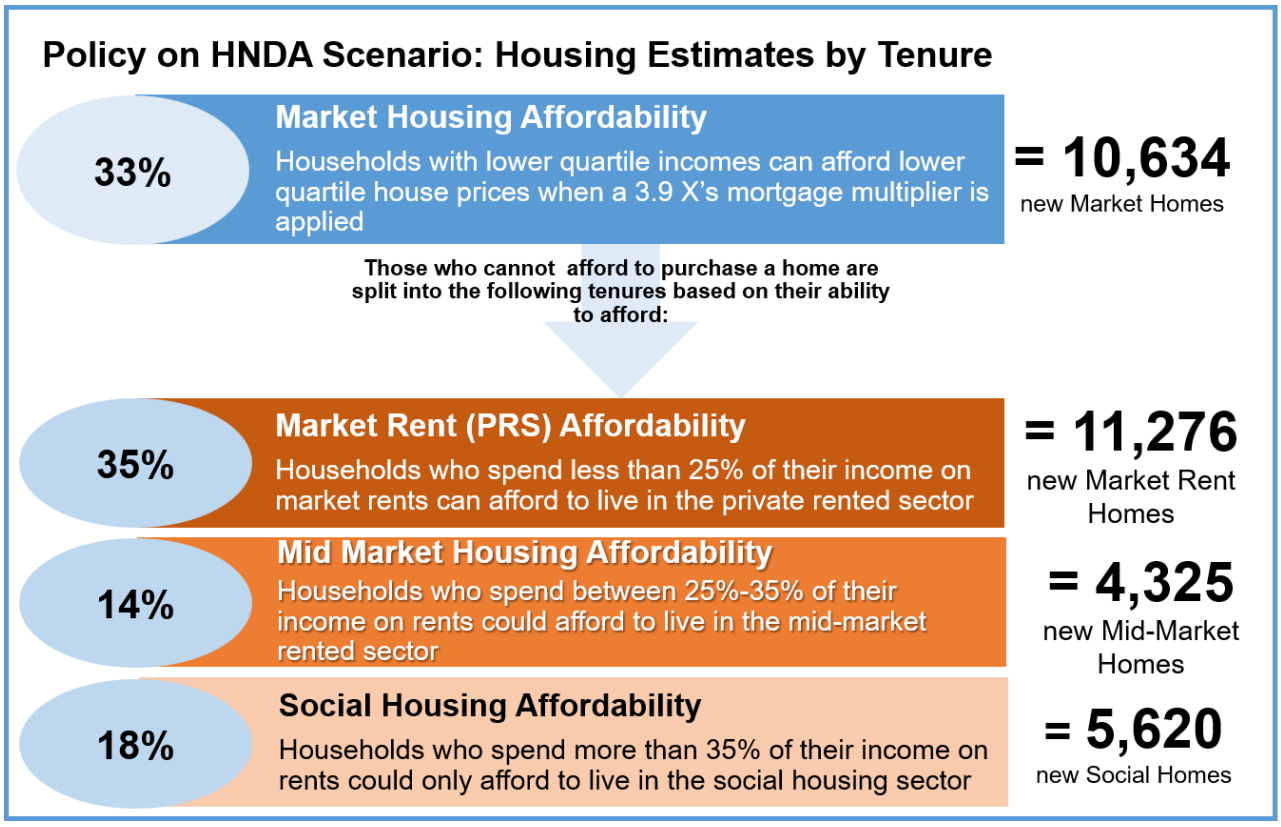
Table 5.12: 2026 Highland HNDA Housing Estimates (Policy On Scenario) by Housing Market Area

5.6 Housing Estimates by Housing Tenure

The HNDA calculation tool applies the housing affordability assumptions detailed above to create housing estimates by tenure. The Highland HNDA affordability calculation is driven by the same income and economic assumptions for both the policy on and policy off scenarios, namely:

- Moderate, real-term growth in incomes of 2.5% per annum is projected
- No change in income distribution from the baseline Scottish Government banded income dataset is projected
- House price growth reflects historic market trends at 2% per annum
- House price to income ratios will bench lower quartile house prices to lower quartile incomes as a benchmark for market housing affordability
- A loan to value mortgage multiplier of 3.9 times income is applied
- Rental growth reflects historic market trends at 2% per annum.

The CHMA advised that the toolkit affordability model could not apply bespoke tenure percentages to a growth scenario, hence the need for an offline calculation and addition to 20-year HNDA toolkit projections. Workforce housing estimates have been disaggregated by tenure aligned to evidence of the sector salaries associated with job growth in each HMA. This salary profile was then subject to housing affordability modelling reflecting specific HMA housing costs. This has been added to toolkit housing estimates by tenure to provide the overall tenure split arising from the policy on HNDA scenario as follows:



The tenure split associated with the policy on and policy off scenarios differ as follows:

Policy Off Scenario	Housing Estimates	%
Social Housing	4,590	26%
Below Market Housing	2,207	13%
Market Rent (PRS)	5,436	31%
Market Housing	5,250	30%
Total	17,484	100%
Policy On Scenario	**Housing Estimates**	**%**
Social Housing	5,620	18%
Below Market Housing	4,325	14%
Market Rent (PRS)	11,276	35%
Market Housing	10,634	33%
Total	31,854	100%

Table 5.13: 2026 Highland HNDA Housing Estimates by Tenure

The 2026 HNDA calculation shows that between 18% - 26% of households will require social housing to meet future housing need in the Highland region, in the region of 4,590 –

5,620 new homes. A further 13% - 14% of households could benefit from below market housing solutions (2,207 – 4,325).

In total, HNDA housing estimates suggest that between 32% - 39% of households in Highland could benefit from the delivery of affordable housing (both social and below market tenures). This evidence offers a starting point for future policy consideration around the operation of the affordable housing policy and the delivery of the strategic housing investment plan. The requirement for market housing ranges from 61% - 68% over the next 20 years, in the region of 10,686 – 21,910 new homes, depending on whether a policy on or policy off scenario is pursued. Housing estimates by Housing Market Area and tenure are detailed in Table 5.14 below:

Scenario 1.1 Projections: Housing Estimates by Tenure and HMA										
	Badenoch & Strathspey HMA	Caithness HMA	East Ross HMA	Inverness HMA	Lochaber HMA	Mid Ross HMA	Nairn HMA	Skye & Lochalsh HMA	Sutherland HMA	West Ross HMA
Social Rent	169	463	421	1709	412	416	252	276	326	146
Below Market Housing	69	189	204	845	213	189	102	150	165	83
Market Rent (PRS)	250	233	371	2279	450	619	283	404	311	236
Market Housing	217	543	450	2087	536	511	190	247	344	125
Total	705	1428	1447	6919	1612	1735	827	1077	1146	589
Average per annum	35	71	72	346	81	87	41	54	57	29
HMA Share	4%	8%	8%	40%	9%	10%	5%	6%	7%	3%

Scenario 1.1 Projections: Housing Estimates by Tenure and HMA										
	Badenoch & Strathspey HMA	Caithness HMA	East Ross HMA	Inverness HMA	Lochaber HMA	Mid Ross HMA	Nairn HMA	Skye & Lochalsh HMA	Sutherland HMA	West Ross HMA
Social Rent	24%	32%	29%	25%	26%	24%	30%	26%	28%	25%
Below Market Housing	10%	13%	14%	12%	13%	11%	12%	14%	14%	14%
Market Rent (PRS)	36%	16%	26%	33%	28%	36%	34%	38%	27%	40%
Market Housing	31%	38%	31%	30%	33%	29%	23%	23%	30%	21%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Scenario 1.3 Projections: Housing Estimates by Tenure and HMA										
	Badenoch & Strathspey HMA	Caithness HMA	East Ross HMA	Inverness HMA	Lochaber HMA	Mid Ross HMA	Nairn HMA	Skye & Lochalsh HMA	Sutherland HMA	West Ross HMA
Social Rent	179	569	809	1988	428	447	268	296	416	221
Below Market Housing	87	227	526	1473	237	445	173	190	255	712
Market Rent (PRS)	280	313	2952	4786	484	742	355	452	552	361
Market Housing	353	1421	1811	3437	688	646	278	454	1021	526
Total	899	2530	6097	11683	1837	2280	1074	1392	2244	1819
Average per annum	45	126	305	584	92	114	54	70	112	91
HMA Share	3%	8%	19%	37%	6%	7%	3%	4%	7%	6%

Scenario 1.3 Projections: Housing Estimates by Tenure and HMA										
	Badenoch & Strathspey HMA	Caithness HMA	East Ross HMA	Inverness HMA	Lochaber HMA	Mid Ross HMA	Nairn HMA	Skye & Lochalsh HMA	Sutherland HMA	West Ross HMA
Social Rent	20%	22%	13%	17%	23%	20%	25%	21%	19%	12%
Below Market Housing	10%	9%	9%	13%	13%	20%	16%	14%	11%	39%
Market Rent (PRS)	31%	12%	48%	41%	26%	33%	33%	32%	25%	20%
Market Housing	39%	56%	30%	29%	37%	28%	26%	33%	45%	29%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 5.14: 2026 Highland HNDA Housing Estimates by Tenure and Housing Market Area (HMA)

Under the policy off scenario, all Housing Market Areas show a proportion of need to be met by social housing in the region of 25-30%, ranging from 24% in Badenoch & Strathspey and Mid Ross HMAs to 32% in Caithness.

The requirement for below market housing comprises from 10% – 14% of the overall housing estimate in each HMA, with requirements for market rent housing varying more dramatically, from 16% in Caithness HMA to 40% in the West Ross HMA. The requirement for market housing ranges from 30% in the Inverness and Sutherland HMAs to 38% in the Caithness HMA, driven by housing affordability pressures in each sub-area.

The policy off scenario dramtaically changes the delivery pattern by both HMA and tenure relfecting the forecasted employment growth in the region over the employment period. The most significant change by Housing Market occurs in East Ross which accounts for 8% of housing requirements in the policy off scenario and 19% in the policy on scenario. Forecasted workforce housing estimates by tenure also relfect the nature of employment growth, reducing the impact of affordable housing tenures. The need for social housing ranges from 12% in the West Ross HMA to 23% in Lochaber. However, West Ross is the only HMA with a notable requirement for below market housing at 39%.

The market rent sector also varies in its significance from 48% of all housing requirements in East Ross to 12% in Caithness. Conversely, the requirement for market homes are highest in Caithness (56%) and lowest in Inverness (29%).

5.7 Estimating Housing Need & Demand: Key Issues

Highland HNDA: Core Output 2: Estimating Future Housing Need and Demand	
LHS & Local Development Plan	Key Issues identified in the HNDA
Future need for additional housing broken down by households who are likely to be able to afford: • owner-occupation • private rent • below market housing • social rent	Across the Highland region, the Local Housing Strategy and Local Development Plan should set achievable and deliverable housing delivery and local housing land requirements based on the housing estimates produced by the 2026 Highland HNDA calculation, considering deliverability within the local strategic landscape. Between 2026 – 2045 the housing estimates for Highland region are expressed in a 'policy off' and 'policy on' range from: • 705 – 899 in the Badonoch & Strathspey HMA • 1,428 – 2,530 in the Caithness HMA • 1,447 – 6,097 in the East Ross HMA • 6,919 – 11,683 in the Inverness HMA • 1,612 – 1,837 in the Lochaber HMA • 1,735 – 2,280 in the Mid Ross HMA • 827 – 1,074 in the Nairn HMA • 1,077 – 1,392 in the Skye & Lochalsh HMA

	• 1,146 – 2,244 in the Sutherland HMA • 589 – 1,819 in the West Ross HMA. In the next 10 years (2026 - 2035), the housing estimates for the Highland region range from: • 529 - 721 in the Badonoch & Strathspey HMA • 1,095 – 1,755 in the Caithness HMA • 1,177 – 5,378 in the East Ross HMA • 5,859 – 10,193 in the Inverness HMA • 1,350 – 1,573 in the Lochaber HMA • 1,440 – 1,930 in the Mid Ross HMA • 661 - 891 in the Nairn HMA • 896 – 1,208 in the Skye & Lochalsh HMA • 956 – 2,019 in the Sutherland HMA • 467 – 1,695 in the West Ross HMA. By tenure, across the Highland region, it is estimated that: • 18 – 26% of housing estimates will be met by social housing • 13% -14% of housing estimates will be met by below market housing • 31% - 35% will be met by market rented housing • 30% - 33% will be met by market housing. LDP should consider likely housing delivery targets in setting a 10-year Local Housing Land Requirement (LHLR) as part of the new Local Development Plan for the Highland region. Strategic drivers to inform longer term and short-term housing and development planning policy decisions, using HNDA housing estimates as a starting point, are set out in more detail in Chapter 8, based on the views and perspectives of Highland partners and stakeholders.

Table 5.15: 2026 Highland HNDA Key Issues - Core Output 2: Estimating Future Housing Need & Demand

5.8 Estimating Future Housing Need & Demand: Rural and Island Housing Issues

Analysis of exisitng housing need by rural and island Housing Market Areas reveals lower proportions of households living in unsuitable housing in Badenoch & Strathspey and Caitness relative to the overall household base. For example, Badenoch & Strathspey accounts for 6% of all Highland households but just 2% of households in existing need. In Caithness which has an 11% share of Highland households, just 5% are in exisitng

housing need. In all other rural and island communities, the number of households in existing housing need is proportionate.

The use of a policy on HNDA scenario has signifcant impacts in some rural and island HMAs as a result of the scale of planned employment growth over the next 20 years. In the West Ross HMA, housing estimates grow by 209% under the policy on HNDA scenario from 589 homes to 1,189. Equally significant increases are focused in the Sutherland HMA (96% increase) and Caithness HMA.

Significant employment expansion will necessitate housing growth which may be disproportionate to the capacity of social and environmental infrastrucutre. Taking a place-based approach to growth which builds capacity in economic and social infrastructure will be essential in enabling rural and inland communities to experience the benefits of economic expansion.

6 Core Output 3: Specialist Housing

Chapter 6 provides an overview and insight into specialist housing provision across the Highland region as described in 'Core Output 3' of the Housing Need and Demand Assessment Practitioners Guide (July 2026).

Core Output 3 evidence:

'Identifies the contribution that Specialist Provision plays in enabling people to live well, with dignity and independently for as long as possible.

Identifies any gap(s)/ shortfall(s) in that provision and the future level and type of provision required.

Considers evidence regarding property needs, care and support needs and locational/land needs.

Assessing specialist housing profile and pressures across Highland has enabled the housing market partnership to identify what existing stock is available to meet local housing needs, whilst identifying requirements for future provision including:

- estimated number of new accessible homes required in future
- estimated number of wheelchair accessible homes required in future
- estimated care and support services to enable independent living.

The evidence also indicates where the existing housing stock could be managed to meet housing need including the more effective use of adapted housing, the role of in-situ solutions such as aids and adaptations, and the delivery of home care and housing support services. The need for additional site provision for the Gypsy/Traveller and Travelling Show people communities is also considered.

6.1 Core Output 3 Headline Findings

Insight and analysis of specialist housing provision focused on the following questions:

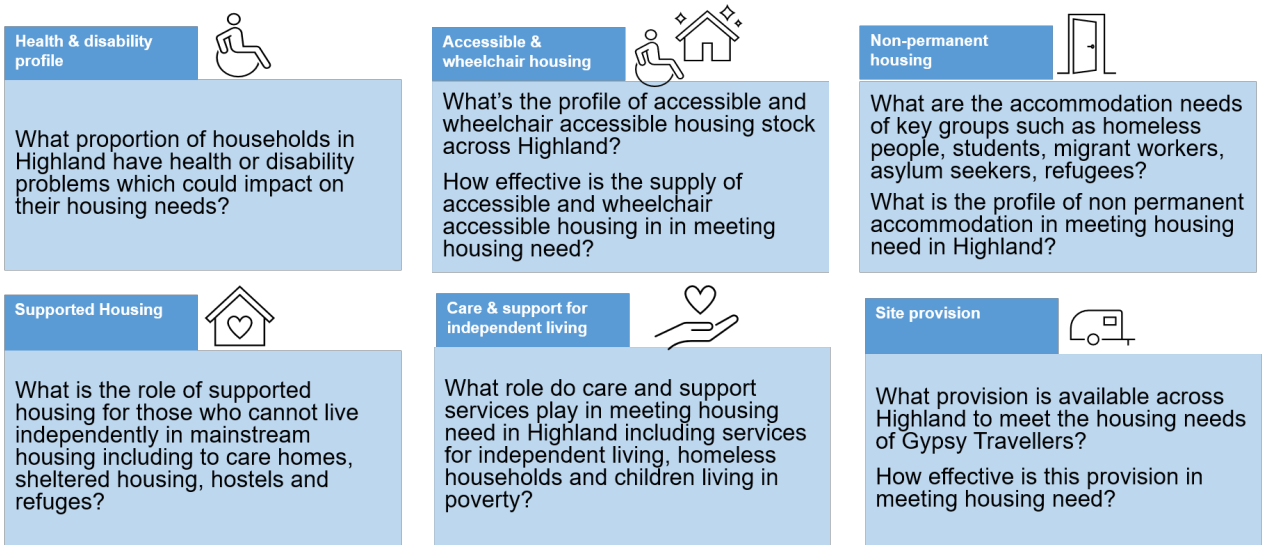


Diagram 6.1: Core Output 3 Key Questions

An interactive briefing with a recorded voice over presents the evidence and provides the headline statics, main findings and key conclusions associated with the analysis of HNDA Core Output 3: Specialist Housing Provision Appendix I: Core Output 3 Briefing (Specialist Housing).

An interactive data book presenting all Core Output 3 evidence aligned to extensive housing market analysis, can be accessed here: Appendix J: Core Output 3 Databook (Specialist Housing). This interactive data book presents Core Output 3 evidence in detailed graphs, tables and aligns statistical evidence to summary findings and conclusions at both a Highland and HMA level.

6.2 Specialist Housing Provision in Highland

The 2026 HNDA Guidance sets out several specialist housing categories as the basis of evidencing gaps or shortfalls in provision to guide policy on future provision including on the type of specialist housing to deliver and how to reduce specialist housing pressures.

The evidence should also indicate where better use of existing housing stock could be achieved to meet housing need including the role of in-situ solutions such as aids and adaptations, and the delivery of home care and housing support services to enable independent living. Specifically, there are five categories of specialist provision to be considered including:



Tables 6.1 - 6.5 detail the policy context, property needs, client groups and specialist housing requirements associated with each category.

In addition to the recognised secondary data outlined in HNDA Practitioners Guide (July 2026) and summarised in the evidence tables below, a primary research study was also commissioned to address gaps in insight and to allow credible analysis at a Housing Market Area level. This extensive household survey across the Highland area was reported in December 2025.

As well as producing analysis to deliver the contextual insight on what's driving specialist housing need and demand, and how housing need could be met by the existing housing stock or through specialist provision; extensive analysis of locally held secondary datasets has been used to identify current and future requirements in relation to specialist provision for key client groups.

6.3 Highland Profile: Households with a Disability, Mobility or Limiting health Condition

The 2025 Highland HNDA Household Survey found that in total, 45% of Highland households contain a long-term sick or disabled person (LTSD) ranging from 28% in the Skye and Lochalsh HMA to 55% in Sutherland. The proportion of households containing at least one long term sick or disabled person in Highland is reported as being slightly higher in the Scottish House Condition Survey (49%) than in the 2025 HNDA household survey.

Given the enhanced statistical confidence offered by the HNDA household survey, it is the preferred evidence source on long-term sick and disabled households across Highland.

The top 3 long term health conditions or disabilities in Highland include:

- Long term illness, disease or condition being managed (19%)
- Physical condition (17%)
- Mental health condition (15%).

Households in the social housing sector in Highland are most likely to comprise a long-term sick or disabled person (64%), compared to the owner-occupied sector (37%).

It is estimated that in 2025, 20% of households containing an individual with a long term illness or disability report their home as not being suitable for their needs. The largest percentage of households who feel their current property does not meet their health or disability needs is in Lochaber (26%), followed by Inverness and Skye and Lochalsh (25%), with the lowest percentage in Caithness (11%). Furthermore, 11% of households containing an individual with a long-term illness or disability said that the health of the household member was suffering due to the home being the wrong type or size. This ranges across the HMAs from 14% in Badenoch and Strathspey to 6% in Caithness.

6.4 National Policy Context for Specialist Housing

There is a diverse framework of international, national, and local policies which direct the planning, commissioning and delivery of specialist housing provision in Highland and Scotland. This policy context often spans all aspects of specialist housing provision, so to avoid repetition in each specialist housing evidence template, it is set out in summary form below:

- **United Nations Convention on the Rights of Persons with Disabilities** provides a broad definition of persons with disabilities and reaffirms that all persons will all types of disabilities must enjoy all human rights and fundamental freedoms, sets out how rights apply to those with disabilities and identifies areas adaptations should be made or action taken to reinforce rights.
- **United Nations (2006) Convention on the Rights of Persons with Disabilities (CRPD)**
- **The Equality Act 2010** offers a legal framework protecting the rights of individuals, advancing equality of opportunity for all, protecting individuals from unfair treatment, and promoting a fair and more equal society. There are nine protected characteristics: age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- **Planning (Scotland) Act 2019** creates a statutory link between development and community planning with communities having the opportunity to draft their own ‘local place plan’ which will form part of the development plan. This should set out the authority’s view on prescribed matters including specific reference to actions taken to meet the needs of older and disabled people and support the needs of Gypsy/Travellers.

- **National Planning Framework (NPF4), adopted 2023:** gives enhanced weight to inclusive design, local living, ageing in place, housing diversity and accessibility. It strengthens expectations that planning authorities consider the housing requirements of disabled people and older people through Local Development Plans and housing land allocations. NPF4 supports development of quality homes by private developers to meet peoples' needs including delivery of all-tenure wheelchair housing targets and promoting the development of homes that can be adapted to meet changing needs.
- **Housing to 2040** - establishes the long-term vision for housing in Scotland and reinforces the principle that people should be able to live independently, safely and well in homes that meet their needs throughout their lives. Key commitments include increasing the supply of accessible and adaptable homes, improving adaptations services, supporting independent living and developing a new Scottish Accessible Homes Standard.
- **Local Housing Strategy Guidance (March 2026)**: Sets out the expectation for local authorities to produce an all-tenure wheelchair accessible housing target. Furthermore, Scottish Government guidance, MHDGN 2026-01: 'Preparing Strategic Housing Investment Plans' (June 2026) reinforces that the policy framework for specialist, and general needs, housing flows from the Local Housing Strategy
- **Review of Housing for Varying Needs (2023-)** is updating Scotland's principal accessible housing design guide for the first time in over 25 years. The review reflects changing demographics, growing demand for accessible housing, technological developments, and the policy objective of enabling people to live independently for longer.
- **Scottish Accessible Homes Standard (SAHS)** is being developed as part of the implementation of Housing to 2040. The proposed standard will apply across all housing tenures and is intended to mainstream accessibility and adaptability in all new homes through changes to building standards and guidance. The aim is to reduce future adaptation requirements and increase housing choice for disabled and older people. Current accessible housing standards including Scottish Building Standards are the technical standards which must be applied to all new houses being built, and to adaptions which require a building warrant.
- **Relevant Adjustments to Common Parts (Disabled Persons) (Scotland) Regulations 2020** relates to disabled people living in private housing having ability to adapt the common parts of a property used as their only or main home with the consent of most owners. Consent cannot be unreasonably withheld but can apply reasonable conditions.
- **Age, Home, and Community: The Next Phase** - provides a refresh of the 2011 publication of the Age, Home and Community Strategy, setting out the commitment to help older people live.
- **Social Care (Self-Directed Support) (Scotland) Act 2013** ensures social care is controlled by the supported person, is personalised to their own outcomes, and respects the person's right to participate in society.
- **Scottish Government (2021) Independent Review of Adult Social Care** recommends improvements to adult social care support in Scotland and aims to move

social care support away from a 'place for services', this being from care homes and institutions to a vehicle for supporting independent living.

- **Scottish Federation of Housing Associations (2020) Models of Housing with Care & Support** sets out a framework for future models of housing with care and support that recommends community and person-centered solutions to help prevent hospital stays, enable independent living, and reduce the need for care in clinical settings.
- **Scottish Government Independent Living Policy** continues to promote housing, care and support arrangements that enable older and disabled people to remain in their own homes and communities for as long as possible. Areas of focus include housing adaptations, equipment services, housing support services, intermediate care and prevention of delayed discharge from hospital.
- **Independent Living Fund (ILF) Scotland Re-opening (2024)** expanded access to independent living support for disabled people with the highest support needs. The fund provides additional financial support, alongside statutory social care provision, to enable individuals to remain living independently in their communities and to exercise greater choice and control over their support arrangements
- **Coming Home Implementation Programme** supports the Scottish Government's commitment that people with learning disabilities and complex support needs should have the opportunity to live in their own homes and communities rather than in institutional settings, hospitals or out-of-area placements. The programme has significant implications for the future demand for supported housing and specialist accommodation.
- **Care Reform (Scotland) Act 2025** (formerly the National Care Service Bill) places renewed emphasis on rights-based social care, independent advocacy, carers' rights, ethical commissioning and continuity of support for disabled people. While the original proposals for a fully nationalised care service were not taken forward, the legislation reinforces the policy direction towards person-centred support, prevention and independent living.

Collectively, national policy is increasingly focused on a rights-based approach to housing, health and social care, with a strong emphasis on prevention, accessibility, person-centred support and independent living. Recent reforms reinforce the expectation that housing, care and support services should work together to enable disabled people, older people and those with long-term conditions to exercise greater choice and control over where and how they live, reducing reliance on institutional models of care and supporting people to remain within their communities for longer.

6.4.1 Accessible, Adapted and Wheelchair Housing Evidence

Accessible, adapted and wheelchair housing	
National policies	• **National Planning Framework (NPF4), adopted 2023** • **Review of Housing for Varying Needs (2023-)** • **Housing to 2040** - Scottish Accessible Homes Standard • **Accessible housing standards** including Scottish Building Standards

	• **Relevant Adjustments to Common Parts (Disabled Persons) (Scotland) Regulations 2020** • **Local Housing Strategy Guidance** requirement for an all-tenure wheelchair accessible housing target. • **MHDGN 2026-01: 'Preparing Strategic Housing Investment Plans'** • **Still Minding the Step** recommends a three-tier approach to delivery including: (1) design and supply, (2) adaptations, and (3) the effective allocation of adapted social rented homes.
Local policies/strategies	**Policy 13, Accessible and Adaptable Homes: Inner Moray Firth Local Development Plan 2 (2024)** details the Council's commitment to establishing and accessible housing policy including a requirement of 5% of dwellings to have a "wheelchair liveable" ground floor on sites of 50 or more residential units within that part of Highland. **The Highland Council Strategic Housing Investment Plan 2025-30** includes a commitment to deliver *a minimum of 10% of affordable houses built to a "wheelchair liveable standard*" **The Highland Local Housing Strategy 2023-28** which includes strategic commitments to: • Work in partnership with developers across all tenures to identify opportunities for wheelchair development that will meet the needs of local communities • Determine future wheelchair housing targets all tenures through collaboration with key partners and service users • Ensure effective and consistent mechanisms in place to access, assess and progress adaptations across all tenures in Highland
Property needs	**<u>Accessible Housing</u>** An accessible home is one where the design and layout of the property is free from physical barriers that might limit its suitability for households with disability, mobility, or health conditions. It is sufficiently flexible and convenient to meet the existing and changing requirements of most households with an interior fabric that can be adapted to accommodate aids, adaptations, or equipment. Across Highland there are a range of property types that are commonly defined as accessible housing. These include retirement/sheltered housing, amenity housing, ground floor accommodation, wheelchair housing and supported housing. **<u>Adapted Housing</u>** An adapted property is usually described as one that was not originally designed with accessibility features for households with disability, mobility or health conditions but has since been altered to accommodate these requirements. An adaptation is defined in housing legislation as an alteration or addition to the home to support the accommodation, welfare or employment of a disabled

	person or older person and their independent living. Adaptations to properties can include both large and small-scale provision; ranging from minor modifications such as grab rails, up to major property extensions or remodelling work. Common adaptations can include low level appliances, stair lifts, wet rooms, door widening, suitable external surfaces, ramps, grab rails as well as a range of equipment to enable independent living. Delivering the right adaptations can reduce the need for personal care services, as well as the need for admission to a hospital/care home, or the move to a purpose-designed property. Currently, the funding streams for adaptations remain tenure-specific and there are variations in the processes for delivering adaptations to RSL and private sector properties. Highland Council provides both mandatory and discretionary grant assistance for adaptations in the private sector, with RSL adaptations funded via a separate, central, Scottish Government budget. **Wheelchair Housing** The Scottish Government define wheelchair housing as homes suitable for wheelchair users to live in, as set out in Section 3 of the guidance on the 'Housing for Varying Needs Standard' (HfVN). Over and above this, developers are encouraged to meet 'desirable' wheelchair design criteria. HfVN states that wheelchair accessible housing "is for people who use a wheelchair most or all the time". The home will have level access throughout, have space for a wheelchair user to circulate and access all rooms, including bedrooms, and offer a kitchen and bathroom that suits the occupant's particular needs and fittings and services that are within reach and easy to use.
Suitable for	People with disabilities and limiting health conditions People with limited mobility and/or dexterity People who need for low level care Wheelchair users People with complex care needs including learning disability, sensory impairment, dementia, learning disabilities and autism.
Evidence	The key findings from the evidence on accessible, adapted and wheelchair housing is summarised as follows: **Specialist Housing** It is estimated that there are 2,357 units of specialist housing provided by social landlords in Highland, representing 10% of all social tenancies. Highland Council provides 679 units and Registered Social landlords (RSLs) provide 1,678 units of specialist stock. Older/ambulant disabled and amenity housing makes up the majority of specialist homes (1,330 units) at 9% and 47% respectively. Sheltered housing makes up 33% of all specialist

	housing stock. Wheelchair housing makes up just 8% of the specialist housing stock in Highland. On average, 14% of the total social housing turnover in Highland that becomes available per annum is specialist housing (250). According to the 2025 HNDA survey results, 14% of households with a long term health condition or disability (6,833) have an unmet need for specialist housing. The Mid Ross HMA has the greatest proportion of households with unmet need for specialist housing (23%) followed by Sutherland (20%) and Inverness (15%). **Amenity and Ambulant Disabled Housing** There are 211 units of older and ambulant disabled housing and 1,119 units of amenity housing available across the social housing sector in Highland. Amenity and ambulant disabled housing accounts for 56% of all specialist housing provision in the area. Amenity and ambulant disabled housing also creates 54% of the turnover of all specialist homes in Highland, with 135 tenancies becoming available to let in 2024/25 via the Highland Common Housing Register (CHR) and specialist RSL's. 14% of Highland CHR applications across the Highland area express demand for accessible housing (1,202 applications). Of the 6,833 HNDA households with a health condition or disability requiring specialist housing (2025 HNDA survey), 57% require accessible accommodation with a further 20% of respondents seeking wheelchair suitable accommodation. Of all respondents with an unmet need for specialist housing, Nairn has the greatest proportion who need accessible housing (76%) followed by Mid Ross (69%) and Badenoch & Strathspey (64%). Furthermore, of all Highland households planning to move, 7% gave the reason which relate to an unmet need for accessible housing, including moving 'to meet health or disability needs' (5%) or 'moving' to a level access property (2%). **Adapted Housing** Projecting future adaptation requirements is challenging due to the changing demographics across Highland. It is likely the current requirement will increase given household growth and an ageing population. This means targets in relation to specialist housing and adaptations will require continuous review to understand requirements as population demographics change. This will be particularly challenging given real time reductions in Scottish Government funding to social landlords for property adaptations. Highland Council will assess the need for investment in property adaptations with stakeholders across the housing, health and social care sectors, as part of their Local Housing Strategy development work. In some instances where adaptation is not possible there may be need to identify alternative suitable housing options for such households.

	The Scottish House Condition Survey (SHCS) provides estimates of properties with adaptations and properties requiring adaptations by local authority area. Across Highland, in 2023 SHCS estimates that 27% of properties are currently adapted. According to the 2025 HNDA survey, 37% of all households who have health conditions or disabilities are currently living in adapted properties in Highland. However, 16% of respondents with a health condition or disability confirmed that they have an unmet demand for housing adaptations amounting to 7,540 households. This equates to 7% of all households across Highland. Across the HMAs Mid Ross has the highest proportion of unmet need at 22% (1,162), it is Inverness that represent the largest number of households with an unmet need for housing adaptations in Highland (2,474). This enhanced figure for unmet need for adaptations is likely to be more representative of the current requirement for adapted housing given the level of statistical confidence achieved by the 2025 HNDA survey. **Wheelchair Housing** There is a drive and commitment to ensure individuals can live at home for longer which has an impact on increasing demands for accessible, wheelchair and adapted housing. The need for wheelchair housing is likely to increase in the context of Highland Council's ageing population, and the Council and its partners will consider this further through the LHS development process. 67% of 2025 HNDA survey respondents said that someone visiting their property who uses a wheelchair would have difficulty accessing and moving around their home. This varies across the Highland HMAs from 75% in Lochaber to 51% in Nairn. According to the HNDA 2025 survey, 20% of households who need specialist housing (1,338) who have an unmet need for specialist housing require a wheelchair accessible home. The majority of unmet need for wheelchair accommodation is located in Inverness (671 households) followed by Caithness (218 households). There is no unmet need for wheelchair accommodation in Badenoch and Strathspey, Lochaber, Nairn or Skye and Lochalsh HMAs. The proportion of households who have an unmet need for wheelchair accommodation across all of Highland households is 1.2%. There are currently 179 wheelchair properties provided by social landlords across Highland. According to the Highland Common Housing Register demand for wheelchair properties is high with 83 applicants requiring wheelchair housing. Still Minding the Step (2018) was a national research study published by CIH Scotland and Horizon Housing Association, estimating the number of wheelchair homes required to meet the needs of households with disabilities in Scotland. It provides the

	only national methodology for estimating wheelchair housing requirements. Using the Mind the Step methodology, estimates that approximately 820 households need wheelchair housing in Highland. This includes 318 households who required specifically designed wheelchair homes and 501 households who require wheelchair adapted homes. These estimates are lower than the results of the 2025 HNDA study and the number of households who stated they require wheelchair housing in the area (1,338 households). Key findings on accessible, adapted and wheelchair housing for Highland can be found Appendix J: Core Output 3 Databook (Specialist Housing).
Stakeholder consultation & engagement	Research and evidence building (including stakeholder engagement and consultation) across housing, health and social care partners has been instrumental in building the evidence required on the need for accessible, adapted and wheelchair housing across Highland. Stakeholders identified evidenced shortfalls of accessible wheelchair housing as a major strategic issue for health, housing and social care, which needs to move higher up the community planning agenda for Highland. Ultimately, a whole system approach to data capture, planning and accessible housing delivery is needed across partners. Housing design and building standards are viewed as important factors in the effort to deliver more accessible/wheelchair homes but these need to be developed in the context of major development viability challenges and the wider framework of developer contributions placed on housebuilders. The application of baseline accessibility standards across mainstream housing development could reduce reliance on the small volumes of specialist provision in Highland and help address unmet need over the longer term. Embedding accessibility within private developments including ground-floor flats and/or level access properties is an important part of increasing overall supply. Stakeholders held the view that the need for additional funding to enable property adaptations is essential and long overdue.

Table 6.1: Accessible, Adapted and Wheelchair Requirements

6.4.2 Non-Permanent Housing Evidence

Non-permanent housing	
National policies	**Homelessness: Code of Guidance (2019)** states homeless people should not be placed in temporary accommodation unnecessarily and time there should be as short as possible with care taken to avoid moves.

	Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020. **The Homelessness & Rough Sleeping Action Group (HARSAG)** placed a requirement on local authorities to produce 'Rapid Rehousing Transition Plans' (RRTP) with significant implications on the management and availability of non-permanent housing. **Ending Homelessness Together Action Plan (updated implementation programme):** continued commitment to Rapid Rehousing and Housing First approaches. **Migrant Workers -** Labour migration is governed through the UK points-based immigration system, including the Skilled Worker, Seasonal Worker and Health and Care Worker routes. **Veterans Strategy Action Plan (Refreshed 2022 onwards):** The Scottish Government continues to implement commitments under "Taking the Strategy Forward" and the refreshed action plan, including measures to improve access to housing, homelessness prevention and support services for veterans and service families. **Veterans' Rights and Housing Access:** The Armed Forces Act 2021 reinforces consideration of the Armed Forces Covenant across public services, including housing-related services. Scottish housing legislation also provides specific provisions to prevent disadvantage arising from military service. **Housing to 2040 (2021)** includes commitments to review purpose-built student accommodation and consider the relationship between student housing, the private rented sector and wider housing pressures. **Purpose-Built Student Accommodation (PBSA):** National planning and housing policy increasingly recognises student accommodation as an important component of housing supply in university towns and cities. Expansion of Higher and Further Education provision, including growth in international students, continues to influence demand for temporary and non-permanent accommodation.
Local policies/ strategies	**Highland Rapid Rehousing Transition Plan** includes a strategic objective to r*educe time spent in temporary accommodation by:* • Improving access to settled housing • Developing shared temporary accommodation options • Reducing congregate (hostel) accommodation • Engaging homeless service users to inform service design **2023-2028 Highland Local Housing Strategy** includes a strategic commitment to: • Deliver and implement the Temporary Accommodation Strategy • improve our understanding of the housing and related support needs of those who experience disadvantage and inequality, including asylum seekers and refugees • Review existing protocols for client groups at risk of homelessness including looked after children, households

	experiencing domestic abuse and those leaving an institutional setting **Highland Housing Register Housing Allocations Policy** includes a strategic commitment to delivering the Armed Forces Covenant, which recognises the particular needs of this group
Property needs	As well as assessing the need for permanent housing, it is important that the HNDA assesses the requirement for transitional accommodation, including temporary accommodation, houses in multiple occupation, refuges, hostels, tied/key worker housing, serviced accommodation, or student accommodation. Non-permanent housing plays an important role in meeting a range of housing needs, including for transient populations such as seasonal/temporary workers and students; and those experiencing housing crisis who require temporary housing until a settled housing outcome can be achieved. Those living in non-permanent housing include homeless people, asylum seekers/refugees, people leaving care settings or institutions and students. This is usually delivered via the acquisition or reconfiguration of existing stock; however, the development of new build units can also be an option, particularly for specific client or economic groups e.g., key workers or students. Provision can include temporary accommodation, specialist provision for homeless households, serviced accommodation, key/seasonal worker housing, student accommodation and housing for armed forces personnel.
Suitable for	Homeless households Individuals leaving institutional settings such as hospital, prison or the care system Households experiencing domestic abuse Migrant/seasonal workers Key workers within the Highland economy Refugee and asylum seekers Students Armed Forces Veterans
Evidence	**<u>Temporary Accommodation for Homeless Households</u>** There were 1,348 homeless applications in Highland in 2024/25 and 1,036 homeless applications in 2014/15. This represents an increase of 30% in the last decade. This increase is in contrast to the national percentage change of 13% over the same period. In 2025, there was 604 temporary accommodation units in the Highland area to meet the needs of homeless households including 464 units of community based dispersed housing, 124 units of multi-occupancy accommodation and 16 units of bed and breakfast accommodation. The majority of temporary accommodation (54%) is located in the Inverness HMA followed by the Ross and Cromarty West HMA (18%).

	Temporary accommodation plays a key role in accommodating households facing housing crisis in Highland. A snapshot of 480 households living in temporary accommodation on 31st March 2025 (Scottish Government HL1 statistics), revealed the majority of households were accommodated in local authority or RSL owned dispersed furnished accommodation within the community (55% and 1%, respectively), with a smaller proportion accommodated in 'other' tenancies including multi-occupancy accommodation (42%) and 2% in refuge accommodation. Despite recent increases in demand, it should be noted that the incidence of homelessness in Highland (42 per 10,000 households) is lower than is the case for Scotland (68 per 10,000 households). Pressures on temporary accommodation remain evident across Highland, particularly in the context of increasing homelessness demand. Homeless applications increased by 26% between 2020/21 and 2024/25, compared with an 18% increase nationally. Despite this, there has been a reduction in the use of temporary accommodation, with more households exiting temporary accommodation (718 households) than entering (674 households) in 2024/25. The length of time households spend in temporary accommodation has also reduced considerably. While the average time spent in temporary accommodation across Scotland has increased by 16% over the last five years, in Highland it has reduced by 29%, from 346 days in 2020/21 to 246 days in 2024/25. This brings the average length of stay in Highland close to the Scottish average of 238 days. This progress is consistent with the priorities set out in Highland's Rapid Rehousing Transition Plan (RRTP) 2019–2024, which focuses on homelessness prevention, reducing homeless presentations, increasing tenancy sustainment and minimising the time households spend in temporary accommodation. The RRTP also seeks to change the type of temporary accommodation available, including reducing the use of HMO accommodation within the Inner Moray Firth and replacing hostel provision in Skye with temporary furnished tenancies. While increasing homelessness applications continue to place pressure on the system, the reduction in the length of time households spend in temporary accommodation indicates improved faster access to settled housing by homeless households in Highland. **Student Accommodation** The number of licensed HMOs in Highland has increased from 40 in 2005 to 309 in 2025. In 2025, 64 HMOs were recorded as student halls of residence, representing around 21% of all HMOs in Highland. According to the 2022 Census there were 8,563 full-time students across the Highland region. The student population in Highland (4%) is notably smaller than Scotland (7%). Just over half (52%) of students in Highland are economically active, with the majority (69%) in part time work. Almost 1 in 5 students in Highland (17%), travel more than 20km to reach their place of study.

There are approximately 464 identified student bedspaces provided by the University of the Highland and Islands (UHI) across the region including 300 units in Inverness, 40 in Fort William, 40 in Dornoch and 84 at Sabhal Mor Ostaig in Sky. Inverness is the main centre for both students and dedicated student accommodation in Highland, accounting for 38% of full-time students in Highland and around 65% of identified dedicated accommodation provision.

There are proposals for additional staff and student accommodation at UHI's Inverness Campus as part of a major 'Phase 2' extension of existing provision. Planning proposals suggests approximately 3,580m2 of floor space for staff and student accommodation within a 55 hectare site. The number of additional student bedspaces has not yet been confirmed. As well as staff and student accommodation, the planning application includes details of additional academic space, plus hotel, commercial and research facilities. While existing and proposed student accommodation provision can be identified, the available evidence does not provide a quantified estimate of unmet student accommodation need or a future bedspace requirement.

Migrant Workers

According to the 2022 Census, there are 17,489 Highland residents born outside of the UK, which equates to 7.4% of Highland's population. Of the non-UK born population, 55% are employees and 12% self-employed. These employment rates are higher than the UK-born population living in Highland at 40% and 9% respectively. A lower proportion of non-UK residents living in Highland are economically inactive (23% compared with 33%), suggesting a strong participation of the non-UK born population in Highland's labour market.

Residents born elsewhere in Europe form the largest component of Highland's non-UK born population, accounting for 10,458 people (60% of all residents born outside of the UK living in Highland).

According to the 2022 Census, among the non-UK born population of economically active workers, the largest proportion are employed in public administration, education and health (4,695) and distribution, hotels and restaurants (4,178). 2022 Census results also reveal that 57% of non-UK born residents in Highland are owner occupiers, 18% live in social rented housing and 25% live in private rented accommodation.

In Highland, migrant workers contribute to the Highland economy across key sectors including tourism, health and social care, agriculture, construction and renewable energy. In Highland, migrant workers contribute to the Highland economy across key sectors including tourism, health and social care, agriculture, construction and renewable energy. Given the combination of demographic ageing, labour shortages and significant planned economic investment, inward migration is likely to remain an important driver of both labour market sustainability and housing demand over the HNDA period.

Transient Workforce Housing Requirements

In April 2026, research commissioned by the Scottish Futures Trust[9] was published examining the likely demand for transient (non-local) construction workers and accommodation, arising from the pipeline of renewable energy and energy-transition projects across the Highlands and Islands region to 2040.

The research concludes that the region is expected to experience an unprecedented wave of energy-related investment, estimated at £61.5 billion between now and 2040. The scale of development is likely to generate a substantial requirement for construction workers, many of whom will need temporary accommodation because the local labour force is unlikely to be sufficient to meet demand. The study estimates:

- peak demand for 12,285 on-site construction workers in a single year (2027).
- around 44,000 transient worker job-years over the assessment period.
- approximately 10.5 million bed nights required for transient workers.
- total accommodation expenditure of around £1.3 billion by 2040.

Based on the Regional Transformation Opportunities research study (HIE, May 2025) and proportion of investment projected in each local authority area, it can be estimated that up to 40% of transient workforce accommodation needs will require to be met in Highland. The scale of demand means workforce accommodation is likely to become a critical enabling factor for delivery of the region's renewable energy investment pipeline and place significant pressure on temporary accommodation options across the region over the next decade.

Asylum Seekers and Refugees

As of March 2026, there were 627 people in Highland across the Homes for Ukraine and Afghan Resettlement Programme pathways, equivalent to around 0.26% of the Highland population. Most refugees were Homes for Ukraine arrivals (480), with a further 147 people supported through the Afghan Resettlement Programme.

There were no people in Highland recorded as receiving supported asylum accommodation in Highland as of March 2026. Homelessness applications from refugee to remain households have substantially increased in Highland from 15 applications in 2021/22 to 50 in 2025/26.

There were 20 live homeless applications from refugee households in Highland in 2025/26, remaining static since 2022/23, against a backdrop of the number of applications assessed as homeless or threatened with homelessness increasing from 15 in 2021/22 to 40 in 2025/26. Accordingly, the number of refugee households in temporary accommodation in Highland has increased from 5 in 2021/22 to 15 in 2025/26 and the number of closed cases where refugee homeless

[9] Highlands and Islands –Transient Workforce and Accommodation Demand Analysis, Scottish Futures Trust, April 2026

	households accessed secured settled housing has increased from 10 households in 2021/22 to 35 in 2025/26. Taken together, this shows that the overall number of asylum seekers and refugees recorded through immigration pathways in Highland remains relatively small in the context of Highland's population. However, homelessness applications from refugee/ leave to remain households have increased over the last 5 years, demonstrating an increasing requirement for housing and homelessness services for this group. Key findings on non-permanent housing requirements for Highland Council can be found at Appendix J: Core Output 3 Databook (Specialist Housing).
Stakeholder consultation & engagement	Research and evidence building (including stakeholder engagement and consultation) across housing, health and social care partners has been instrumental in building the evidence required on the need for non-permanent housing across Highland. Stakeholders acknowledged the shift achieved in Highland over the last decade from a reliance on B&Bs/HMOs to meet the needs of homeless households to Council-owned dispersed accommodation. Whilst reductions in length of stay in temporary accommodation were to be celebrated, increasing homelessness service demands means this area of provision will require ongoing focus. Health and social care partners acknowledged that the scale of key worker pressures in Highland will necessitate continued international recruitment and migration. Housing is currently a major barrier to talent attraction and there is a clear need for models of provision which better meet workforce housing needs, including greater delivery of mid-market rent, mixed-tenure developments, employer-supported housing and short-term accommodation linked to key services that could suit many different household types.

Table 6.2: Non-Permanent Housing Requirements

6.4.3 Supported Housing Evidence

Supported Provision	
National policies	**Shared Spaces was commissioned by Homeless Network Scotland** to explore permanent and non-permanent provision for individuals experiencing homelessness with multiple and complex needs. There is recognition that some individuals may benefit from shared and supportive provision. **Building Better Care Homes for Adults Guidance by the Care Inspectorate** illustrates what good building design looks like for care homes for adults post-Covid. It promotes self-contained small group living settings. **Health and Social Care Standards** remain the principal framework for care homes and supported accommodation services in Scotland. They emphasise dignity, privacy, participation, wellbeing, safety and the right of individuals to direct their own care and support arrangements. **Scotland's Strategy for Housing for Older People** increasingly promotes age-friendly housing, accessible design, adaptations and specialist housing options that support independent living. Sheltered housing and retirement housing continue to form part of the overall spectrum of supported accommodation, particularly in rural communities where access to care services may be more limited **Independent Review of Adult Social Care** offers recommended improvements to the adult social care system in Scotland and recommends that the safety and quality of homes must improve with more joint working between services to ensure support is provided to enable people to stay in their homes and communities. **Equally Safe** Scotland's national strategy for preventing and eradicating violence against women and girls continues to underpin provision of refuges and safe accommodation for people experiencing domestic abuse. The strategy supports improved access to safe housing, specialist support services and trauma-informed approaches. **Domestic Abuse (Protection) (Scotland) Act 2021** introduced Domestic Abuse Protection Notices and Orders, strengthening protections for victims and reinforcing the role of emergency and refuge accommodation as part of the wider support system.
Local policies/ strategies	**Highland Health & Social Care Partnership Adult Services Strategic Plan 2023-27,** includes the strategic commitment to a *"Home First and Last"* philosophy, enabled by the prioritising the provision of: • support to remain at home • intermediate care options • supported housing options • self-directed support • technology-enabled care solutions.

	Highland Rapid Rehousing Transition Plan includes a strategic objective to *ensure homeless households can access the right type of support by:* • Reviewing Housing Support and Supported Housing • Delivering Housing First • Engaging homeless service users to inform service design **Strategic Housing Investment Plan 2025-30** includes a key worker policy statement to guide allocations **2023-25 Highland Local Housing Strategy** includes strategic commitments to: • Review use of and access to older persons housing and consider future options • Develop data arrangements to create a joint evidence base across housing and NHS Highland that will help to assess current and future specialist housing requirements at both Highland and local levels
Property needs	In assessing the need for supported accommodation, as well as considering the future requirements associated with housing for older people, the HNDA guidance should also consider the provision of care homes and residential homes for this client group. Future requirements for accommodation-based support services for key client groups including those with mental health conditions, physical disabilities, learning disabilities, neurodivergent disorders, developmental disorders, and other complex need; should also be considered. Supported accommodation provision is often commissioned by health and social care partnerships to meet the requirements of households with complex care needs providing accommodation and on-site support to enable people to live well and with as much independence as possible. Supported accommodation covers a wide range of commissioned housing models. The common factor is that properties are typically built, designed, or adapted for the needs of the client group. Generally, there is a national shift away from large-scale congregate developments for all client groups with support needs, to housing based within a community setting which provides flexible care and support to meet individual needs. **Care homes** Care homes are designed to care for adults (aged over 18+) with high levels of dependency, who need a complete package of 24-hour care. As well as accommodation, care homes offer nursing, personal and/or personal support to vulnerable adults who are unable to live independently. Residential Care is open to people with a range of care needs when a vulnerable person cannot return home safely or resides in a hospital/care setting for a prolonged period. These can include up to 24-hour supervision/monitoring. **Specialist Housing for Older People**

	Specialist Housing for older people takes many forms but includes sheltered/retirement housing, very sheltered/extra care provision, and other types of provision which offer accessible homes and neighbourhoods with some form of warden or on-site supervision for households aged 60+. Older people can also access accessible and wheelchair housing in the community which is covered in Section 6.4.1 above. **Supported accommodation for key client groups** Types of supported housing provision could include: • core and cluster developments: smaller scale, community-based housing provision where care and support services are available to increase independence • specialist support housing projects: open to client groups with a range of care needs. Typically, 24-hour support is available as well as self-contained accommodation spaces and communal living spaces. Depending on the client group, personal care, medical support, and wellbeing activities are also provided on site • group homes: small scale shared housing projects, where individuals live in a group setting typically with no more than 4 others. This is often in singled shared property with communal cooking facilities and living space. Support and/or care is provided typically 24/7.
Care & support needs	Housing care and support service provision includes: • Housing support services • Tenancy sustainment support • HSCP and NHS commissioned services for key client groups including those listed below • Third Sector commissioned support and advocacy services • Nursing staff • Social work support staff • Care/Home care workers offering personal care • Warden, kitchen, and cleaning staff
Suitable for	Households with high support and care needs, include those experiencing: • Frailty • Dementia • Long-term illness, disease, or condition • Mental health conditions • Physical disabilities • Learning disabilities • Neurological disorders • Developmental disorders

	• Drug/alcohol dependency • Multiple complex needs
Evidence	**<u>Care Homes</u>** In 2024, the number of registered places in care homes in Highland was 1,937. This has reduced by 4% between 2023 - 2024 and by 8% since 2014. In Highland, the number of registered care homes places for older people has been declining year on year, with a total decline of 8% between 2014 – 2024. In 2024, there were 1,670 registered care home places for older people. The total number of care homes for adults in Highland has also been falling year on year since 2014 and reducing overall by 22%. There were 63 care homes for adults in 2024 compared to 81 in 2013. This compares with an 18% reduction across Scotland. The number of long stay care home residents has decreased by 7% since 2014 from 1,839 to 1,708 adults in 2024. Furthermore, the number of older people in short stay or respite accommodation in 2014 has also decreased by 28% since 2014 from 47 older people to 34 older people. According to NHS Highland, there were 62 care homes across the Highland region in 2024/25 providing a total of 1,932 registered places and accommodation for 1,517 long stay, short stay and respite residents. This represents an overall occupancy rate of 79%. This ranges from 94% occupancy in Sutherland to 67% in Skye and Lochalsh HMA. Inverness has the largest concentration of care home provision, accounting for 21 care homes and 734 registered places. This is equivalent to 38% of all registered care home places across Highland. In contrast, Skye and Lochalsh HMA has the lowest level of care home provision with 2 care homes providing 45 registered places. According to the HNDA 2025 Survey, 191 households with a health condition or disability responded that their household had an unmet need for residential or care home accommodation representing 3% of unmet need in Highland from the population of households with health conditions or disabilities. **<u>Specialist Housing for Older People (Sheltered Housing or Extra Care Housing)</u>** There are 23,777 units of social housing in Highland, with 3% (780 units) designated as sheltered housing for older people and 1% designated as older and ambulant disabled housing (211 units). Of the 250 units of specialist housing that become available for letting each year, 42% were sheltered housing (105 lets) and 18% were older people/ambulant disabled (45 units). 7% of Highland CHR waiting list applicants (593 households) were specifically seeking sheltered housing in 2025. Furthermore, the 2025 HNDA survey identifies that of the 14% of households with an unmet need for specialist housing in Highland (6,837), 914 reported a need for housing for older people with 67%

over the age of 65 years. Over and above this, 39% households who require specialist housing in Highland are aged over 65 years, including 1,314 expressing demand for accessible housing, 628 wheelchair housing and 611 require specialist housing for older people.

Given survey results and the Highland Housing Register evidence, the role of age exclusive housing in meeting the needs of older people is an important question for social housing developers and the Highland health & Social Care Partnership.

Supported accommodation for key client groups

Highland Council and Highland Health & Social Care Partnership commission supported housing services for a range of client groups living across the area. Analysis of current commissioned provision at the end of March 2025, reveals that this includes:

- 1,592 care home places for older people and 191 care homes places for people with a learning disabilities
- 1,859 older people being supported in their homes by commissioned care and support packages
- 858 commissioned care and support packages in mainstream housing for people with a learning disabilities, 465 care and support packages for people with physical/sensory disabilities and 238 care and support packages for people with mental health conditions
- 159 housing support packages for people with a learning disabilities, 20 tenancies for people with physical/sensory disabilities and 96 tenancies for people with mental health conditions
- 76 commissioned sheltered/supported housing tenancies for older people
- 3,166 commissioned telecare packages in mainstream housing for older people, 397 telecare packages for people with physical/sensory disabilities and 256 telecare packages for people with learning disabilities.

The HNDA 2025 household survey identifies that 8% of households who identified an unmet need for specialist housing, said they required specialist supported housing (486 households) and less than 1% required residential or nursing care home provision (173 households).

The analysis of projected need for specialist housing for key client groups across community care teams in Highland is fragmented at best, with no consistent approach to future planning across localities. Engagement with commissioners and published data would suggest unmet need for the following client groups:

- 80 spaces across 16 core and cluster models for key client groups on dynamic support registers, with a need for a further 60 spaces across 12 cluster models in the next 5 years
- 2,980 hours of unmet need for care at home, with 43 individuals delayed in hospitals awaiting packages (as of April 2025)

- 10-15 clients of community mental health services, at any one time who need step down housing solutions to leave residential services and achieve independence

Support Provision for Homeless Households

There were 278 households identified as homeless with at least one identified support need in 2024/25. This is a decrease of 16% on the previous year 2023/24 when 332 households were assessed with at least one support requirement.

In 2023/24, it is estimated that housing support services provided 21,324 hours of support through the Housing Options Service to a population of 180 clients, equivalent to 118 hours per client.

Veterans and Armed Services

According to the Census 2022, 10,222 UK Armed Forces veterans are currently living in Highland, accounting for around 4% of the total population in Highland. While the majority of veterans report good or very good health in Highland (64%), 36% report fair, bad or very bad health. Around 41% of veterans report a disability which limits their day-to-day activities, including 19% whose activities are limited a lot.

Owner occupation is the predominant tenure among veterans in Highland at 75%, while 15% live in the social rented sector and 10% live in the private rented sector.

In 2025/26, there were 146 Highland Housing Register applications from former members of the Armed Forces, with 21 veterans accessing housing in the same year (14%). A further 12 applications were received from current serving members of the Armed Forces. In 2024/25, 37 veterans applied for assistance under the homeless legislation in Highland. The Highland Council supports the Armed Forces including through the Armed Forces Covenant, which recognises the particular needs of this group.

There is existing specialist housing provision for disabled veterans in Highland through Veterans Housing Scotland, with properties in Inverness, Fort William and Nairn. Provision is targeted towards former Armed Forces personnel with physical or mental health conditions and provides a specialist housing option for veterans with particular housing needs.

The Ministry of Defence has Armed Forces accommodation in Inverness. The long-term use of these properties and the associated barracks is currently subject to an MOD review, meaning the future contribution of this accommodation is not yet known.

Key Worker Housing

According to the 2026 HNDA survey, there is an estimated 16,074 key workers in Highland including 11,619 NHS workers, 3,342 social care workers, 543 workers in police and criminal justice services and 570 in public safety including fire and rescue services. A further 6,877 are identified as delivering essential public services including 6,877 working in education and 9,266 in local government.

	Overall, 8% of key workers report that they need to move from their current home within the next 2 years, with the proportion highest amongst care sector workers at 11%, followed by NHS workers at 7%. Around 14% of key workers are fairly or very dissatisfied with their current home, increasing to 16% amongst care sector workers and 14% amongst NHS workers. 6% of key workers are currently living in temporary accommodation and need to move in the next 2 years (72 households). According to the 2025 HNDA Employers Survey, 48% of public sector employers have made a job offer in the last 3 years which was subsequently declined by the applicant. 70% of public sector employers report that a shortage of housing which staff can access or afford has had a 'major' (43%) or 'moderate' (26%) impact on their recruitment and retention efforts. This is a higher rate than for private sector employers (64%). Employers across Highland expect around 3,504 roles to be recruited in the next 12 months, including 1,395 within the public sector. Within the public sector, 83% of this recruitment relates to filling existing roles rather than creating new posts suggesting a backlog of vacant posts which are challenging to fill. This evidence is validated by the Highland Health & Social Care Partnership Annual Performance Report which specifically references key worker housing challenges. Within the report, it highlights the continuing workforce pressures across health and social care services in Highland. Recruitment across the health and social care system is described as a "high-risk pressure" with persistent vacancies particularly affecting rural areas and specialist roles, creating challenges for service continuity. Whilst targeted recruitment and relocation campaigns have supported successful recruitment in some areas, the HSCP reports that filling medical and senior leadership roles remains fragile. **Domestic Abuse Refuges** There were 2,726 domestic abuse incidents recorded by Police Scotland in Highland in 2024/25. Recorded incidents have increased by 18% since 2015/16, compared with an increase of 12% across Scotland. In total, 164 homeless applications were received by Highland Council in 2024/25 as a result of a violent dispute within the household. Dedicated refuge accommodation is currently commissioned through Inverness Women's Aid and Ross-shire Women's Aid, with provision identified in Inverness, Dingwall and Skye. According to Inverness Women's Aid they currently have 11 units available, with a total capacity for 11 women and up to 22 children/young people and Ross-shire Women's Aid currently has 7 units available with a total capacity of 26 people (Table 4.39). There is currently limited up-to-date information on the capacity and use of refuge accommodation across Highland. Existing provision has not been comprehensively reviewed for over 12 years, and Highland

	Council is currently reviewing the location and accessibility of accommodation, length of stay, move-on arrangements and the needs of households across rural, remote and island communities. There is therefore limited information available to identify whether existing refuge provision is sufficient to meet demand or to quantify any requirement for additional refuge accommodation across Highland. The outcome of the review should provide a clearer understanding of existing provision and any gaps in the location, type or level of accommodation required. Key findings supporting the evidence on supported housing provision is provided in Appendix J: Core Output 3 Databook (Specialist Housing).
Stakeholder consultation & engagement	Research and evidence building (including stakeholder engagement and consultation) across housing, health and social care partners has been instrumental in building the evidence required on the need for supported housing across Highland. Stakeholders agreed that better planning, funding and joint commissioning processes are needed for core and cluster models of provision, given the level of unmet and projected need for key client groups and the benefits of this model of care in a Highland context. The use of more integrated and co-located models of provision such as care villages that combines core and cluster housing with other forms of support should be considered in future strategic planning for supported housing provision Consultation outcomes also conclude that improving the range of housing options for older people in Highland needs to become a strategic priority for health, social care and housing partners and achieve a much higher position up the community planning agenda. Challenging cultural attitudes to accommodation options, proactively marketing viable options to an older client group and challenging other barriers to development at a community level will be essential There is a particular challenge in meeting the needs of Highland's older population living long-term in social or owner-occupied homes that no longer meet their needs. The lack of suitable, accessible, smaller homes in the right locations limits the opportunities for older people to downsize particularly in rural areas Whilst older people should be at the heart of planning processes that design homes and services to meet their needs, community-led approaches, supported by appropriate local infrastructure, are an important part of the solution. To address issues of sustainability and connectivity, support for community led models to develop specialist housing should be considered.

Table 6.3: Supported Housing Requirements

6.4.4 Care & Support Delivered at Home Evidence

Care & Support Delivered at Home	
National policies	**The Carers (Scotland) Act 2016** places a duty on each local authority and Health & Social Care Partnership to jointly prepare a Carers Strategy which sets out plans for identifying carers, understanding the demands for support, an assessment of unmet needs and timescales involved in preparing adult carer support plans. **Social Care (Self-directed Support) (Scotland) Act 2013** ensures social care is controlled by the supported person and personalised to their own outcomes and respects the person's right to participate in society. Self-directed Support remains a cornerstone of Scottish social care policy, supporting personalised care planning, independence, participation and improved outcomes for people requiring support. **Age, Home, and Community**: **A strategy for housing for Scotland's older people 2012-2021** was published in 2011. It sets out Scottish Government's vision that older people in Scotland are valued as an asset, their voices are heard, and they are supported to enjoy full and positive lives in their own home or in a homely setting. **Housing to 2040** aims to 'modernise and develop the core services in social housing to deliver cross-sector support for aspects such as welfare advice, tenancy sustainment, wellbeing and care and support'. **Housing Support Duty -** requires local authorities to assess whether homeless households require housing support services to sustain accommodation. The duty helps prevent repeat homelessness and supports successful tenancy sustainment. **Housing (Scotland) Act 2025** strengthens duties on public bodies and housing providers to identify risks of homelessness earlier and take preventative action. This reinforces the importance of support services delivered within people's homes and communities. **Care and Repair Scotland, Good Practice Guide** highlights the standards expected during the management and delivery of Care and Repairs services throughout Scotland. **Child Poverty (Scotland) Act 2017** establishes statutory child poverty reduction targets and requires regular delivery plans and progress reporting. Secure, affordable housing is recognised as a critical factor influencing family wellbeing, child outcomes and poverty reduction. **Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026:** places significant emphasis on reducing housing costs, preventing homelessness, supporting low-income families and improving the quality and affordability of housing. Housing is

	recognised as a key mechanism for addressing child poverty and improving life chances.
Local policies/ strategies	**Highland Health & Social Care Partnership Strategic Plan 2024-27** includes a strategic aim to enable more care and support to be delivered closer to or at home. The plan also sets out targeted approaches to meeting the needs of groups experiencing multiple disadvantage including those at risk of or experiencing homelessness. **Highland Scheme of Assistance** helps owners and private sector tenants with the provision of disabled adaptations to aid independent living **Highland Council Housing Adaptations Guidance** **Highland Council Strategic Housing Investment Plan 2025-30** **2023-28 Highland Local Housing Strategy** which includes an outcome priority and related action plan on: *Health and wellbeing improves by investing in housing solutions which enable everyone in Highland to live independently in the community they prefer.* This includes commitments to: • Improve our understanding of the housing and related support needs of those who experience disadvantage and inequality • Review and evaluate the use of assistive technology • Ensure effective and consistent mechanisms in place to access, assess and progress adaptations across all tenures in Highland
Property needs Care & support needs	The delivery of preventative housing solutions which enable households to live independently in the communities they prefer, reflects the policy shift away from institutional settings and congregate environments in Scotland, towards the delivery of practical care, support and assistance personalised to everyone. Individuals may require care and support at different points in their life, or not at all. There are a wide range of relevant care and support services available across Highland to enable residents to live independently in their own housing setting. These are services generally unconnected with the forms of specialist housing outlined in previous templates. These services will include: • Property related interventions or assistance such as: o Mobility aids and equipment o Property adaptations o Small repairs services including handypersons o Care & Repair services including support to manage repair, maintenance, or improvement works o Telecare/Telehealth and community alarms • Care and support interventions or services such as: o Self-directed support o Home care workers o Specialist support workers

	○ Carers ○ Social workers ○ Welfare Rights Advisors ○ Housing/tenancy support workers
Suitable for	Households who require some form of support or care service to enable independent living at home could include: • Frailty • Dementia • Long-term illness, disease, or conditions • Mental health conditions • Physical disabilities • Learning disabilities • Neurological disorders • Developmental disorders • Drug/alcohol dependency • Multiple complex needs • Homeless people or those threatened with homelessness • Children living in poverty
Evidence	**Care at Home services** According to the Scottish House Condition Survey, across Highland, the proportion of households receiving care services (8%) is slightly higher than the Scottish average (7%). A higher proportion of households in the social housing sector (13%) receive care services in comparison to the owner-occupation (7%), as well as higher than average numbers of older households (12%). The total number of homecare clients in Highland in 2022/23 was 2,850 with a total of 732,740 hours of care provided (excluding 24/7 care). This is a decrease in number of clients (-1%) and hours of care provided since 2018/19 (-10%). Highland Council ranks 15 out of 32 local authorities in Scotland for the rate of clients receiving home care per 1,000 population at 12.1, which is lower than is incidence in Scotland overall (17). There are 270 self-funders aged 65+ receiving free personal care in care homes, with a further 170 receiving personal and nursing care. The number of home care clients aged 65+ receiving free personal and nursing care at home has increased by 1% between 2013/14 and 2024/25, totaling 1,680 households in 2024/25. The top 3 social care services received by clients in the Highland area are self-directed support (33%), social work/support worker (30%) and community alarm/telecare (17%). According to NHS Highland data, in 2025, a total population of 7,803 clients were engaging with social care services in Highland. Perhaps unsurprisingly, the largest group of social care clients across

	Highland are those aged over 65+ (6,617) with this group accounting for 85% of all clients. There were 18,237 people on the waiting list for Care at Home services in Highland in 2024/25, of which 11% (1,935 people) were assessed as having critical needs and 57% as having substantial needs. Of those assessed as having critical needs, the majority were located in Inverness (59%), followed by Badenoch and Strathspey (22%) and Caithness (12%). In 2022, 11% of the Highland population were providing some form of unpaid care. This is an increase of 2% since 2011 from 9% of the population. According to the HNDA 2025 survey, around 11% of respondents (1,317 households) need and receive personal and nursing care, whilst 3% (335 households) receive self-directed support services. There is also evidence of unmet need, particularly for personal and nursing care (173 households), housing support to enable tenancy sustainment (150 households) and mental health services (104 households). While these represent relatively small proportions of all respondents, they identify a group of households where access to appropriate care and support may be important in enabling independent living and sustaining their existing housing. Given current population projections and an ageing population it is likely that demand on care and support services will increase. Furthermore, given longer life expectancy there is a view that cases are likely to become more complex with increases being seen across a range of client types. **Aids & adaptations** According to the 2025 HNDA survey, 37% of households with a long-term health condition or disability have property adaptations (18,234). This equates to 17% of all households across Highland. The most popular adaptations currently fitted are handrails (67%) followed by level access shower (53%). Of the 37% of respondents who had an adaption, 46% of social renters had adaptations, 37% of owner occupiers had adaptations, whilst only 20% of private renters had adaptations. According to the Scottish Household Survey 2023, 27% of dwellings have adaptations in Highland. Social housing has the greatest proportion of dwellings with adaptions (34%) while private rented sector dwellings are less likely to have adaptations (16%). The Scottish House Condition Survey 2017-19 indicates that there is a need for 3% of dwellings in Highland to be adapted to meet the requirements of identified households, in line with the national average of 3%, although this is likely to be an under-estimate when household growth and the ageing population is considered. 16% of respondents to the 2025 HNDA survey who had a health condition or disability (7,540 households) reported an unmet need

	for a property adaptation. This equates to 7% of all households living in Highland. Of those reporting an unmet need for adaptations, most households are seeking level access shower (41%) and handrails (27%). Of those with an unmet need for adaptations, 11% are owner occupiers, 20% are renting from a social landlord, and 24% are renting from a private landlord. The 2025 HNDA survey shows that Mid Ross HMA (22%) followed by Nairn (21%) then Lochaber (20%) have the highest proportions of unmet need for housing adaptations of households with health conditions and disability in each housing market area expressing need. In 2024/25, Highland Council and RSLs completed 1,756 approved adaptation applications with 793 households waiting for an approved adaption accounting for 1% of the social rented stock. In the same year, the Council invested £1,069,332 in adapting council housing stock to enable household members to live independently at home, with RSLs investing £1,060,616, a total of £2.1M in property adaptations. Coupled with £2.1M in grant funding, total investment equaled £4.2M. Highland Council recorded 559 HRA-funded housing adaptations in 2024/25, with grab rails and handrails accounting for the majority (341), followed by wet rooms (27). In addition, 121 non-HRA-funded housing adaptations were recorded between 2012 and 2025, the majority of which were access ramps (96). In 2024/25 £2.08M was invested in Scheme of Assistance private sector adaptations across Highland with the greatest number of grants for adaptations entitled to mandatory assistance. PSHG expenditure in 2024/25 across Highland delivered 229 property adaptations to households in private sector housing. A handyperson and Care and Repair service provided by Highland Council is in place to help older and disabled people in the private sector to improve, maintain and adapt their homes and to assist with discharging NHS patients from hospital (where adaptations to their home are needed). In 2024/25 there was a total of 172 jobs completed across Highland via the Care and Repair service. The majority of jobs were within Inverness, Nairn, Badenoch and Strathspey (65). **Telecare** In 2024/25, 3,565 households across Highland were supported to live independently as a result of using assistive technology. 77% of telecare clients across the Highland area are over the age of 75 years, which increases to 87% when including those aged 65+. 76% of telecare clients across the Highland area are not receiving homecare services. In 2024/25, 850 telecare clients were in receipt of additional home care services, with 82% over the age of 75 years.

	In 2024/25, 340 clients were supported to live independently at home via technology-enabled care services across Highland, with the majority aged between 16–64 (78%) **Self-directed support** Public Health Scotland, Social Care Insights Dashboard shows that there has been a steady increase over the last decade in people choosing self-directed support across Scotland. In 2020/21, 8,185 people chose self-directed support in Highland a slight decrease of 2% since 2017/18 when 8,340 people chose this option. Within Highland, the most common type of self-directed support is Option 3 where the local council arranges the support on behalf of the individual with 7,430 people receiving this across the area. There are 450 people who receive a direct payment to purchase their own support and a further 280 where the person directs the available support. A further 25 people receive a mix of the four self-directed support options. **Homeless households and those at risk from homelessness** According to homelessness statistics, basic housing management, independent living skills and housing support is the most commonly identified support needs among homeless households in Highland, with an average of 156 cases per year. Mental health is also a significant support need, averaging 128 cases per year. An average of 197 households per year were assessed as requiring housing support between 2022/23 and 2024/25. Almost all assessed requirements were met, with 196 support packages put in place. Support under the Housing Support Duty is the main form of support provided to homeless households, averaging 167 households per year. Social or personal support was provided to an average of 46 households, with smaller numbers receiving additional housing support, employment support, and education or training support. Supporting people data identifies 661 homeless households receiving housing support services since 2022, from the two main commissioned providers. This includes 512 clients supported by New Start Highland and 149 by the Salvation Army. **Children Living in Poverty** In 2024/25, there were 6,562 children and young people living in low-income families after housing costs across Highland. This is an increase of 3% since 2022/23. Inverness and Nairn had the largest proportion of children and young people living in low-income families, followed by Skye, Lochaber and Badenoch & Strathspey. Among children aged under 16, 14.2% were living in relative low-income families after housing costs in 2024/25 compared with 14.8% across Scotland. Longer-term estimates show that child poverty after housing costs has remained a persistent issue across Highland. In 2022/23,

	23.3% of children were estimated to be living in poverty after housing costs, compared with 21.4% in 2014/15. Furthermore, between 2022/23 and 2024/25, there were 1,852 children associated with homeless applications, accounting for 45% of all homeless applications over this period. Children aged 0-11 accounted for more than two thirds of children within homeless applications. While applications involving children reduced by 18% between 2022/23 and 2024/25, 109 homeless applications involved children who had slept rough within the previous 3 months. Despite demand pressures, there has been a 31% decrease in the number of children in temporary accommodation in Highland since 2022, compared to a 22% increase across Scotland. There is a range of preventative and whole-family support services being delivered across Highland to enable children in poverty to live well at home. In 2025/26, 50 'Whole Family Wellbeing' projects reached around 2,000 children, with young people and 'Community Mental Health and Wellbeing Fund' projects supporting 9,012 children and young people. Key findings supporting the evidence on care and support for independent living is provided in Appendix J: Core Output 3 Databook (Specialist Housing).
Stakeholder consultation & engagement	Research and evidence building (including stakeholder engagement and consultation) across housing, health and social care partners has been instrumental in building the evidence required on the need for care and support services to enable independence at home. With fewer care home options available and an ageing population, a strategic shift towards enabling people to remain safely and independently in their own homes is central to enabling housing sustainment and reducing reliance on institutional care. Increasing preventive investment in property adaptations, particularly in private sector housing, is a key solution in addressing unmet need for specialist housing, aligned to the use of Technology Enabled Care. The role of technology enabled care and adaptations were seen as being important to assist with prevention and reducing pressures on health and social care services. Joint working between housing, health and social care partners to build the business case to justify preventative expenditure should be a future priority Increasing preventive investment in property adaptations, particularly in private sector housing, is a key solution in addressing unmet need for specialist housing, aligned to the use of Technology Enabled Care Partners acknowledged that despite positive joint working between the HSCP and housing providers to address specific recruitment needs and protect essential frontline health and social care services, it's extremely challenging to hold key worker housing

	solutions in perpetuity. Whilst a key worker housing definition was agreed in the 2025 SHIP, further work is needed to translate this into a delivery framework that will protect the delivery of essential public services.

Table 6.4: Care & Support for Independent Living Requirements

6.4.5 Special Housing Provision: Site Provision

Site Provision	
National policies/strategies	**Improving the Lives of Scotland's Gypsy/Travellers: Action Plan 2024-2026** builds on the earlier 2019-21 action plan to improve outcomes for Gypsy/Travellers across accommodation, education, healthcare and public services. Recent action plans focus on reducing inequalities, improving access to services, strengthening community participation and increasing accommodation provision. **Housing to 2040 (2021)** committed up to £20 million over five years to improve existing sites and create additional Gypsy/Traveller accommodation. The strategy recognises that Gypsy/Travellers require culturally appropriate accommodation choices and that local authorities should assess and plan for accommodation need more effectively. **Gypsy/Traveller Accommodation Needs: Evidence Review (2020)** highlighted continuing unmet need for both permanent and transit accommodation, identified significant barriers in accessing suitable sites, and reinforced the need for improved local assessment of accommodation requirements. **Improving Gypsy/Traveller Sites: Guidance on Minimum Site Standards and Site Tenants' Core Rights** establishes standards for public sites covering infrastructure, amenities, safety, management and tenants' rights. It remains the principal framework guiding local authority site provision and improvement. **Planning (Scotland) Act 2019 and National Planning Framework 4 (NPF4)** strengthened requirements for engagement with Gypsy/Traveller communities during development planning. NPF4 reinforces expectations that planning authorities assess and respond to the accommodation needs of Gypsy/Travellers through local development plans and housing land assessments. **National Transportable Homes and Transit Accommodation Fund** is a recent Scottish Government funding programmes to support local authorities and registered social landlords to improve site provision, refurbish existing accommodation and develop additional permanent and transit pitches. This reflects growing recognition of the need for a wider range of accommodation options.
Local policies/strategies	**Highland Council Policy and Procedures for Supporting Co-operation & Managing Roadside Camps** **Improving the Lives of Gypsy Travellers Working Group** is a multi-agency group facilitated by the Council, committed to

	improving outcomes for the gypsy traveller community and has a number of actions relating to health, digital access, education, tenant engagement and financial advice **Highland Local Development Plan/2026 Evidence Report** acknowledges the ongoing need and demand in Highland for culturally appropriate accommodation/facilities to meet the needs of the Gypsy/Traveller community **2023-28 Highland LHS Commitments to Gypsy/Travellers** includes a strategic objective to 'Work with the Gypsy/Traveller community to have a better understanding of their accommodation needs and preferences and explore and develop workable solutions'
Land needs	The HNDA should set out current need and demand for the provision of sites and pitches for both Gypsy/Travellers and Travelling Showpeople. Gypsy/Travellers are recognised as a distinct ethnic group by the Scottish Government. There is a large body of evidence, both in Scotland and in the UK, which shows a lack of access to culturally appropriate housing which is a major contributory factor in poor health, education and societal outcomes experienced by Gypsy/Travellers. As defined in the Scottish Government's Local Housing Strategy Guidance, the term Gypsy/Traveller refers to a range of distinct groups including Romanies, Scottish, Irish, English and Welsh Travellers, who regard the travelling lifestyle as part of their cultural and ethnic identity. Travelling Showpeople are not an ethnic minority and do not seek this status, however they do have a distinctive cultural and historic identity and are explicitly identified as a key client group in their own right, distinct from Gypsy/Travellers. **Land needs** Land need for both communities will include either permanent or temporary (transit) sites and pitches for caravans and mobile homes, which offer communal facilities and which are made available to meet the accommodation needs of Gypsy/Travellers and/or Travelling Showpeople. This will include sites suited for residential and yard storage/ maintenance areas, as well as ensuring appropriate access to the sites. Primary sites are likely to be public sector/local authority provision but could also include private sites and parks. The Scottish Government has published formal guidance on site and pitch standards, in terms of space and amenities and all landlords are required to ensure these are met in full. **Care and support needs** Gypsy/Travellers require the same access to a range of public services as the rest of the resident population, including health care and education. They may also require additional care and support to enable independent living in their community.
Suitable for	Gypsy/Travellers

	Travelling Showpeople
Evidence	Pre-Covid, there were up to 40 unauthorised encampments in Highland per annum. Recent records of temporary encampments in Highland found that there were 59 locations routinely used with the annual use of these averaging 0.9 uses per annum. The average encampment was small at 3 caravans. The choice of temporary locations is driven by proximity to employment opportunities, amenities, family relations and holiday destinations. Major reductions (69%) in unauthorised encampments have been achieved in the last 4 years from 16 in 2022 to 5 in 2025. According to information provided by Highland Council, there are four public Gypsy/Traveller sites across Highland, located at Kentallan, Spean Bridge, Newtonmore and Longman. These sites provide a total of 34 pitches, although eight pitches at Longman are currently under construction. Occupancy varies across the sites, with Longman operating at 100% of its five available pitches, compared with 0% at Kentallan, 55% at Spean Bridge and 67% at Newtonmore. There are currently three households on the waiting list for Gypsy/Traveller accommodation across Highland, including two at Newtonmore and one at Spean Bridge. Whilst there is improvement works to one site, and a major regeneration programme in another, no site in Highland is currently at full capacity. Excluding the Longman site, currently undergoing regeneration with the waiting list suspended, there is evidence of low future demand. In fact, the Kentallan site, which offers 4 pitches, is completely vacant at the time of writing, with no emerging future demand based on recent engagement work with the gypsy traveller community in Highland. Taken with a significant reduction in unauthorised encampments in the region, the data indicates no compelling evidence of unmet need for Gypsy Traveller site provision in Highland. Highland Council is currently delivering a significant investment programme to enhance public sector Gypsy/Traveller site provision, with works focused on improving the quality and suitability of existing provision. Regeneration works commenced at Longman in 2024 to replace existing welfare chalets with new two- and three-bedroom accommodation units, larger pitches, a community building, play park, meeting point and additional visitor bays. Phase 1 has been completed with the delivery of five units, while Phase 2 is underway. The total investment is approximately £7.16 million, with works expected to be completed in 2026. Further investment of £453,122 is planned at Spean Bridge to improve fire separation, increase the size of bays, provide drainage for caravans occupied by residents with medical needs and replace hard standings. An additional £30,000 is anticipated for a new sewage treatment unit. No significant works are currently planned at Kentallan or Newtonmore beyond routine repairs and maintenance, apart from the fire safety works identified above.

	According to the 2022 Census, 263 people identified their ethnic group as White: Gypsy/Traveller, a marginally smaller population than reported in the 2011 Census (291). This reduction is lower than the national trend, where the Gypsy/Traveller population decreased by 21% over the same period. Inverness has the largest Gypsy/Traveller population in Highland (87 people), followed by Caithness (41 people). However, as a proportion of the local population, Gypsy/Travellers represent the highest proportion in Caithness and Skye and Lochalsh at 0.17%. The 2022 Census indicates that Highland's Gypsy/Traveller population has a younger age profile than the Highland population as a whole. Around 44% of Gypsy/Travellers are aged under 25, compared with 24% of people in the wider Highland population. In terms of household composition, 41% of Gypsy/Traveller households are single-person households aged under 66, compared with 22% of all Highland households. There is a 50% lower rate of Gypsy/Traveller households living in a caravan or other mobile structure (7%) in Highland compared to Scotland. 93% of the Gypsy Traveller population in Highland live in mainstream accommodation (69% in houses, 25% in flats). Of those living in settled housing, a much higher proportion of Gypsy-Travellers in Highland live in social housing (60%) than is the case in Scotland (40%). There is also evidence of higher levels of overcrowding among Gypsy/Traveller households. According to the 2022 Census, 8% of Gypsy/Traveller households in Highland are overcrowded, compared with 1% of all Highland households. However, this is considerably lower than the national position, where 24% of Gypsy/Traveller households are overcrowded. The 2022 Census also identifies poorer health outcomes among Highland's Gypsy/Traveller population. Around 23% reported bad or very bad health, compared with 6% of the wider Highland population. Furthermore, 42% of Gypsy/Travellers reported having a long-term health condition which limits their day-to-day activities, compared with 24% of the wider population. The proportion reporting that their activities are limited a lot is particularly high at 25%, compared with 10% across Highland as a whole. **Travelling Showpeople** No reliable published estimate of the number of travelling showpeople resident in the Highland Council area has been identified. The Scottish Section of the Showmen's Guild represents over 2,000 showpeople across Scotland, although the community is understood to be concentrated in the Central Belt, particularly around Glasgow where the majority of Scottish show families are based. No dedicated travelling showpeople sites or strategic planning allocations for travelling showpeople have been identified within published Highland Council policy documents. Evidence from the

	Scottish travelling showpeople community suggests that a small number of winter quarters may exist in locations including Muir of Ord and Invergordon; however, no contemporary published data is available regarding the number of plots, resident households, or accommodation capacity. The travelling showpeople population in Highland is therefore likely to be small and difficult to quantify.
Stakeholder consultation & engagement	As part of major regeneration and investment programmes across public site provision in Highland, the Highland Council are engaging with the gypsy traveller community. As well as managing, site improvement programmes, this engagement has led to the delivery of community, play and social facilities to improve the wellbeing of the community. Most recently, consultation has focused on identifying unmet need for site provision in the gypsy traveller community given low occupancy levels and waiting list demand across several sites. This engagement has confirmed no evidence of unmet need for Gypsy Traveller site provision in Highland.

Table 6.5: Highland Site Provision Requirements

6.5 Core Output 3: Key Issues – Highland Housing Market Area

The assembly of Core Output 3 of the HNDA has provided Highland Housing Market Partners with a clear, evidence-based understanding of:

- future property requirements associated with specialist housing provision including accessible and adapted housing, wheelchair housing and non-permanent accommodation for key client groups
- future care and support requirements to enable independent living including supported housing for key client groups, plus housing support and homecare services
- future care and support requirements for children living in poverty
- future care and support requirements homeless households and those at risk from homelessness
- future site provision to meet the needs of the Gypsy/Traveller and Travelling Showpeople communities.

Synthesising the evidence assembled from Core Output 3, allows Highland partners to establish a starting point in estimating the extent and nature of future provision required across each category of specialist housing as follows:

Specialist Housing Requirements: Future Provision		
Accessible, adapted and wheelchair housing	• It is estimated that roughly 1,350 households may require wheelchair housing • A further 3,900 households may require accessible housing • It is estimated that roughly 7,500 households across Highland require adaptations to their current home	2025 Highland HNDA survey

Non-permanent housing	• It is estimated that up to 1,250 key worker housing units are required for those delivering essential public services who need to move from their current accommodation	2025 Highland HNDA survey
Supported housing	• It is estimated that roughly 900 households across Highland may require housing for older people • Over and above this, there are identified unmet needs for up to 450 supported housing options. • Projected need for specialist housing for key client groups estimates that 80 core and cluster spaces are needed for clients on the dynamic support register, with a need for a further 60 spaces in the next 5 years	2025 Highland HNDA survey Local evidence – provided by Highland HSCP
Site Provision	• There is extremely limited evidence of demand for further gypsy traveller site provision in Highland based on current occupancy levels, waiting list demand and engagement with the local community.	Local evidence provided by Highland Council

It should be noted that estimates arising from the Highland HNDA household survey provide a self-assessment of requirements for specialist housing provision. Whilst this insight offers a helpful, cross tenure estimate of existing households who require specialist housing. Further validation has been performed to determine the extent of assessed need for specialist accommodation using waiting list data from the Highland Housing Register and cross tabulating survey questions to remove non-response bias. This analysis suggests that of the 6,900 households who self-assess a need for specialist housing, 2,267 households have an urgent need to move to appropriate accommodation. Whilst this analysis provides a short-term estimate of unmet need for specialist housing, the projected increases in the 65+ population in Highland is likely to drive the need for specialist accommodation options in the future.

Highland Council and the Highland HSCP are committed to using the evidence provided in HNDA Core Output 3 as starting point to robustly evidence future requirements for each form of specialist provision within the development and delivery of their future strategies and plans.

Highland HNDA: Core Output 3: Specialist Housing Provision	
LHS & Development Plan	Key Issues identified in the HNDA
Property needs	• **Accessible and adapted housing:** It is estimated that there are 2,357 units of specialist housing provided by social landlords in Highland, representing 10% of all social tenancies. 23% of waiting list applications on the Highland Housing Register require specialist accessible housing

	37% of households with a long term illness or disability currently have a special form of adaptation in their home, with handrails being most common (18,234). 16% (7,540) of households with a long-term illness or disability have an unmet need for adaptations. This equates to 7% of all households living in Highland. Of those reporting unmet needs for housing adaptations, most are seeking handrails (25%) and level access showers (20%). • **Wheelchair housing:** 8% of all specialist stock in the social housing sector in Highland (179 units) is fully wheelchair accessible. According to the 2025 HNDA survey, 13% of households with a long term illness or disability (1,358) have an unmet need for wheelchair accessible housing. This estimate is in excess of a local 'Mind the Step' calculation which suggests a need for approximately 820 wheelchair accessible homes in Highland. This level of unmet need is in sharp contrast to the average annual turnover of wheelchair properties in the social housing sector, just 12 properties per annum. • **Non-permanent housing:** There are 604 temporary accommodation units in the Highland region to meet the needs of homeless households. At the latest snapshot count (March 2025), of the 480 households in temporary accommodation, the majority were accommodated in self-contained dispersed accommodation from Highland Council (55%). There were no homeless households accommodated in Bed & Breakfast provision. Whilst demand for homelessness services has shown some recent short term growth, the length of stay in temporary accommodation in Highland has reduced by 29% over the last 5 years. • **Key Worker/Student Accommodation**: At 4% of the Highland population, Highland has a smaller number of student (8,563) than is the case nationally (7%). While existing and proposed student accommodation provision can be identified, the available evidence does not provide a quantified estimate of unmet student accommodation need. A planning proposal for additional staff and student accommodation at UHI's Inverness Campus has been submitted to achieve a major 'Phase 2' extension of existing provision. • It is estimated that approximately 1,241 key workers in Highland are living in unsuitable housing and need to move to alternative accommodation. This shortage

	reflects evidence of key worker housing challenges within the 2024/25 Highland HSCP Annual Performance Report, with recruitment across the health and social care system described as a 'high risk pressure'. The report notes that persistent vacancies in rural areas and specialist roles are impacting on service continuity.
Care and support needs	• **Supported provision:** There were 1,746 total residents in care homes inclusive of long, short stay and respite in 2024 in Highland with an occupancy rate in care homes of 90%. There were 63 care homes for adults across the Highland region in 2024. 4% of all social housing stock (991) provides housing for older people including sheltered housing and older/ambulant disabled housing. According to the 2025 HNDA survey, 2,653 households over the age of 65 years across Highland have an unmet need for specialist housing including 908 requiring age exclusive housing. Highland HSCP estimate that there is a need for roughly 140 commissioned core and cluster spaces to meet the needs of households with care and support tenancies. • **Care/support services for independent living: Telecare** In total, 2,850 households were receiving homecare services in 2023/24, with the majority (33%) of receiving self-directed support, followed by social work support services (30%) and community alarm/telecare services (17%). 86% of telecare clients are over the age of 65 years. In 2024/25, 3,643 people received community alarm/telecare services. This is a significant increase of 22% from 2022/23 when 2,998 people received this service. According to the NHS Highland Care at Home waiting list, there are over 1,935 households in critical need for services with a further 10,317 in substantial need. • **Care & support needs for homeless households** Of the 1,348 households who presented for assistance under homelessness legislation in Highland (2024/25), on average roughly 200 households have identified support needs. Basic housing management, independent living skills and housing support is the most commonly identified support need, with an average of 156 cases per year.

	• **Care & support needs for children living in poverty** In 2024/25, there were 6,562 children and young people living in low-income families after housing costs across Highland, an increase of 3% since 2022/23. Furthermore, between 2022/23 and 2024/25, there were 1,852 children associated with homeless applications in Highland, 45% of all homeless applications over this period. There is a range of preventative and whole-family support services being delivered across Highland. In 2025/26, 50 Whole Family Wellbeing projects reached around 2,000 children and young people and Community Mental Health and Wellbeing Fund projects supported 9,012 children and young people
Locational or land needs	• **Gypsy/Traveller Housing Needs** **Current Site Provision:** There are 4 permanent public sites for use by Gypsy Traveller households, offering 34 pitches in total. Historically, there were up to 40 unauthorised encampments in Highland per annum. Major reductions (69%) in unauthorised encampments have been achieved in the last 4 years from 16 in 2022 to 5 in 2025. **Future Site Provision:** Whilst there is planned investment works to one site, and a major regeneration programmes in another, no public sites in Highland are currently at full capacity. Excluding the Longman site, currently undergoing regeneration with the waiting list suspended, there is limited evidence of future demand with just 3 live waiting list applications recorded. Moreover, the Kentallan site, which offers 4 pitches, is completely vacant at the time of writing, with no emerging future demand according to recent engagement work with the gypsy traveller community in Highland. Taken with a significant reduction in unauthorised encampments in the region, the data indicates no compelling evidence of unmet need for Gypsy Traveller site provision in Highland.

Table 6.6: 2026 Highland HNDA Key Issues - Core Output 3 Specialist Housing Provision

6.6 Specialist Housing: Rural and Island Housing Issues

There is evidence of disproportionate levels of unmet need for specialist housing in specific rural communities in Highland, with the Sutherland HMA being a particular outlier. Overall in Highland, 14% of all households with health condition or disability and (6% of all households), have an unmet need for specialist housing. In Sutherland, unmet need for specialist housing accounts for 20% and 11% respectively, with an above average

requirement for wheelchair housing (215 homes). All other rural and island HMAs have unmet for specialist housing at a rate equal to or less than the Highland average. This evidence is validated by Highland Housing Register applications for specialist housing which shows a higher proportion of demand in Sutherland (26%) than Highland generally (23%).

Of the 7,540 households across Highland with an unmet need for property adaptations just under 2,000 (1,950) are living in rural areas. Proportionally higher unmet need for adaptations can be found in Lochaber (20% of all households with a health condition or disability), and again in Sutherland (18%). This compares to 16% of the population with health conditions and disabilities across Highland. This evidence shows the need for targeted investment in both specialist housing supply and property adaptations in the Lochaber and Sutherland Housing Market Areas.

Furthermore, the Highland Health & Social Care Partnership highlights the extent of key worker housing challenges across the region with particular pressures associated with the delivery of essential public services in rural areas. This anecdotal evidence is evidenced by analysis of the % of population with unmet social care needs in each HMA. Across Highland 8% of the population are currently on a waiting list for care at home services including 11% who have critical care needs and 57% who have substantial care needs. With the exception of Skye & Lochalsh and Sutherland, all rural HMA have a higher proportion of people waiting for care at home with Lochaber (24%) and Ross & Cromarty West (20%) double the Highland rate.

Unmet need for social care could have significant implications for households with health conditions, disabilities and frailty to live independently and well in a rural setting. Targeted recruitment interventions aligned to key worker housing solutions in rural areas will be necessary to ensure rural inequalities in the delivery of health, care and support services are addressed.

7 Core Output 4: Housing Stock Profile & Pressures

Chapter 7 provides an overview and insight into the housing stock profile and pressures across the Highland area as described in 'Core Output 4' of the Housing Need and Demand Assessment Practitioners Guide (July 2026).

Core Output 4 evidence should:

'profile the local housing stock and identify stock pressures (e.g. hard to let properties stock in high demand and identify those in existing need whose housing need can be met using an in-situ stock solution.

This should consider housing issues faced by existing tenants which would be addressed by managing the existing stock i.e. transfers, improving house condition, reducing overcrowding, making adaptations'.

Assessing the housing stock profile and pressures across the Highland area has enabled the Housing Market Partnership to identify what existing stock is available to meet local housing needs, whilst identifying any under-supply or surplus of housing types. The evidence also indicates where there is scope for the existing housing stock to be managed more effectively to meet housing need through allocations, investment or improving accessibility.

7.1 Core Output 4 Headline Findings

Insight and analysis of Housing Stock Profiles and Pressures focused on the following questions:

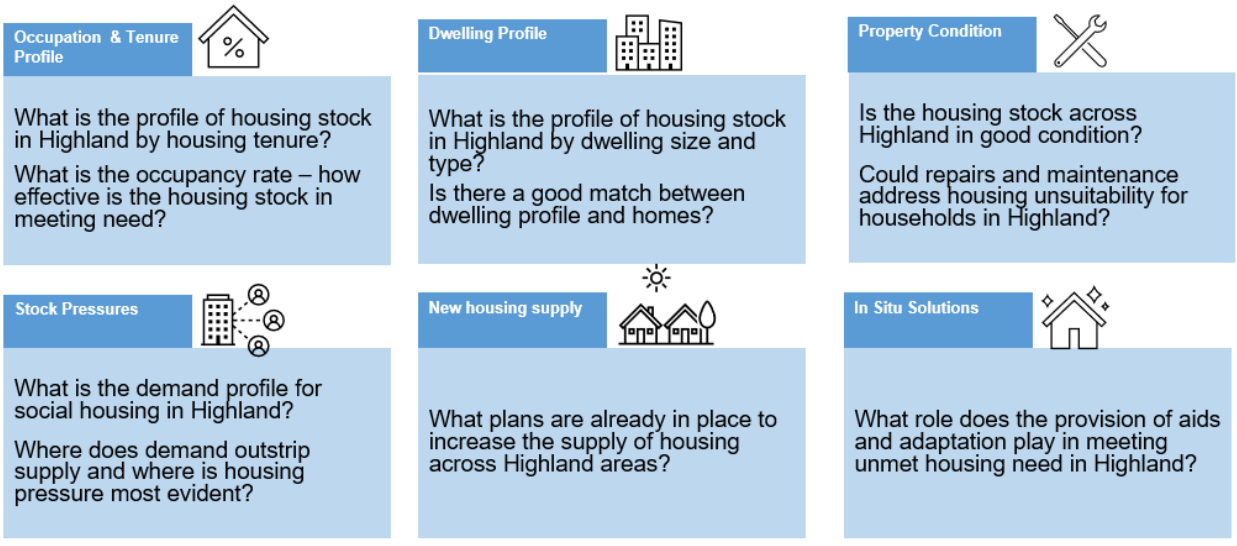


Diagram 7.1: Core Output 4 Key Questions

An interactive briefing with a recorded voice over presents the evidence and provides the headline statistics, main findings and key conclusions associated with the analysis of HNDA Core Output 4: Housing Stock Profile and Pressures: Appendix K: Core Output 4 Briefing (Stock Profile & Pressures).

An interactive data book presenting all Core Output 4 evidence aligned to extensive housing system analysis, can be accessed here: Appendix L: Core Output 4 Databook (Stock Profile & Pressures). This interactive data book presents Core Output 4 evidence in detailed graphs, tables and aligns statistical evidence to summary findings and conclusions at both a Highland and housing market sub-area level.

The key housing stock profile and pressures influencing the operation of the Highland housing system can be summarised as follows:

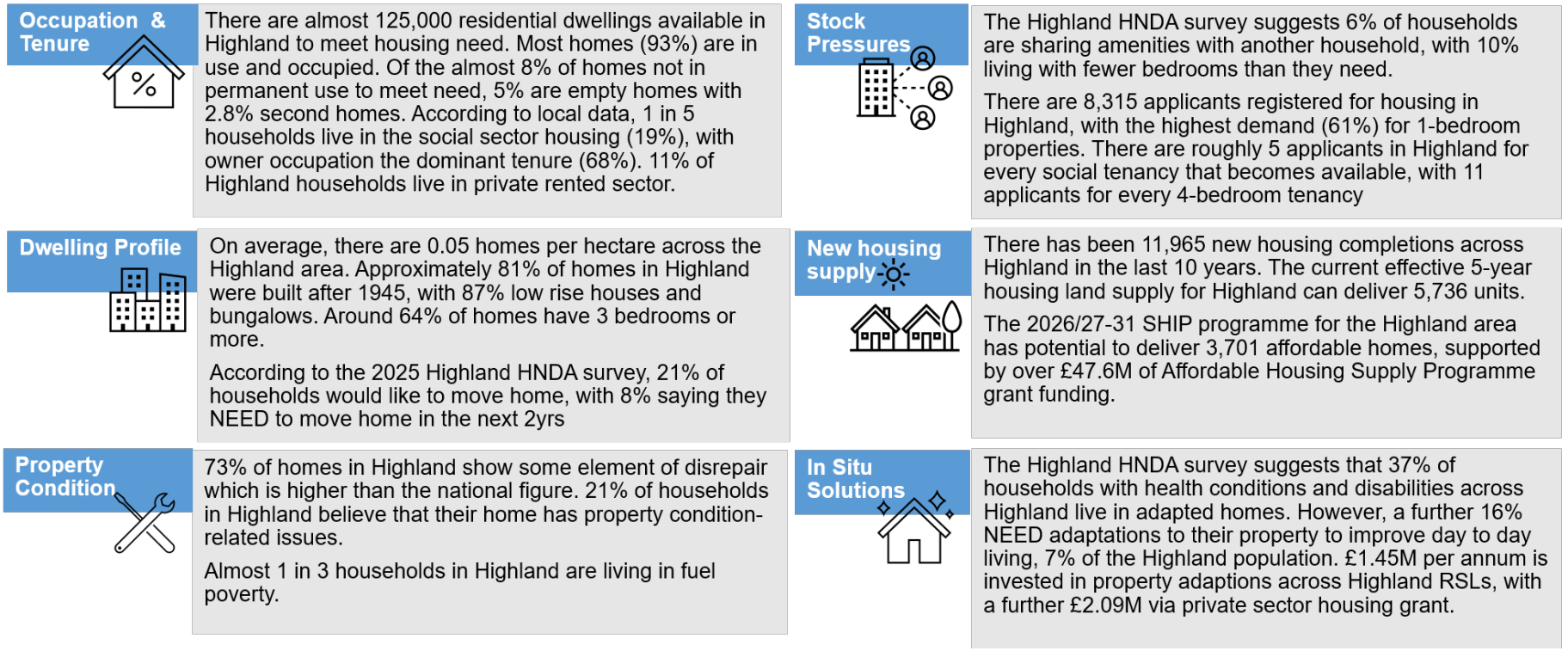


Diagram 7.2: Core Output 4 Key Findings

7.2 Core Output 4: Key Issues – Highland Housing Market Area

The assembly of Core Output 4 of the HNDA has provided the Highland Housing Market Partnership with a clear, evidence-based understanding of:

- key stock condition issues influencing the operation of the Highland housing system
- key housing stock pressures influencing the operation of the Highland housing system
- key stock profile issues influencing the operation of the Highland housing system.

Highland HNDA: Core Output 4: Housing Stock Profile & Pressures	
LHS & Development Plan	Key Issues identified in the HNDA
Housing (condition) quality	• **Property condition:** 21% of dwellings in Highland are considered to be Below the Tolerable Standard (BTS) which is lower than the proportion of BTS properties in Scotland at 28%. According to the Scottish House Condition Survey, the proportion of households in Highland with any evidence of urgent disrepair is 19% which is again lower than the Scottish position of 25%. There is a higher prevalence of BTS and urgent disrepair in older properties (pre-1945) in Highland at 38% and 29% respectively. On average 73% of properties in Highland have some form of disrepair which is higher than the national average of 64%. The proportion of households with evidence of rising or penetrating damp is 5% which is slightly higher than the national position of 3%. • Just over 1 in 5 of all respondents to the 2025 HNDA Survey (21%) stated that that their property is currented affected by property condition issues, which equates well to the Scottish House Condition Survey, which suggests that 19% of all homes in Highland are in urgent disrepair. The majority of serious condition related issues relate to significant dampness (27%), poor ventilation or heating (23%) and inadequate bathroom facilities (7%). • Over and above this, 49% of respondents state that their property requires upgrading or improvement, which is lower than the Scottish House Condition Survey results which suggests that 73% of all homes have some element of disrepair. The need for repair and improvement ranges across Highland HMAs from 39% of households in Badenoch and Strathspey to 63% in Lochaber. • The Scottish Housing Regulator statistics for 2024/25 shows that across the social rented housing stock in Highland, 88% of properties meet the Scottish Housing Quality Standard (SHQS), with 92% of properties compliant with the Energy Efficiency Standard for Social Housing (EESSH) as of March 2022 (with figures no longer available for March 2025).
Size, type, tenure and location of future social housing supply	• **Occupation profile**: In 2025, there were 123,395 dwellings on the Highland Council Tax register, a decrease in Scottish Government dwellings estimates of 124,812 in September 2024.

	Scottish Government statistics suggest that 93% of housing stock across Highland is occupied, which is lower than the overall figures for Scotland at 95.9%. Approximately 9,347 (7.5%) dwellings were ineffective across Highland (i.e. not being used as a principal homes) with around 3,740 long term empty homes. 1.7% of dwellings of empty stock have an unoccupied exemption which is in line with Scotland overall. The proportion of dwellings in Highland with occupied exemptions, 1.5% (1,852 dwellings), is lower than is found in Scotland (3.3%). Across Highland, 3% of dwellings were long-term empty homes as of September 2024, which is higher than the findings for Scotland at 1.6%. Over and above this, there were 3,432 second homes across Highland in 2024 which represents 2.8% of the total housing stock. This is notably higher than the national proportion at 0.8%. • Recent analysis of occupancy from the Highland Council Tax Register (2025) which also considers short-term letting, suggests occupancy levels across Highland has remained fairly static with total occupied dwellings accounting for 90% of all homes. This ranges significantly from an occupancy rate of 77% in Skye and Lochalsh to 95% in East Ross and Mid Ross. Overall, the total number of ineffective properties is slightly higher than the Scottish Government statistics at 10%. • According to Council Tax records, there are 3,670 long-term empty homes in Highland, accounting for 3% of total housing stock. A further 3,014 dwellings are classified as second homes, representing 2% of all dwellings across Highland. The Council's short-term lets (STLS) register also identifies 5,542 properties registered for short-term letting. • When considering the scale of ineffective housing stock (empty homes, second homes and STLs) on occupancy levels, housing pressures are particularly evident in Skye & Lochalsh (23%), Ross & Cromarty West (22%) and Badenoch & Strathspey (20%). Additionally, the high proportion of house sales from out with Highland in these HMAs may also be contributing to the occupancy pressures in these areas (see section 2.11). • Taken together, this suggests that while overall occupancy levels remain relatively high in Highland, the availability of principal homes for permanent residents may be constrained in certain HMAs as a result of ineffective housing stock. This is a particular pressure in rural and island Housing Market Areas.

	• **Tenure profile:** According to the 2025 Council Tax register, 68% of households in occupied dwellings in Highland reside in owner-occupied homes, followed by 21% in social housing, and 11% in private rented accommodation. This tenure profile is validated when triangulating data on owner occupation in Highland from the 2022 Census (68%), 2023 Scottish Government Housing statistics (65%) and the 2022-24 Scottish House Condition survey (72%). • According to the 2022 Census, Highland has a lower proportion of social rented stock (19%) when compared with Scotland (22%). These figures are similar to Scottish Housing Statistics in 2023 which estimates social housing accounts for 18% in Highland compared to 23% in Scotland. The proportion of social rented housing is further validated through the 2025 HNDA Survey with 19% of households living in social rented homes. • There has been growth across all housing tenures in Highland between 2011 and 2022. The social rented sector increased by 12%, from 19,318 homes in 2011 to 21,731 homes in 2022, representing an additional 2,413 homes. Owner-occupied housing increased by 10%, from 68,600 to 75,697 homes, an increase of 7,097 homes. The private rented sector experienced the highest proportionate growth, increasing by 18%, from 10,079 homes in 2011 to 11,924 homes in 2022, equivalent to an additional 1,845 homes. • According to the 2025 Council Tax register, social renting is proportionally highest in East Ross (30%). That said, most of the Highland HMAs have a lower proportion of social housing than the Scottish average of 22%, with the exception of Lochaber (24%) and Caithness (21%). In absolute terms, 33% of all social housing is located in Inverness HMA, followed by 13% in East Ross and then 12% in Caithness. • According to the 2025 Council Tax register, Highland's private rented sector accounts for 11% of all homes which is slightly smaller than the PRS in Scotland at 13%, (Census 2022). This estimate is higher than Scottish Government dwelling statistics that suggest a PRS accounting for 9% of all homes in Highland and much smaller than the Scottish House Condition Survey estimate that suggests the PRS accounts for 23% of all homes in Highland. As Scottish House Condition Survey findings are assembled from a very small sample base, the Highland 2025 Council Tax Register and Private Landlord Registration statistics are considered to provide

	a more credible estimate of private rented dwellings in the Highland region and have been selected as the most credible source for HNDA reporting. According to the Highland Private Landlord Register there were 11,939 registered properties in Highland as of March 2026. The majority of private rented homes are in Inverness HMA (45%), followed by Badenoch & Strathspey and Mid Ross (8%). This aligns with the findings of the 2025 HNDA Survey with 45% of private rented sector dwellings located in Inverness, followed by 8% in Badenoch and Strathspey. Inverness has the highest proportion of private rented homes (13%) of any HMA in Highland followed by Badenoch & Strathspey (12%). • According to the 2025 HNDA Survey, outright ownership in Highland sits at 39%. The proportion of outright home ownership varies across HMAs with the highest level in Sutherland at 56% and the lowest in East Ross at 32%. • **Dwelling type and size:** According to 2025 HNDA survey results, 81% of dwelling types in Highland comprise a house or bungalow, with 59% of all dwellings offering three or more bedrooms. The dwelling type findings are validated when compared with the 2022 Census with 85% of dwellings being house/bungalow and 62% three or more bedrooms. • The 2025 HNDA survey indicates that there is a much higher proportion of bungalows and houses in the owner-occupied sector (87%) than flatted accommodation (including four-in-a block, tenement and maisonettes) (9%). This dwelling profile is validated by the Scottish Household Survey average dwelling type profile for Highland in 2023 (93% house and 7% flats). • For social housing, houses and bungalows also dominate house types, but less so than in the owner-occupied sector, at 70%, with flats representing 27%. House types are dominated by houses and bungalows across HMAs in Highland, from 72% of local stock in Badenoch & Strathspey to 93% of stock in Ross & Cromarty West. • According to Scottish Government Housing Statistics, in 2017, 33% of dwellings in Highland had 1 to 3 rooms, with the majority (67%) offering 4+ rooms per dwellings. This dwelling size profile has not changed since 2007 but has significantly from the Census outcomes in 2011 when 11% of dwellings had 1-3 rooms and 89% had 4+ rooms. • The 2025 HNDA survey results indicate that across Highland, 41% of homes offer 1-2 bedrooms, with the

	majority (54%) offering 3-4 bedrooms and 5% offering 5+ bedrooms. • The 2025 HNDA survey results also indicate that this bedroom size profile varies across Highland HMAs with the largest number of 1-2 bedroom properties in Inverness at 46%, the largest number of 3-4 bedroom properties in Ross & Cromarty West at 60% and the largest number of 5+ bedrooms in Mid Ross, Skye & Lochalsh and Sutherland HMAs at 7% each. • 69% of respondents to the 2025 HNDA Survey who occupied dwellings with 3 or more bedrooms were owner occupiers, with the remaining 31% living in a dwelling with 1 or 2 bedrooms. • In contrast, in the social housing sector, a significantly higher proportion of homes with 1-2 bedrooms (69%) is evident, with fewer 3+ bedroom dwellings (31%). This pattern is echoed in the PRS where 54% of dwellings offer 1-2 bedrooms, with 46% 3+ bedrooms. • Whilst 58% of homes across Highland offer 3+ bedrooms, the house size profile in the social housing and the private rented sector will restrict the availability of housing options for larger household types. The growing population of smaller and single person households across Highland also raises questions over a growing mismatch of households to homes by property size
Housing stock pressures	• **Stock pressures:** As per CHMA estimates, 1.57% of Highland dwellings are considered to have overcrowded households, with 1.8% of households with at least one concealed family. These statistics are slightly lower than the national position for overcrowded and concealed households. The results for overcrowding are also similar to the results from the Scottish House Condition Survey 2022-2024 which estimate that 2% of households in Highland are overcrowded. • Results from the 2025 HNDA survey suggest that 10% of households living in Highland (10,726 households) are overcrowded, with 6% concealed within another household. Cross tabulations of the HNDA Survey data reveal at 1.3% of households (1,492) are both overcrowded and concealed. • Most respondents to the HNDA Survey (94%) state that they do not share amenities with any other separate household; with the majority (89%) also stating they do not have overcrowding issues. However, 9% (9,723 households) said they had one fewer bedroom than needed, with a further 1,003 households (1%) stating

	they had two or more fewer bedrooms than needed. Whilst 10% of survey respondents expressed issues with overcrowding, this compares to 22% (24,471) households who said they had one or more too many bedrooms than they need. • In 2024/25, 1,620 social tenancies (7% per annum) turned over in Highland each year from a stock of 23,777 units. The majority of turnover is in Inverness, 413 units (25%) and 247 units in East Ross (15%). Across Highland there are 8,315 waiting list applicants on the Highland Common Housing Register (CHR) who have expressed demand for social housing. This equates to roughly 5.1 applicants to every 1 available social tenancy. Most housing applicants express demand for 1-bedroom homes (61%), with 9.1 applicants waiting for every 1-bedroom tenancy that becomes available. Whilst overall demand for 4+ bedroom homes accounts for just 6% of the waiting list, housing pressure is significantly higher given a smaller proportion of 4+ bedroom homes in the sector (3%) and a lower than average turnover rate[10] (4%). As a result, there are 11.9 applicants waiting for every 4-bedroom tenancy that becomes available in Highland. • The highest demand on the waiting list is for the Inverness HMA at 44% of applicants, followed by Lochaber with 10%. The lowest demand is for Ross & Cromarty West HMA with 2% (198 applicants). Less than 1% of housing applicants in Highland have no assessed housing need (0.8%) or low housing need (29.5%), whilst 31% have high housing need. One in five HHR applicants (21%) have applied as a result of health and disability needs, with 10% having been assessed with medium-high medical points. A significant proportion of applicants (17%) are experiencing overcrowding, homelessness (10%) or sharing amenities with another household (6%). • **Future Supply:** Projected SHIP completions between 2026/27 to 2030/31 are currently estimated to deliver 3,701 units across Highland, with 22% of completions programmed in 2026/27. There overall SHIP programme contains 272 projects, including 59 projects approved prior to 2025/26. Of these projects, 30 are supported through the Rural & Islands Housing Fund. Of the 3,701 affordable homes programmed over the next 5 years, 42% are located in Inverness, followed by 18% in East

[10] The average turnover rate of social housing in Highland is 3%

	Ross. The planned programme also includes 8 projects identified as either open market purchases or off-the-shelf purchases. The 5 year effective land supply set out in the Housing Land Audit 2024 equates to 5,736 housing units across Highland. The total historic house completions over 2014/15-2024/25 for Highland stand at 11,965 units. The majority of these units were delivered in the private sector accounting for 75% of completions, followed by RSLs with 14% then Highland Council at 12%. The number of housing completions in Highland have decreased by a substantial 29% in the last 3 years from 1,325 to 943, with the number of housing starts also having decreased (by 30%) in the same timeframe from 1,142 to 805. • **In-situ solutions:** Analysis of Highland's housing stock profile and pressures identifies a range of factors contributing to housing needs. Across Highland there is potential for stock management approaches to be implemented to address housing need which maximise the use of existing housing assets. These 'in-situ' solutions offer a variety of approaches and opportunities which could be considered by partners across the Highland area. These include: • **Adaptations:** According to the 2017-2019 Scottish House Condition Survey, whilst 26% of households have an adaptation in their dwelling, 3% of households need an adaption to their dwelling. 29% of social housing tenants across the Highland area have adaptations in their home. According to the 2025 HNDA survey, 37% of all households who have health conditions or disabilities are currently living in adapted properties, with the most common adaptations being handrails (25%), level access showers (20%) and ramps (9%). In contrast, 16% of respondents with a health condition or disability confirmed that they had unmet demand for housing adaptations, amounting to 7,538 households. This equates to 7% of all households across Highland. Most respondents report unmet need for level access showers (3,130), handrails (2,014), followed by ramps (1,592). In 2024/25, total spending by social landlords on housing adaptations was approximately £2.1M, with a further £2M of grant funding available. In total nearly £4.2M was spent on adaptations in the social housing sector.

	Furthermore, £2.09M invested in private sector housing via the Scheme of Assistance (Scottish Government statistics 2024/25). • **Technology Enabled Care:** Over 3,565 households across Highland are supported to live independently as a result of using assistive technology (Telecare). Increasing investment in technology enabled care as well as other support for independent living will enable households to live well in the community they choose, reducing reliance on institutional care (as detailed in Core Output 3, Chapter 6). This approach will enable Highland Health and Social Care Partnership and partners to meet the needs of a growing population of older people, as well as young people with complex needs without the need for new specialist housing provision. This is reflected in the Highland HSCP Strategic Plan (2024-27) which places a strong emphasis on technology-enabled care (TEC) as a key enabler of independent living, prevention, and sustainable service delivery. Technology is seen as a core part of the future care model in Highland, with a dedicated Technology Enabled Care (TEC) programme devoted to mainstreaming the use of o Telecare (personal alarms and remote monitoring) o Telehealth (remote healthcare support and monitoring) o Digital communication and video-calling technologies that help people stay connected with carers, family and services. • **Housing allocations:** Just over 7% of households are currently registered on social housing waiting lists across Highland (8,308 applicants). 17% of all applicants are overcrowded. Housing allocations policies across social rented landlords are designed to make best use of existing stock by awarding points to applicants who are overcrowded, under-occupying, or sharing facilities with another household; as well as those with a range of other defined needs. The 2025 HNDA survey suggests that 22% of households across Highland are under-occupying their homes. Incentives to encourage movement across the housing stock including encouraging under-occupiers to downsize could make some contribution to addressing housing need along with new supply which meets household size. Furthermore, CHR partners strategically use the common housing allocation framework to create movement across the social housing stock, enabling a

	better match of households to existing properties. In the last 3 years, over 1,000 transfer applicants have successfully been rehoused, freeing up the same number of properties to meet the needs of those on the housing waiting list. This is based on 3-year annual average transfer allocations of 334. • **Housing condition and repair:** According to the Scottish House Condition Survey, 19% of all homes across Highland show evidence of urgent disrepair with 7% of all Highland households in need of property adaptations. Mechanisms to support of property maintenance, improvement and adaption including funding and support to private homeowners via the Scheme of Assistance, are likely to have a major role in maximising the effectiveness of existing stock and helping to alleviate some aspects of housing need including fuel poverty. Between 2023/24 and 2024/25, 598 private sector housing grants were awarded according to Scottish Government Scheme of Assistance statistics. • **Empty Homes:** 4.7% of all dwellings across Highland are currently classified as vacant (5,915 properties), which is higher than the Scottish average of 3.3%. 3% of all dwellings are long-term empty homes. Investing in long term empty properties not only increases the supply of local housing but improves condition of housing stock and helps to regenerate communities. Continued investment in bringing empty homes back into use could make a positive contribution to meeting housing need across Highland. In the last 2 years, 80 empty properties have been brought back into use as permanent homes, including 45 properties in 2023/24 and a further 35 properties in 2024/25. The Empty Homes Strategy 2025-2028 provides a targeted approach to this work, including prioritisation resources within communities where there is evidence of high housing need alongside limited housing supply. The Council has also introduced an Empty Homes Challenge Fund to provide financial support to owners to bring privately owned empty properties back into use. Continued investment in bringing suitable empty homes back into permanent occupation could therefore make a positive contribution to meeting housing need alongside the delivery of new housing supply. • **Second Homes:** There are around 3,432 second homes across Highland. Analysis of the Highland Council Tax Register in 2026 shows that second homes account for

around 2% of all Highland dwellings. This increases to 8% in Badenoch & Strathspey, 7% in Ross & Cromarty West, 6% in Sutherland and 5% in Skye & Lochalsh.

The highest levels of second-home ownership are concentrated within some of Highland's rural Housing Market Areas, where the overall supply of housing is smaller and where there are also wider pressures on the availability of principal homes. Badenoch & Strathspey, Ross & Cromarty West, Skye & Lochalsh and Sutherland all record relatively high levels of second homes alongside disproportionate levels of short-term lets and house sale transactions from out with Highland.

Highland Council has introduced additional measures intended to encourage more effective use of the existing housing stock. From April 2026, second homes are subject to a 100% surcharge on Council Tax (essentially doubling its value). This additional mechanism has been implemented alongside wider housing and planning interventions as part of the Highland Housing Challenge Action Plan. The effectiveness of these measures will require ongoing monitoring, particularly within rural HMAs where second homes form a notable proportion of the overall dwelling profile.

- **Short Term Lets:** According to the Highland Council Short-term Lets Register in 2026, there are 5,542 short-term lets in Highland, equating to around 4.5% of dwellings. However, there is considerable variation across the HMAs with STLs accounting for 13.3% of dwellings in Skye & Lochalsh, 9.1% in Ross & Cromarty West, 8.3% in Lochaber and 8.1% in Badenoch & Strathspey. This compares with less than 2% of dwellings in Caithness, East Ross and Mid Ross.

  Analysis of the Short-Term Let Register also indicates that the number of STLs has increased by 19% over the last 3 years from 5,809 in 2023 to 6,913 in 2025. Growth in STL licenses has been notable in Skye & Lochalsh from 15% in 2023 to 18% in 2025, and in Ross & Cromarty West from 10% to 12% of dwellings. This suggests STLs have a significant impact on effective housing supply in particular HMAs, often in rural areas.

  Further analysis undertaken by Highland Council to inform the consideration of Short-Term Let Control Areas (STLCAs) provides additional evidence of this pressure within particular housing markets. In Skye & Lochalsh, 13.6% of homes sold between 2019/20 and 2023/24 subsequently became STLs, while 9.5% of homes built within the previous five years across a proposed

	Highland Rural Control Area were operating as STLs. The Council has also identified individual communities including parts of Portree, Fort Wiliam, Dornoch and Inverness where STLs account for more than 20% of homes. This evidence shows that the impact of STLs in Highland is highly spatial and focused most often in Highland's rural and tourism-driven housing markets. Badenoch & Strathspey became Highland's first Short-term Let Control Area (STLCA) in March 2024, with STLs now requiring planning permission for change of use from principal home to secondary letting. Early monitoring undertaken by Highland Council indicates that the Control Area may be contributing to slower growth in secondary STLs including fewer newly built and recently sold properties becoming STLs. Following further assessment of housing market pressures across Highland, the Council agreed in September 2026 to submit proposals to the Scottish Government for two additional Short-term Let Control Areas covering Inverness City and a wider Highland Rural Area. The proposals are intended to provide greater control over the future movement of residential properties into secondary short-term letting within areas where the evidence indicates this is contributing to housing pressures.
Sustaining communities	• **Support for Private Owners:** Highland Council and its partners promote and encourage the best use of existing private sector stock via a range of initiatives (including advice, assistance and sign posting to grant funding) to bring ineffective housing back into use. Properties in poor condition also remain a focus, ensuring owners are assisted to help their properties meet the tolerable standard and are in a habitable condition contributing to the supply of habitable dwellings. Between 2023/24 and 2024/25, 598 private sector housing grants were awarded according to Scottish Government Scheme of Assistance statistics. Through the Council's Scheme of Assistance, the Council continues to assist owners living in mixed tenure blocks with the provision of advice and, in some cases, financial grant assistance where the blocks are included in the proposed Housing Improvement Programme. The provision of grant assistance is considered only where the parts of the property that are subject to improvement works are owned in common with Highland Council's housing stock.

	• **Empty Homes:** There are currently 3,670 long term empty homes across Highland (2025) with potential to be returned to use to make a positive contribution to meeting housing demand. Highland's Empty Homes Strategy 2025-2028 focuses specifically on long-term empty properties, rather than other houses not used as primary residences. To achieve this, the strategy sets out a package of enablement support measures to assist owners to return empty homes back into use including: o access to merchant discounts and VAT reductions o advice on accessing Auction House Scotland o advice on options for end use (e.g. sale or letting); repair issues; Council Tax and funding opportunities e.g. energy or water grants o assistance to secure Council Tax discounts or exemptions o gauging owner interest in purchase or lease by Highland Council. In the last 2 years, 80 empty properties were brought back into use as permanent homes with the support of the Highland Council Empty Homes Service. • **Strategic Investment:** Open Market Acquisition Schemes are utilised to target properties that have a strategic role in meeting housing need at a local level. There is funding available through the Highland Strategic Housing Investment Plan 2026/27-2030/31, to pursue private sector property acquisitions for use as affordable housing is areas of high housing pressure[11]. This includes funding of over £600k in 2025/26 for open market purchases to relieve temporary accommodation pressures in 2025/26, and additional funding to support property acquisitions for key worker housing. Furthermore, the SHIP has made funding provision for the acquisition of up 20 off the shelf purchases across Highland to relieve housing pressure in identified areas. As part of the Highland Council's approach to integrated asset management, a number of properties have been targeted for sale as a result of their net present value and ownership composition. Ongoing asset performance analysis will inform future investment and disposal proposals.

[11] These arrangements are aligned to Scottish Government Affordable Housing Supply Programme (AHSP): process and procedures MHDGN 2026/01, June 2026. These procedures set out the role of the SHIP in defining programme proposals (including property acquisitions) aligned to SHIP investment priorities and the use of AHSP funding for this purpose subject to the required approvals and consents.

	• **Regeneration Activity including Town Centre Regeneration:** Highland Council's approach to town centre regeneration seeks to create more active, attractive and accessible town centres through environmental improvements, redevelopment of vacant and underused land and buildings, and improved connectivity. The Council's Town Centre Action Plans and wider regeneration programmes support the delivery of housing in town centres, encourage the productive reuse of vacant buildings, and contribute to broader place-making, economic development and community sustainability objectives. Supported by development guidance on town centre action planning, key examples include: • **Fort William Town Centre Action Plan** which focuses on improving the town centre environment, public realm, transport connections and redevelopment opportunities. • **Nairn Community Town Centre Plan** which seeks to strengthen the town centre as a community and commercial focus, improve pedestrian movement and encourage redevelopment. • **Tain Town Centre Action Plan** which aims to increase town centre activity, reuse vacant buildings and improve the quality of the public realm. • **Inverness Strategy** which supports the regeneration of Inverness city centre by directing footfall-generating uses into the centre, promoting city-centre living, and enhancing active travel and public transport connections. Highland Council are also progressing strategic plans for housing led regeneration through the progression of three masterplan consent areas (MCAs). MCAs are a new tool available to local authorities that allow decisions on housing development to be accelerated working in partnership with communities and developers to co-produce a Masterplan for an area. As long as future development is aligned to the Masterplan then no planning permission is necessary. As well as strong collaboration and stakeholder engagement, the delivery of MCAs depends on finding sites: • that are viable and where people want to purchase or rent a home • where there are no insurmountable environmental constraints • where public service providers can support infrastructure network investment

- Scottish Government grant funding for affordable housing and other service connections can be sourced.

These factors were central to the initial consideration of potential MCA locations, with the following masterplan proposals developed for partner and community consultation:

- Arderseir: 400 homes
- Essich Road, Dores: 315 homes
- Embo: 60 homes.

Community engagement has commenced to reshape and refine proposals, with governance proposals under development to enable community and development partners in each MCA to participate in ongoing design team meetings, co-authoring a suite of documents akin to a full planning application submission. This innovative process allows a quicker, more intensive new approach to delivering much needed new homes in Highland.

- **Tenure Diversification (including demand for intermediate housing):** The Council and its partners recognise the importance of improving the structure of local housing markets through the provision of intermediate housing products, including mid-market rent; shared equity and low cost home ownership options. Such products help encourage a flexible and well-functioning housing system.

  A key aim of the Highland Strategic Housing Investment Plan 2026/27-2030/31 is that around 20% of the affordable build programme is targeted for Mid-Market properties. This is part of a wider commitment to delivering 30% of new homes as low cost housing options, including low cost home ownership and new supply shared equity.

  Highland Mid-Market Homes: The development of a Mid-Market Rent (MMR) delivery model by Highland Council forms a key strand of the Highland Housing Challenge, in response to the increasing difficulty faced by households and key workers who are unable to access social housing but cannot afford open market options. As local authorities in Scotland are not legally allowed to use Private Residential Tenancies, an Arm's Length External Organisation (ALEO) is under development providing the legal delivery mechanism to allow Highland Council to deliver Mid-Market Rental Homes.

	A new ALEO 'Highland Mid-Market Homes' will operate as a separate legal and commercial entity, independently managed from existing Council housing provision. Highland Mid-Market Homes will be in place by April 2027, providing the required legal separation while allowing the Council to retain strategic oversight and alignment with wider housing objectives. In parallel with ALEO development, early delivery activity is being progressed to maintain momentum and support initial provision of homes. This includes bringing forward 21 two-bedroom flats in Inverness, which will be let initially as Key Worker Housing under a temporary tenancy. Subject to final approvals, these homes are intended to transfer into the Mid-Market Rent portfolio once Highland Mid-Market Homes becomes operational. **Highland Housing Alliance:** HHA is a not-for-profit housing developer, working across Highland communities to deliver Mid-Market Rent (MMR) and private homes for rent. Since being established in 2005, HHA have delivered more than 680 MMR homes and expect to complete 50 properties in 2025/26. HHA homes are targeted to relieve workforce housing pressure in Highland, supporting the growth and operation of local economies. Highland Housing Alliance homes are marketed online and allocated via the Highland Housing Register and a following a needs assessment process. In 2026, HHR began recording the status of applicants that are key workers and therefore the targeted beneficiaries of MMR. 244 applicants have been identified to date, with further engagement planned to test appetite for available MMR properties. • **Partnership delivery models:** SSEN Transmission are the first developer in Highland to make commitments to legacy housing under a new Social Value Charter, having committed to contributing over 400 permanent homes in the Highland Council Area. A strong partnership has been established between SSENT, the Council, Registered Social Landlords (RSLs) and SSENT's contractors looking to develop sustainable and legacy housing for Highland. A range of accommodation solutions are being progressed which will deliver a combination of permanent housing, refurbishment of older housing stock and temporary worker accommodation villages. Where accommodation villages are required, the infrastructure associated with these

	(water, sewage, roads, paths) will be left after use to enable future house building

Table 7.1: 2026 Highland HNDA Key Issues - Core Output 4 Housing Stock Profile and Pressures

7.3 Stock Profile and Pressures: Rural and Island Issues

There is clear evidence of housing stock pressures in rural and island communities particularly in relation to ineffective housing stock and its impact on reducing the availability of principal homes. Across Highland, 1 in 10 homes can be described as ineffective housing stock including 3% long-term empty homes, 2% second homes and 4% short-term lets. All rural and island HMA exceed these levels, most notably in Skye & Lochalsh (23%), Ross & Cromarty West (22%) and Badenoch & Strathspey (20%). Ineffective stock pressures are driven by both second homes and short-term lets in Ross & Cromarty West (7% second homes and 9% STLs) and in Badenoch & Strathspey (8% respectively). In Skye & Lochalsh, pressures are exerted by the short-term letting sector with accounts for a substantial 13% of all homes. Targeted policy interventions such the second home Council Tax levy and consideration of further Short-term Let Control Areas (STCAs) are mechanisms which could protect the availability of principal homes for local communities.

There is also evidence to suggest Short-term Let Control Areas can influence the proportion of sales arising from in-migrating purchasers, a key driver of housing inflation, as outlined in section 2.11 of this report.

Housing pressure is also evidenced in the demand for social housing in rural and island Housing Market Areas. With the exception of Sutherland and Skye & Lochalsh, all rural HMAs have a higher ratio of waiting list applicants to social housing turnover than the Highland average (5.1 waiting list applicants for every available tenancy). In Badenoch & Strathspey there are 7.1 applicants for every let, with demand pressures for 4-bedroom homes particularly acute at 20.0 applicants for every let. Targeted intervention in new social housing supply could address these specific housing pressures.

As well as investment in new housing supply, there is evidence of a need for investment in repair, maintenance and improvement work in rural communities. Across Highland, 21% of households report property condition issues in their current home. Significantly higher rates of poor property condition are evidenced in Sutherland (28%), Lochaber (29%) and Skye & Lochalsh (30%). Targeted advice, assistance and funding opportunities to encourage landlords and home owners to invest in property maintenance and repair, could be particularly beneficial in rural and island communities.

8 Stakeholder Consultation & Engagement

A crucial element of producing the 2026 Highland HNDA study has focused on securing the scrutiny, feedback and support of external partners and stakeholders in building the HNDA evidence base and in validating Core Outputs and housing estimates.

As well as ongoing collaboration and consultation across the Highland Housing Market Partnership (outlined in detail in Section 1.4), a stakeholder engagement programme was designed to ensure that the HNDA is informed by meaningful engagement with local housing experts and stakeholders.

This program provided invaluable opportunities to share and validate housing systems evidence, as well validation and scrutiny of HNDA outcomes. Key elements of the HNDA consultation and engagement activity include:



Diagram 8.1: 2026 HNDA Consultation & Engagement Programme

To ensure external stakeholders were offered meaningful opportunities to engage in the HNDA process, two major stakeholder engagement events were held between February and September 2026 providing an opportunity to:

1. scrutinise HNDA calculation assumptions and validate housing estimates: 23rd September 2026
2. validate specialist housing estimates and discuss the range of strategy and supply interventions required across Highland to meet housing need: 9th February 2026.

To maximise opportunities for engagement, in-person events using interactive consultation techniques were deployed to encourage stakeholder engagement and participation.

Detailed briefing papers which record stakeholder views and perspectives on HNDA evidence and analysis for each stakeholder engagement event are available in the following appendices:

- Appendix M: HNDA Estimates Validation Workshop - Consultation Report.
- Appendix N: Specialist Housing Workshop - Consultation Report.

The consultation themes, feedback and engagement outcomes associated with each HNDA conference event are detailed below.

8.1 HNDA Calculation Validation Conference Outcomes

The purpose of the HNDA Calculation Validation Conference on 23rd September was to allow external stakeholders to apply scrutiny to each component of the Highland HNDA calculation, namely estimates of newly arising and existing housing need. Delegates from across a key range of stakeholders were presented with background information on the Highland HNDA process, as well as the housing market evidence on what's driving the extent and nature of housing need across the region. A wide range of stakeholder and partner interests were represented at the event from public, private, third and community sectors. Appendix A provides full details of the stakeholders who attended and participated in each workshop. In total, 46 partners and stakeholders attended the conference event and participated in the debate, with a further 12 contributing at a follow-up event on the 5th of October.

The event was successful in validating the evidence and assumptions that underpin housing estimates and in securing stakeholder support for the range of estimates that should be used as the basis for future housing planning and land-use strategy.

The HNDA stakeholder conference proved to be a successful and engaging event, providing meaningful feedback to the Highland HMP, validating the range of housing estimates presented and providing crucial feedback on the contextual factors which should be given serious consideration when using housing estimates as the basis for future policy development. Stakeholder feedback from the September conferences was used to validate HNDA calculation scenarios as well as HMP judgements on the most credible range of housing estimates to form the basis of final HNDA outcomes.

Evidence on key housing market drivers and topline outcomes arising from the Highland HNDA household survey were scrutinised by stakeholders with opportunities to highlight and share further local knowledge to help inform housing estimates. The main themes which emerged from stakeholder discussion were as follows:

- that contextual evidence on key economic and demographic trajectories is sobering, including a declining birth-rate, growing ageing population and under-performance in the Highland economy driven by housing related recruitment and retention problems
- whilst sobering, the contextual evidence on the impact of housing shortage on communities and the economy, supports the view of many stakeholders that a departure in the approach to housing delivery planning needs to take place. The last Development Plan in 2024 (Inner Moray Firth Local Development Plan 2) was described as ‘planning for decline’ in terms of housing delivery by some stakeholders. There was support for the view of economic development partners that housing delivery planning should reflect economic expansion in the region
- the evidence of a declining working age population and acute housing related recruitment and retention issues across Highland was noted as fueling the region’s future risk of depopulation. Developing a housing led approach to realising the potential substantial growth in the region’s energy sector must be strategic priority in future housing and development strategies. Building the social infrastructure to enable this must also be a priority
- it was noted that whilst future housing estimates must plan for economic growth, they must also actively plan for community sustainability. Even small housing supply increases in fragile rural communities can support the retention of working age households, a key factor in improving community sustainment
- the evidence on housing affordability is stark but recognisable given the experience of Highland residents facing major housing access challenges. The extent to which inward migration into Housing Market Areas may be influencing housing affordability is of particular interest, as is the relationship between inward migration and high numbers of second homes and short-term lets. It was recognised that HNDA evidence could be crucial in pursuing policies to manage ineffective housing stock in areas where the operation of the local housing system is affected
- social care colleagues made the connection between the growing population of older people, high levels of under-occupation and increasing numbers of households working into older age. Housing solutions to meet the needs of this particular cohort would not only release much needed housing stock but provide long term sustainable and affordable solutions to support appropriate retirement
- key worker housing pressures are impacting on the delivery of essential public services and particularly on adult social care. The need for a key worker housing strategy cannot be overstated within any consideration of a workforce housing strategy in the Highlands.



Stakeholders agreed that using a local estimate of existing housing need could be justified within the HNDA calculation given the 'extremely low' starting point offered by the Scottish Government toolkit as an initial measure. It was agreed that current pressures associated with specialist housing and the scale of registrations from housing list applicants (currently 8,900 applicants) suggests the local estimate is a sound measure of existing housing need.

It was noted that whilst housing waiting lists and homelessness statistics offer credible data sources measuring existing need, they do not capture the wider population of households experiencing hidden homelessness, including those in temporary and insecure accommodation. Partners were assured that the HNDA survey outcomes were used to tackle this insight gap, including identifying the population of households who **need** to move because their *accommodation is temporary.*

"It's good that the HNDA survey has helped to identify the scale of hidden households in Highland who are living in insecure housing as a result of housing shortage. This is an important population who cannot be overlooked, particularly in rural areas. An unaffordable private rented sector and limited access to social housing place many in temporary or precarious housing"

"I think if the Highland Housing Register currently has about 8,900 applicants registered, this estimate of existing housing need is in the right place. Whilst the HHR will include aspects of aspiration and demand, it won't pick up hidden households in need who haven't applied for social housing, so this seems like a fair estimate.

It was noted that the credibility of the household survey sample, appropriate validation of the responses and comprehensiveness of the evidence base on existing housing need, enhanced stakeholder confidence that the estimate was robust.

"I feel assured by the quality of the evidence base and depth of evidence on local household circumstances that has been assembled"

"The Diffley Partnership research commissioned by Homes for Scotland used household survey data to build a comprehensive assessment of existing housing need. This approach feels right to me."

Stakeholders were also supportive that a 10-year period to address existing housing need was an appropriate assumption within the HNDA calculation, whilst also aligning well to LDP timescales. It was noted that whilst backlog need had increased between the 2021 and 2026 HNDA estimates, extending the timescale further could result in Highland households living in unsuitable housing for over a decade. It was also noted the recent slowdown in housing completions both locally and nationally would render a more ambitious timescale somewhat unrealistic.

"When we look at historic housing delivery rates and the failure to eradicate existing housing need in Highland, it makes it very difficult to justify reducing the 10-year period to a 5-year period. In fact, a 10-year period may not be realistic, but can we extend this timescale any further given the impact on households waiting for solutions?"

"Ten years seems like a long time to ask a household in need to wait but it may be the most realistic assumption to make given current construction pressures which are affective housing delivery on the ground. We need to find the right balance between delivery rates and meeting housing need and 10-years, whilst not ideal, feels about right.

Resourcing this scale of unmet need housing will require careful planning and consideration from both a funding and construction capacity perspective. Whilst stakeholders recognised the longer clearance period increases the risk that figures will change over time, they also recognised that this scale of need merits an extended period. The capacity of Highland's construction sector was a particular concern for stakeholders as they acknowledged this finite pool will have competing demands from both housebuilding projects and the substantial RTO and infrastructure projects that are projected.

"Construction skills and labour shortages could be a barrier especially given competing needs from RTO projects in addition to housebuilding requirements"

"Increased construction cost are already impacting delivery of existing affordable homes. The RPA is fixed for next three and we have no certainty beyond that. We need other agencies to support these plans, and this may take time, especially to secure funding."

"This will require ambitious funding for ambitious growth – we need to see increases in the RPA, SHIP and potentially seek the support of the Scottish national Investment Bank. There will also be implications arising from Section 75 agreements to deliver market housing numbers."

Stakeholders were also supportive of the assumption that existing housing need should be met across housing tenure using the toolkit's affordability calculation. The need for policy responses to meet existing housing need, both in existing homes and in the delivery of new homes, should have a clear cross-tenure commitment.

"Existing need should be treated the same way as other components of the HNDA calculation. There is no rationale for treating it differently - it should be based on the affordability of households"

"We need flexible, cross tenure approaches to meeting existing housing need which recognise that market housing delivery and a balanced tenure response is important".

"I think backlog need should 100% be distributed across all housing tenures. We could create further imbalances in the housing system if we focus delivery too heavily on one single housing tenure".



Stakeholders considered the use of the principal household projection and a 7% increase in the number of households in the next two decades to be a sound starting point for the estimate of newly arising housing need.

It was noted that the principal projection is trend based, and therefore accounts for continued rates of migration into Highland. The impact of migration on housing supply was a source of debate with some partners suggesting that migration into Highland may not be driving household growth,

with external sales simply adding to the second homes and short-term let market. It was also noted that future migration into Highland may also be fuelled by climate change impacts, as households seek to relocate to a more temperate environment to escape rising temperatures.

"We should remember that ineffective housing stock as a result of migration will impact on households seeking principal homes".

"Agree that climate change may impact on migration but policy interventions on second homes or short term lets could be the way to counter this."

Ultimately, stakeholders were in strong agreement that a 7% growth in the existing household base was a credible basis to estimate new housing need from the existing household base, particularly within a policy range that included a scenario for new need as a result of economic growth. It was concluded that if a high migration scenario was used, it might result in double counting across the demographic and economic growth elements of a newly arising housing need scenario.

Stakeholders were more supportive of the principal projection as opposed to high migration recognising that whilst new job opportunities will attract working age households to the region, the workforce is more agile now. Changing work modes such as working from home, working away for only part of the week and the younger generation's greater propensity to move jobs, means that not all jobs will require employees to live permanently in the Highland area.

"Using principal rather than high migration projections would support new approaches to working from home as not all jobs will require jobholders to stay in Highland"

"The job market is more agile now with younger generations more likely to move jobs than previous generations would have -this supports the use of principal rather than high".

It was noted that whilst workforce housing projections are built upon direct job growth from major infrastructure projects, induced job growth impacts have been included to reflect the expansion needed in the economy to support a growing household base. This will include the need to extend the delivery of public services. Despite these assurances, stakeholders were clear that public sector workforce planning considerations should be carefully considered in any future housing delivery programmes.

"We absolutely must be mindful of pressures in delivering adult social care, particularly in rural areas. From an employment perspective, we must make sure that workforce planning has been included in not just for major economic projects but to accommodate the delivery of public services that results from household growth"

"Migration into some rural communities is very high as evidenced in your housing market analysis. Social support networks are often very limited for older households relocating to rural areas and even if they have resources to meet housing need there may be no way for them to meet their care costs. Public service delivery dynamics in rural areas are different - migration to support public service delivery is and will be required. We must reflect this in the planning assumptions".



Stakeholders were unanimous that a 'policy on' scenario should be used as the basis of future housing estimates, reflecting the scale of economic opportunity in the region and current workforce housing pressures. It was noted that this approach avoids the historic demographic approach to projecting housing need which has resulted in housing shortage and limited capacity in the Highland construction sector.

"the 'policy on' scenario reflects the reality of the economic factors that are in play over the next 20 years"

"The Freeport will come in over the 20-year projection period - we've got to be ready with land so we secure the jobs and opportunities this can bring to Highland. This is a once in a lifetime opportunity for the region and without an ambitious HNDA, jobs could be lost to Norway or elsewhere."

"We should go for policy on. These projections are needed to address the under delivery in housing supply we've experienced for years. We need to shift from the historical approach which has held back housing growth and the policy on scenario has the right trajectory. It's a big number but hopefully will prove realistic if the right delivery programmes are achieved"

However, whilst there was strong support for a policy on approach, some stakeholders questioned whether the workforce housing calculation may be too ambitious, with the assumed ratio of new homes to new jobs a source of debate. Whilst it was acknowledged that this assumption was evidenced by the acute housing related recruitment and retention pressures in the Highland economy, some stakeholder questioned whether household relocation would create such a close relationship between new homes and new jobs. On this basis, stakeholders were supportive of further scenarios on the ratio of new homes to new jobs being tested and considered.

The 'policy on' option should absolutely be pursued but is a 0.9 ratio of jobs to homes the most appropriate assumption? Should this ratio be lower? Job creation may impact on several members of the same household as households relocate to Highland suggesting a lower ratio may be more appropriate"

"We need an ambitious and optimistic but realistic housing growth scenario".

Stakeholders also acknowledged that whilst the scale of the policy on projection was needed to enable economic growth and address major key worker housing pressures, wider infrastructure implications need to be carefully considered and planned for as a consequence. This includes impact in utilities, waste, education and health and social care.

"Yes, I'm supportive on the policy on scenario, particularly from a key worker housing perspective, BUT health and social care impacts must be considered and aligned to the scale of housing growth estimated. Better coordination of housing delivery programmes and health and social care commissioning will be essential"

"Yes, I think we are all are agreed on the policy on scenario, but we need to be mindful that these estimates will requires increased infrastructure in health, energy, water, sewerage, education and all other public services. An ambitious estimate will require monitoring and appropriate planning and phasing when jobs are identified"

Analysis of stakeholder consultation feedback enabled several key themes to emerge, which influenced the work of housing market partners in Highland in finalising the 2026 HNDA study prior to submission to the CHMA for robust and credible assessment:

- Stakeholders are supportive of local evidence being used as the basis of estimating existing housing need. The credibility of data sources including the 2026 HNDA household survey, housing waiting lists and homelessness statistics are good basis to present the extent of existing need in Highland, with reassurance that hidden homelessness, perceived to be a significant pressure, has been appropriately captured. Furthermore, the cross-tenure approach to addressing existing housing need is welcomed.
- There was unanimous agreement that a principal household projection was the right basis for building 'policy on' and 'policy off' HNDA scenarios to mitigate any risk of double counting between high migration assumptions and workforce growth estimates which will rely on migration to Highland.
- The 'policy on' HNDA scenario is the preferred stakeholder option as the basis for future planning, acknowledging the scale of economic growth potential with aligned housing forecasts.
- Whilst the scale of workforce housing estimates was considered suitably ambitious, some stakeholders questioned whether the ratio of new jobs to new homes is too high given the wider household relocation impacts of migration, which could see multiple members of the same household taking up employment.
- Stakeholders were assured that proposed housing estimates by tenure provide both an essential uplift in affordable housing supply and a much-needed focus on stimulating market housing delivery.
- Stakeholders were assured that housing estimates were carefully aligned to direct job creation by Housing Market Area but stressed the importance of ensuring delivery programmes carefully align scalable housing developments with the sustainability of places and infrastructure capacity. Future housing delivery programmes must also programme delivery in fragile communities at risk of depopulation to ensure the benefit of growth is achieved across the Highland region.

8.2 Specialist Housing Conference Outcomes

The Specialist Housing Stakeholder Conference was held on the 9th February 2026 providing housing market partners with a meaningful opportunity to scrutinise HNDA evidence on specialist housing. The aim of the specialist housing conference was to enable stakeholders involved in the planning, commissioning, and delivery of specialist housing in Highland to review the evidence and discuss the approach to meeting identified housing requirements. The workshop provided an important opportunity for housing market partners to obtain feedback on the process and draft outputs of the 2026 Highland

HNDA and to influence the final draft document to be submitted to the Scottish Government in late 2026.

Delegates from across housing, health and social care sectors were presented with background information on the Highland HNDA process, with a specific focus on Core Output 3 (specialist housing). A wide range of stakeholder interests were represented at the event from public, private, third and community sectors. Overall, 31 partners attended the conference. The conference was successful in validating evidence of the extent of wheelchair and accessible provision required, plus:

- the role of age exclusive housing in meeting the growing population of older households in Highland
- the planning and commissioning processes needed to promote services which enable independence at home
- the housing needs of key client groups including households with a learning disability, physical disability, or mental health condition.

HNDA evidence of specialist housing need and topline outcomes from the Highland HNDA household survey; was considered in detail by stakeholders. This debate enabled stakeholders to highlight and share further local knowledge to help inform the policy framework for specialist housing. The main themes which emerged from conference discussions were as follows:

- Partners validated that the emerging HNDA evidence on unmet need for specialist housing generally reflects frontline service experiences and known client group pressures. Much of the evidence presented on housing, health and social care pressures felt both considered and recognisable to partners
- Partners referenced the rapidly accelerating population of older people in Highland as a specific service delivery challenge which will further exacerbate evidenced service pressures. Major challenges in the Care at Home and Care Home sectors linked to commercial viability and workforce recruitment and retention difficulties were identified as key priorities for proactive future planning
- Housing partners noted the important contribution of social housing to meeting health and social care needs, with the Highland Housing Register partnership delivering a proactive and effective mechanism to address unmet need for specialist housing, particularly when an acute need occurs
- Having said this, partners agreed that as well as maximising access to existing specialist housing, an uplift in the build rate of specialist housing in Highland needs to be a strategic planning priority. To this end, the HNDA process offers an opportunity for partners across housing, health and social care sector to proactively make the case for more investment, using evidenced shortfalls as a collective lobbying tool for more funding and resources. The debate around the role and delivery models needed to drive increased housebuilding via a new national housing agency (More Homes Scotland) provides a unique opportunity to make this case

- It was a surprise to some partners that there are no nationally agreed definitions of what constitutes specialist housing or central data capture systems to build insight on existing provision and future need. Establishing mutually agreed local definitions for specialist housing and mapping the known sources of commissioned provision and unmet need should be a priority in developing better planning and commissioning arrangements across health, social care and housing partners
- Partners also acknowledged that a strategic focus should be placed on increasing the delivery of wheelchair accessible housing and in doing so, must move beyond a reliance on social housing developers towards the increasing contribution of private housebuilders. Exploring the role of creative planning policies and design guidance, which encourages housebuilders to deliver accessible housing will be an important element of the new Local Development Plan framework
- Private housebuilders noted that the Highland Council have been proactive in trying to increase housing supply across the region, with the Highland Housing Challenge offering positive opportunities for partnership and joint planning to address constraints. Developers are keen to address this agenda and recognise that an uplift in private housebuilding will also have an important impact on affordable housing delivery. That said, the viability of development in Highland is increasingly challenging with growing labour and construction costs pushing commercial margins to the limit. Juggling the competing pressures associated with a growing spectrum of developer contributions and planning requirements needs to be addressed if developers are to be supported to meet the housing challenge. This doesn't mean that accessible housing delivery can't be delivered but that sensible compromises to secure site viability will be required in future
- A final standout finding for partners relates to the impact of the increasing workforce challenge in Highland and its impact on the delivery of essential public services. Whilst there are positive examples of partnership to address housing related recruitment challenges at a local level, a more strategic approach to this growing risk is needed.

Analysis of stakeholder consultation feedback on specialist housing enables a number of key themes to emerge, which influenced the Highland HMP to finalise Core Output 3 of the HNDA set out below.

Stakeholder discussion validated HNDA evidence on the extent of unmet need for wheelchair and accessible housing, noting both current shortfalls and accelerating pipeline need given demographic projections for Highland. Partners noted that this is a major strategic issue for health, housing and social care, which needs to move higher up the community planning agenda for Highland. Ultimately, a whole system approach to data capture, planning and accessible housing delivery is needed across partners. This is currently missing and a major barrier to needs based assessment and targeted housing delivery.

"Based on the evidence, I think the unmet need numbers look right… We have an increasingly older population in Highland, and we don't have enough accessible housing at the moment. We need to accept that growing unmet need for accessible housing is a given".

"A whole system approach is needed to create a needs based assessment framework for accessible housing. Health is a key partner in this, working with housing, planning and social care partners to create better evidence and develop delivery solutions. The HNDA evidence offers a starting point to inform strategic discussions on a vision for delivering accessible housing and this needs to move way up the community planning agenda in Highland".

Housing design and building standards were viewed as important factors in the effort to deliver more accessible/wheelchair homes, with social housing developers noting that in recent experiences of delivering wheelchair housing in Highland, the Housing for Varying Needs Standard did not meet the needs of the household in question. It was noted that whilst joint working with Occupational Therapists from the NHS was very productive in developing appropriate solutions, there needs to be a better planning and delivery process for wheelchair housing development.

"Partnership working has proven to be essential in getting the right solution for the household. Under the Housing for Varying Need Standard, we should be delivering a bath and shower, but this was not what NHS Highland specified would meet the needs of the household. We need a process and better procedures for delivering wheelchair housing which reflect that partnership approach".

It was noted that HNDA evidence and outcomes will inform updated development planning policy on delivering accessible and wheelchair homes, which in some ways should help to provide a clearer delivery framework. The importance of creating design guidance that better specifies accessibility standards will be a key part of this. Whilst partners welcomed this commitment and opportunity to help shape planning policy, housebuilders stressed the importance of balancing design standards with cost reality and within a context which acknowledges all of the other planning obligations placed on developers which also require to be addressed.

"The commercial viability of housebuilding in Highland is often on a knife edge. We're navigating extremely difficult market conditions where construction, labour and site costs are more challenging than they have ever been. We know there is a market and a need for accessible housing, but we need to be realistic on what's deliverable. If design standards are unrealistic, this could result in less homes being delivered, which is the opposite of what Highland Council want to achieve".

"We need to accept commercial viability is a factor in setting design standards for accessible housing. These standards also need to be set within the context of other developer contributions like affordable housing, school and roads which reduce commercial margins and are rendering some sites unviable. Developers don't have any specific objections to delivering accessible housing but planning policy cannot be developed in isolation".

Stakeholders agreed that further collaboration and partnership across health, social care and housing sectors would improve insight and planning in commissioning specialist housing for key client groups. This means data sharing on unmet needs and better commissioning to align commissioned care models to new build development. This is particularly important given the competing priorities placed on the affordable housing

investment programme and the challenges associated with recruiting an appropriate workforce to deliver commissioned services.

"The competing priorities placed on Highland Council to deliver affordable housing are vast and set in a context where we have statutory duties to meet the need of homeless households. Prioritising needs of key client groups is challenging when we don't understand the relative priority of each group. We need better strategic direction on this and better partnership to deliver outcomes, including an assurance that care packages to accompany housing delivery are in place".

In particular, it was acknowledged that better planning, funding and joint commissioning processes are needed for core and cluster models of provision, given the level of unmet, projected need of key client groups and the benefits of this model of care in a Highland context. Core and cluster models are seen as especially important in Highland, as they provide a more sustainable service delivery model, particularly in rural areas where traditional care models are harder to maintain.

In the context of demographic projections and a rapidly growing older population, stakeholders were unanimous in their view that improving the range of housing options for older people in Highland needs to become a strategic priority for health, social care and housing partners. The need to challenge cultural perspectives on housing options for older people is needed across the region, moving beyond stereotypes of single-storey bungalows in quiet rural areas to other options and models. Bungalow development is challenging from a site viability perspective and only tends to stack up in more rural areas where land values are lower. This undermines the creation of liveable places which meet the 20-minute community principle for older people. Furthermore, the current housing stock profile in Highland, where flatted accommodation makes up less than 20% of the region's housing stock, drives a cultural view that this property type is less appealing. Delivering apartment style developments for older people, which work successfully elsewhere in the UK, is less likely to be less acceptable in Highland given current social attitudes.

"We need a cultural shift to drive the development of a better diversity of housing options for people. In Ireland, apartment housing developments have emerged as viable, suitable and popular options for older buyers. This model could work well in Highland alongside a wider range options but only if current attitudes were challenged"

Partners agreed that developers need to be encouraged to see older people as an essential part of the housing market. Better approaches to market profiling and targeted marketing, as well as encouraging households in middle age to pre-plan their housing future, will be important elements of managing the housing pressures associated with an ageing population.

"We need to encourage people approaching older age to pre-plan meeting their housing needs at much earlier stage than is the norm and we can only do this if there is a much better range of options available for households to consider. We need the market to respond to this"

"The site analysis completed by our marketing team does include demographic profiling, but we need better insight on future and emerging need. If we are confident there is a

market, and if it works from a viability perspective, we could consider targeting the delivery of new build housing to older client groups".

Stakeholders also focused debate on the role of specialist housing in supporting older people, suggesting that traditional sheltered housing models no longer reflect the preferences or expectations of many older people, particularly where on-site wardens and support have been withdrawn following changes to national funding arrangements. It was agreed that the current supply of housing for older people does not match the projected need in the region and that planning for the future is vital to ensure that future need is met.

"The older people population is getting larger in the Highlands, so we have to think now about the housing need for these people."

"From the Highland HNDA survey we've seen that we definitely don't have enough older people's housing."

The repurposing of past sheltered housing provision has been implemented by many social landlords into retirement or independent living housing. However, demand for this type of provision varies by location which requires social landlords to reassess their strategies such as lowering age thresholds in some areas. The issue is not simply about housing availability, but whether the model, support offer and location align with local demand and sustainability.

Stakeholders unanimously agreed on the importance of property adaptations in enabling households with health conditions and disabilities in Highland to live independently and well. It was acknowledged that gaps in funding, particularly in private sector adaptations and Care & Repair services, represent a major barrier in meeting specialist housing need. Investment in private sector adaptations and Care & Repair services were described as *'crucial'* in a Highland context given the tenure profile, aging population, and remote and rural nature of many communities.

"Adaptations are a major, major part of how we move forward…people being able to remain within their own home for longer is what older people want."

"There aren't the same care home options anymore – supporting people to remain at home is the better way forward."

That said, funding for adaptations delivered by Highland Council and Housing Associations was also described as problematic and *'sometimes difficult to access,'* as was the availability of Occupational Therapists to assess requirements and specify appropriate options. It was acknowledged that further investment in the adaptations system would prevent the need for acute care and support interventions that place pressure on the HSCP, and specialist housing requirements.

Increasing preventive investment in property adaptations was seen as a key solution in addressing unmet need for specialist housing, aligned to the use of Technology Enabled Care particularly in rural areas. Whilst TEC was acknowledged as an important solution, it was acknowledged that it cannot solely replace the need for care and support provision. Whilst TEC will have a positive impact on reducing workforce pressures, this can only work when aligned holistically to well-resourced care and support resources.

"We need to take a more rounded approach to TEC aligned to the planning of care and support provision. We need more resources in the care at home sector – TEC will never replace the need for this service provision. When that's in place, we can maximise the use of support services using Technology Enabled Care."

2026 Highland HNDA Housing Market Partnership Signatories

The following named Heads of Service, responsible for housing and local development planning functions within the Highland Council, have signed this document on behalf of the Highland Housing Market Partnership, and has agreed the Core Outputs.

This statement is in fulfilment of the requirements of Core Process 6 as detailed in the HNDA Practitioners Guide (July 2026).

Authorised by	Signature
Name: Alison Clark Designation: Chief Officer – Housing & Communities Email address: Alison.Clark@highland.gov.uk	
Name: David Mudie Designation: Strategic Lead – Planning & Building Standards Email address: david.mudie@highland.gov.uk	On behalf of David Mudie  Malcolm MacLeod, ACE, Place Cluster