Chapter 9 : Housing

Information required by the Act regarding the issue addressed in this section	Town and Country Planning (Scotland) Act 1997 as amended: Section 15(1)(1A): • targets for meeting the housing needs of the population of the area Section 15(5)(a): • the housing needs of the population of the area, including, in particular, the needs of persons undertaking further and higher education, older people and disabled people; • the availability of land in the district for housing, including for older people and disabled people; • the desirability of allocating land for the purposes of resettlement. Section 15(5)(cf): • The extent to which there are rural areas within the district in relation to which there has been a substantial decline in population Section 16(2) (ab) • have regard to the list published under section 16E of persons seeking to acquire land in the authority's area for self-build housing Town and Country Planning (Development Planning) (Scotland) Regulations 2023: Regulation 9 • the availability of land in the district for housing, including for older people and disabled people
NPF4 LDP Requirements	NPF4 Policy 16: • LDPs are expected to identify a Local Housing Land Requirement (LHLR) for the area they cover. This is to meet the duty for a housing target and to represent how much land is required. To promote an ambitious and plan-led approach, the Local Housing Land Requirement is expected to exceed the 10-year Minimum All-Tenure Housing Land Requirement (MATHLR) set out in Annex E (of NPF4). • Deliverable land should be allocated to meet the 10-year Local Housing Land Requirement in locations that create quality places for people to live. Areas that may be suitable for new homes beyond 10 years are also to be identified. The location of where

	new homes are allocated should be consistent with local living including, where relevant, 20-minute neighbourhoods and an infrastructure first approach. • Diverse needs and delivery models should be taken into account across all areas, as well as allocating land to ensure provision of accommodation for Gypsy/Travellers and Travelling Showpeople where need is identified. NPF4 Policy 17: • LDPs should be informed by an understanding of population change over time, locally specific needs and market circumstances in rural and island areas. • LDPs should set out tailored approaches to rural housing and where relevant include proposals for future population growth – including provision for small-scale housing and the appropriate resettlement of previously inhabited areas. Plans should reflect locally appropriate delivery approached. Previously inhabited areas that are suitable for resettlement should be identified in the spatial strategy. NPF4 Policy 8: • LDPs should consider using green belts to support their spatial strategy as a settlement management tool to restrict development around towns and cities. Green belts will not be necessary for most settlements but may be zoned around settlements where there is a significant danger of unsustainable growth in car-based commuting or suburbanisation of the countryside. • Green belts should be identified or reviewed as part of the preparation of LDPs. Boundary changes may be made to accommodate planned growth, or to extend, or to alter the area covered as green belt.
Links to Evidence	**(THC070)** Housing Need and Demand Assessment 2026 April 2026 **(THC071)** Local Housing Strategy Housing Supply Target Methodology Report **(THC186)** Existing Housing Need in Highland: Diffley Partnership & Rettie Report (for Homes for Scotland) **(THC187)** Inverness and Cromarty Firth Green Freeport Housing Supply Targets **(THC188)** Call for Development Sites: Template for Submissions

Online Resources	Date Accessed
Highland 2022 Census Overview	14 Nov 2025
NRS Migration Flows mid-2024	14 Nov2025
NRS Births Time Series	14 Nov 2025
NRS Deaths Time Series	14 Nov 2025
NRS Subnational Population Projections: 2022-based	14 Nov 2025
NRS Subnational Population Projections: 2018-based	14 Nov 2025
NRS Subnational Household Projections: 2022-based	17 Dec 2025
NRS Subnational Household Projections: 2018-based	17 Dec 2025
Place-based Policy Approaches to Population Challenges	14 Nov 2025
Draft NPF4 Housing Land Requirement Explanatory Report	14 Nov 2025
Scotland wide Existing Housing Need	14 Nov 2025
Falkirk Local Development Plan Gate Check report	14 Nov 2025
Highland Local Housing Strategy 2023-2028	14 Nov 2025
Housing to 2040	14 Nov 2025
Deliverable Housing Land Pipeline for Highland	14 Nov 2025
Highland Council 2024 Housing Land Audit	14 Nov 2025
Chief Planner Letter & Notification Direction Sept 2025	14 Nov 2025
Scottish Government Data on Social Sector House Completions	14 Nov 2025
Strategic Housing Investment Plan (SHIP) 2026-2031	14 Nov 2025
Scottish Government Affordable Housing Investment Benchmarks	14 Nov 2025
Highland Housing Register	14 Nov 2025
Highland Housing Register Analysis Report	14 Nov 2025
Assessment of the accommodation needs of gypsy travellers in Highland	14 Nov 2025
Permanent gypsy traveller sites in Highland	14 Nov 2025
Policy on supporting cooperation and managing unauthorised gypsy traveller camps	14 Nov 2025
Bingin Noggins Tobar Taking our Journey Project Impact Report	14 Nov 2025
Scottish Homes Housing for Varying Needs	14 Nov 2025
Scottish Government consultation on better Accessible Homes Standard	14 Nov 2025

Housing for Varying Needs design guide	14 Nov 2025
NRS households and dwellings data	14 Nov 2025
Council Short Term Let Public Register licence data	14 Nov 2025
Developable Land Mapping (Layer)	14 Nov 2025
The Scottish Government Urban Rural Classification 2022 8 Fold Map	14 Nov 2025
2022 Census data zone origin and destination journey to work data	14 Nov 2025
2015 HIE Fragile Areas Map	14 Nov 2025
Potential Areas for Resettlement Mapping	14 Nov 2025
Rural Housing Supplementary Guidance and its explanatory note	14 Nov 2025
HLDP Call for Development Sites	14 Nov 2025

In order to avoid repetition of content contained elsewhere within the Evidence Report, this chapter should be read in conjunction with other chapters. We recognise that there are crossovers between Housing and other topic chapters including:

- **Chapter 4: Climate Change and Energy**
- **Chapter 5 Nature and Environment**
- **Chapter 6: Coastal Development and Aquaculture**
- **Chapter 7: Flood Risk Management**
- **Chapter 8: Economy, Business, Tourism and Productive Places**
- **Chapter 10: Transport**
- **Chapter 11: Infrastructure**
- **Chapter 12: Historic Assets, Brownfield Land and Empty Buildings**
- **Chapter 13: Design, Wellbeing, Local Living and Placemaking**

Where relevant and significant, the Council has referenced specific crossovers to other policy areas within this chapter.

Summary of Evidence

9.1 This chapter lists, summarises and explains the implications of housing topic evidence including that which relates to the Minimum All-Tenure Housing Land Requirement (MATHLR), housing need and demand, specialist provision and the indicative Local Housing Land Requirement (iLHLR). The Council considers it has undertaken thorough engagement with stakeholders to compile this chapter and collated sufficient evidence from that currently available on the topic to prepare the Proposed Plan. This Summary of Evidence focuses on information relating to:

- **MATHLR and Housing Need**
- **Demographic Overview and Updated Projections**
- **Setting Highland's LHLR**
- **Housing Completions**
- **Housing Land Supply**
- **Affordable Housing**
- **Specialist Provision**
- **Rural Homes**

MATHLR and Housing Need

Highland's MATHLR

9.2 The Minimum All-Tenure Housing Land Requirement (MATHLR) for Highland is set within NPF4's Annex E as 9,500 units. The MATHLR is the minimum amount of land, by reference to the number of housing units, that is to be provided for a 10-year period. The MATHLR is established in policy as a minimum requirement and is expected to be exceeded in each LDP's Local Housing Land Requirement (LHLR). The Draft NPF4 Housing Land Requirement Explanatory Report sets out an explanation for the final MATHLR figures which for Highland are set out in Table 9:1.

Table 9:1 Composition of Highland's MATHLR as per NPF4

Existing Highland Housing Need	2,100
New Households to form over 10 years*	5,200
Total Need over 10 years	7,300
Flexibility allowance (30%)	2,190
Need plus Flexibility Allowance	9,490
Final MATHLR for Highland	**9,500**

9.3 The MATHLR is based on NRS Subnational Household Projections: 2018-based, existing housing need and a flexibility percentage (25% urban areas or 30% rural areas) for contingency. The focus of the Evidence Report should be to highlight more up-to-date information or evidence and explain how it leads to an ILHLR that is higher than the MATHLR.

9.4 The initial default estimate NPF4 MATHLR figure for Highland (minus the Cairngorms National Park area that falls within the Council's boundary) suggested to the Council by the Chief Planner and Director of Housing and Social Justice on 23 February 2021 was 4,325 units. This included a forecast of net additional households, an assumption that the backlog of affordable housing need would be met, and a 30% inflation for generosity/flexibility. It was only after representations by the Council that Scottish Government officials agreed to increase this figure to 9,500. The Council asserted that Scottish Government had underestimated the figures for both future net additional households and the affordable housing backlog. The Council also convinced Scottish Government that the annual, point-in-time definition of housing need missed additional in-year arising need. All these elements were included in the finalised 9,500 total. An additional, inflationary adjustment for the proportion of future house completions that will be lost from the mainstream housing market (largely to second home, holiday home and/or short-term rental use) was proposed by the Council but not included by Scottish Government in the 9,500 total. However, Scottish Government guidance now supports such an adjustment.

9.5 Highland's MATHLR was set through the adoption of NPF4 in February 2023. More recent information is now available. Scottish Government LDP Guidance states that the MATHLR figure for the area must be taken into account and if more recent information is available, it should be used.

Demographic Overview and Updated Projections

Timing of release and incorporation of key datasets

9.6 Census data from 2022 for Highland is still being analysed as NRS Subnational Population Projections: 2022-based have only recently (end of September 2025) been produced, with NRS Subnational Household Projections: 2022-based released in December 2025. The Improvement Service has offered to produce sub council level population projections sometime over the winter of 2025/2026. The Centre for Housing Market Analysis (CHMA) aims to but has made no commitment to incorporate these updated population and household forecasts within the HNDA toolkit.

9.7 The belated release of these projections has significant knock-on implications for the accuracy of each council's MATHLR, Housing Need and Demand Assessment (HNDA) and therefore each related indicative LHLR. HNDAs produced to date (including Highland's most recent one) use NRS Subnational Household Projections: 2018-based which in turn are extrapolations from 2011 Census data. Highland

Council has commissioned a HNDA which will incorporate the NRS Subnational Household Projections: 2022-based when they are incorporated within the HNDA toolkit by the CHMA. This may delay the production of the finalised HNDA but the Council believes that such a delay is justifiable given the likely inaccuracy of an HNDA (and related LHLR) using 2018 based data. The Council does not wish to delay the Plan process any longer than necessary so is submitting the completed HNDA to Gate Check prior to a CHMA assessment of whether it is robust and credible. For Highland's last and current HNDA (2021) the CHMA took 5 months to endorse the Assessment as robust and credible. The Council believes that this approach is a reasonable compromise between awaiting better evidence and not unduly delaying future plan production.

Recent demographic trends

9.8 Despite these delays to statistical releases, what can be derived is that the Highland 2022 Census Overview dashboard indicates a total Highland Council area population of 235,351, which equates to a 1.4% increase from 2011. Table 9:2 demonstrates that while Scotland's national population percentage increase was higher than Highlands, the percentage growth in households was higher in Highland than in Scotland between 2011 to 2022.

Table 9:2 Population and Household Change 2011-2022 (NRS/THC###)

	Population			Households		
	2022	**2011**	**% Change**	**2022**	**2011**	**% Change**
Highland	235,351	232,132	+1.4%	111,727	102,091	+9.4%
Scotland	5,439,842	5,295,403	+2.7%	2,509,269	2,372,777	+5.8%

9.9 Over a third (37.4%) of Highland's 2022 households are single person households (an increase from a proportion of 31.7% in 2011). This proportion of single households is similar to the equivalent for Scotland nationally (37.1%). Just under 15.5% of Highland's 2022 households are one person households aged 66 or over, which is again higher than the 13.5% share in 2011.

9.10 Over the period 2006-2016 there was no marked difference between the total number of Highland births and deaths with population change largely being driven by the level of net migration. However, from 2017 onwards Highland's population has shown a natural decrease with deaths exceeding births most recently by just over 1,000 per annum as shown in Figure 9:1. In crude terms, if this natural decrease continues (and perhaps increases if the majority of the resident population is the older age groups) then in future it will cancel out or at least reduce overall population growth, which previously was founded upon natural change close to zero and a reasonably predictable level of net (in) migration.

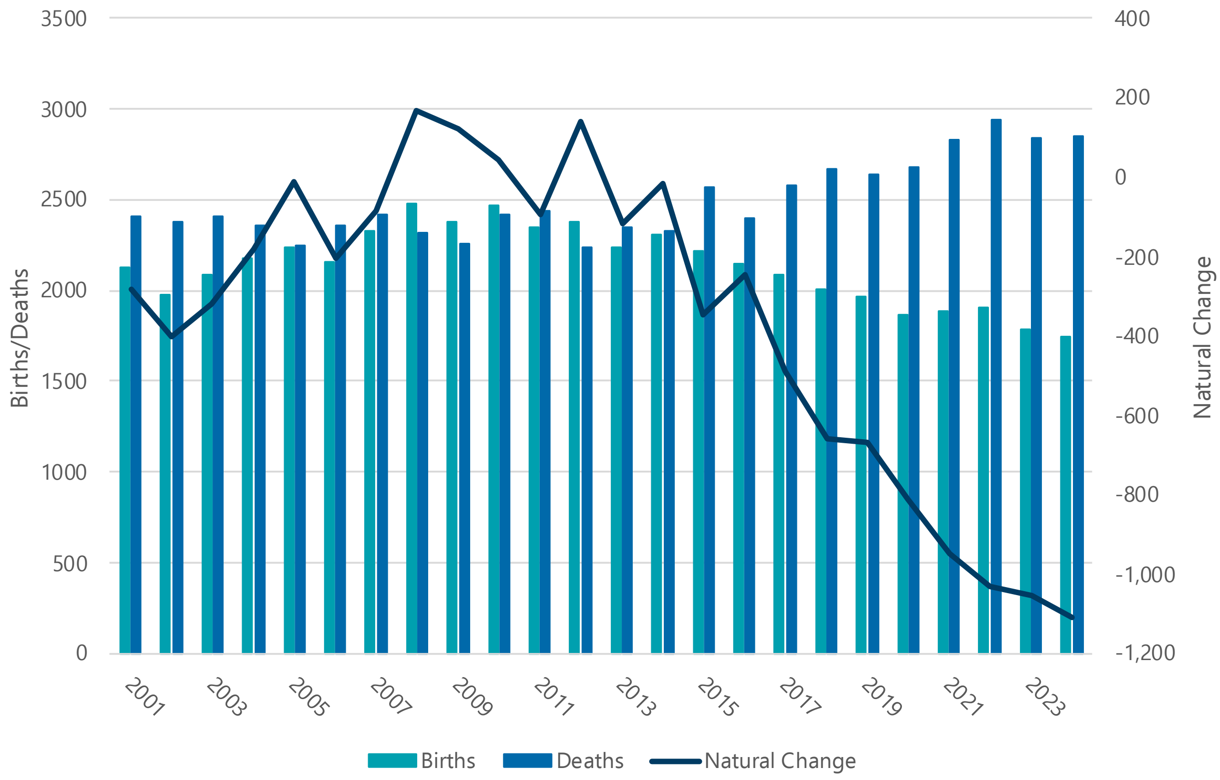

Figure 9:1 Highland Births and Deaths 2001-2024 (NRS Births and Deaths Times Series Data 2024)

9.11 Offsetting the negative natural change, NRS Migration Flows mid-2024 evidence that movements into Highland exceed those leaving (by an average of 1,428 over the period mid-2003 to mid-2023) although past annual net flows have varied with events such as European Union expansion, Brexit and the Covid-19 pandemic. This is demonstrated in Figure 9:2. Table 5 from NRS Migration Flows mid-2024 sets out the latest NRS mid-2024 migration flows by local authority area which indicate net (in) migration to Highland of 1,060, 2,000 and 1,790 respectively for the 2022, 2023 and 2024 years.

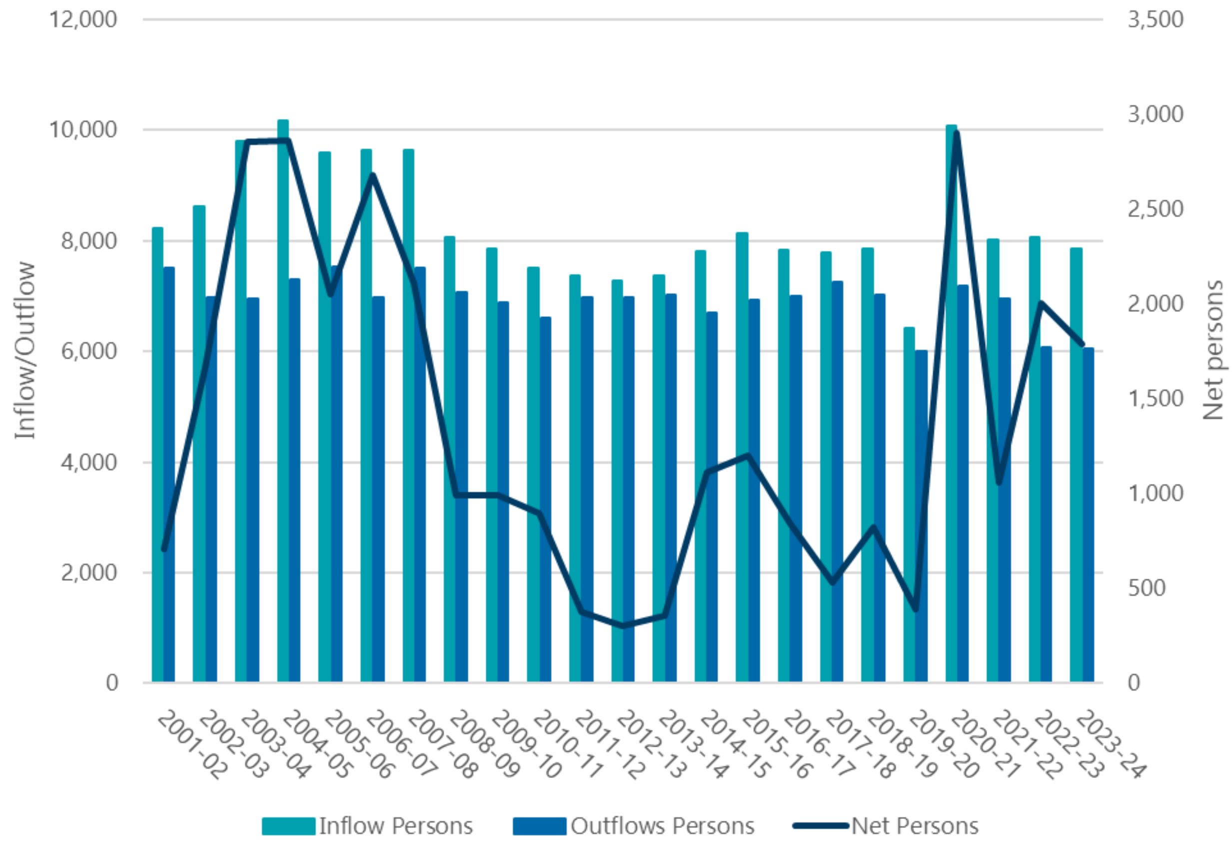

Figure 9:2 Highland Migration Flows 2001-2024 (NRS Migration Flows 2024 – Table 5)

9.12 Other data supports this apparent continued net (in) migration trend. Homes for Scotland have supplied data on the origin of recent (mid-2024 to mid-2025) purchasers of new build properties within Highland. Although the number of supplied transactions is relatively low, 39% of new build properties were sold to purchasers from outwith Highland. However, more locally the inter-census small overall increase in population masks significant intra-Highland differences. In general, the remoter parts of Highland have shown population decreases 2011-2022 and more accessible areas have shown gains.

9.13 The age profile of the existing and projected future Highland population has implications for the future HLDP. Highland, relative to the Scottish average, has a higher proportion of its existing and projected future population in the older age groups. The age profile of net migrants is one cause of this. Many younger people particularly aged 15-19 continue to leave Highland to access higher and further education and employment opportunities as shown in Figure 9:3. Conversely, Highland is still viewed as a desirable location for retirement, bringing up young children and, with improved digital connectivity, working from home in an attractive rural location. Figure 9:3 confirms a continuation of these trends. The largest gross numbers of in-migrants are in their 30s, in the under 10s and in their 50s suggesting that relatively young couples some already with existing young children and the early retired are driving population growth in parts of Highland. Figure 9:4 highlights that the age profile of net migrants to Highland is beginning to change, and that in contrast with 2011, fewer persons aged 15-19 left in 2024, and the numbers of incoming children and those in their 30s, 40s and 50s were higher.

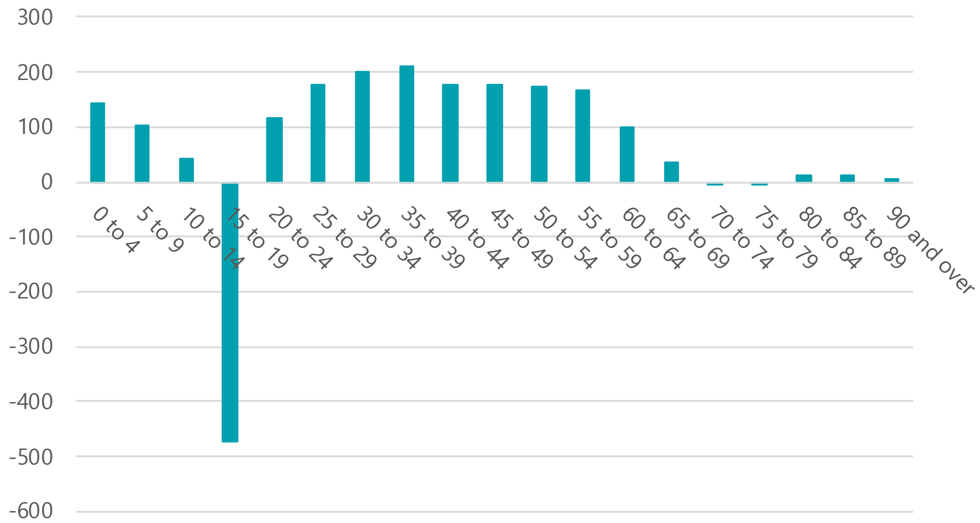

Figure 9:3 Age Profile of Highland Net Migration Average of 2002-2024 (NRS Migration Flows 2024 – Table 8)

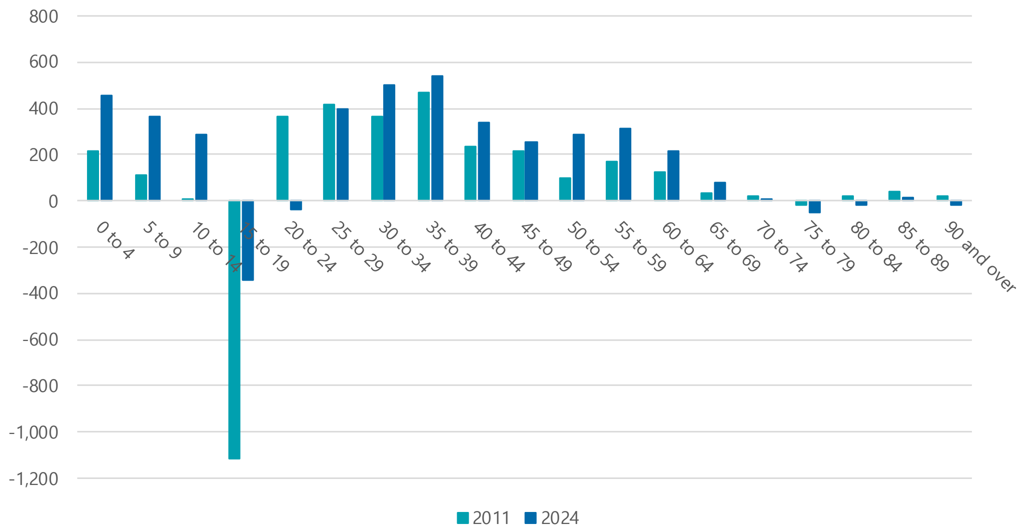

Figure 9:4 Highland Net Migration Age Profile 2011 and 2024 (NRS Migration Flows 2024– Table 8)

9.14 Examining those aged 15-19 more closely in Figure 9:5, it is evident that the net out-migration has declined among this age cohort, potentially coinciding with the establishment of the University of the Highlands and Islands, which has provided education and training opportunities for young people locally.

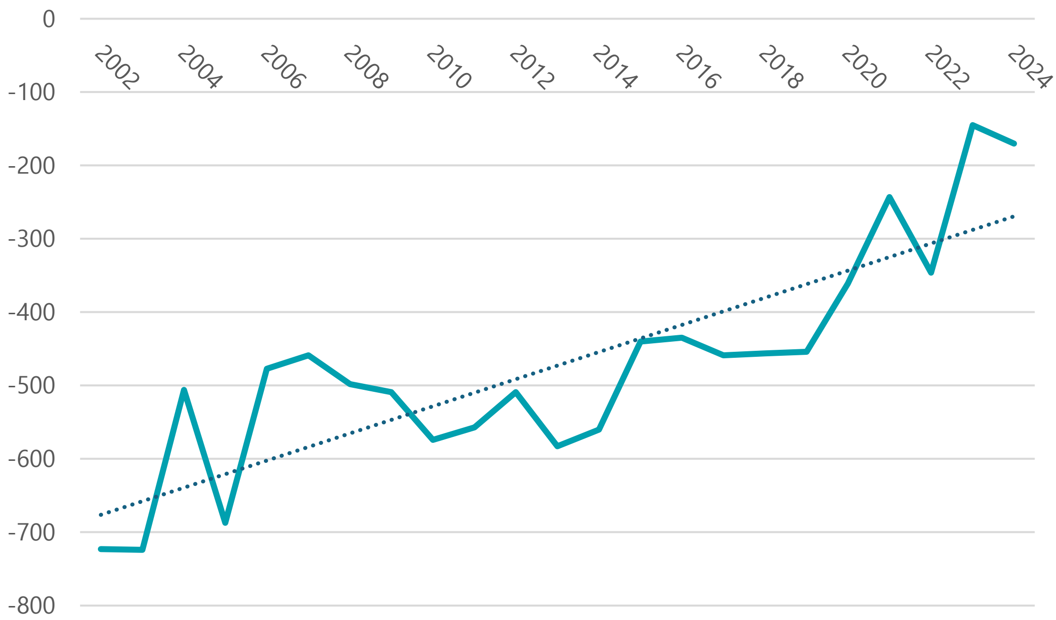

Figure 9:5 Highland Net Migration Aged 15-19, 2002-2024 (NRS Migration Flows 2024– Table 8)

9.15 Retaining more of those aged 15-19 within the Highlands has implications for new household formation of families with children in subsequent periods were these trends to continue along the linear trajectory shown in Figure 9:5. Incorporating the linear trajectory of retaining those aged 15-19 in addition to continued net in-migration of those in their 30s with young children, and those in their 50's and 60's, supports an evidence base to justify an ambitious iLHLR to provide adequate housing for Highland's projected households throughout the lifespan of HLDP.

Projected trends into the lifespan of HLDP

9.16 The NRS Subnational Population Projections: 2022-based provide Council-area future projected population levels, which for Highland are markedly different than the previous 2018-based iteration as shown in Figure 9:6, which likely reflects the changing migration patterns aforementioned. In contrast with the population decline forecast in 2018-based projections, 2022-based projections demonstrate considerable population growth in Highland until 2038 before levelling off.

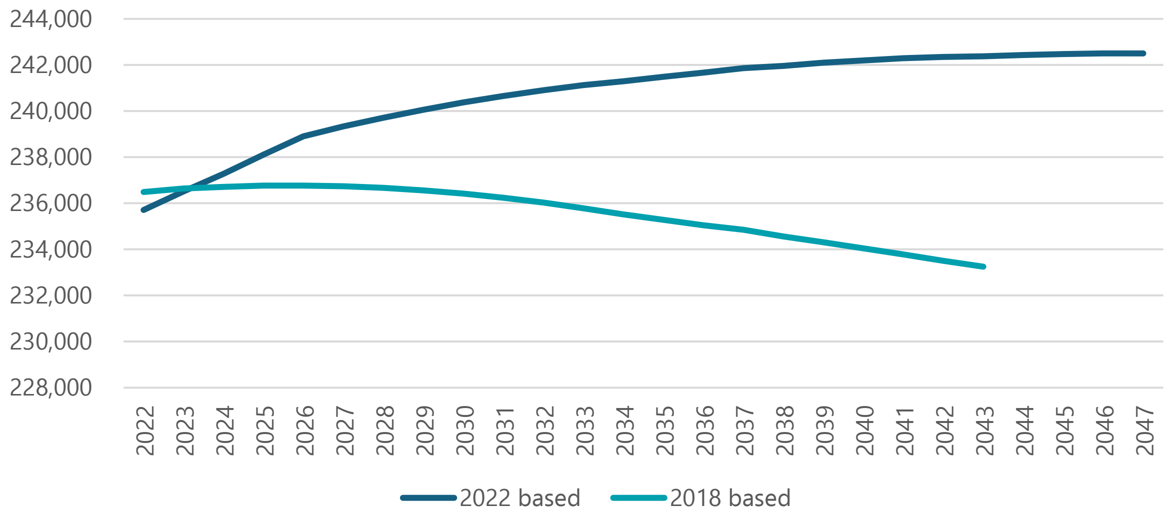

Figure 9:6 Highland Population Projections (NRS Subnational Population Projections 2022-based and 2018-based)

9.17 The age ranges of the NRS Subnational Population Projections: 2022-based highlight that this large increase in Highland's projected population will be increasingly comprised of persons in their 30s, 40's and those of retirement age by 2042 than in the base 2022 year as shown in Figure 9:7. Importantly, even the net in-migration of children aged 0-9 shown in Figure 9:4 and the reduced out-migration of those aged 15-19 shown in Figure 9:5 will potentially not offset the natural change owing to falling birth rates shown in Figure 9:1, meaning that the number of children and those aged 15-19 projected in 2032 and 2042 will potentially be lower than at present. The implications of this for infrastructure are discussed in **Chapter 11: Infrastructure**, but in broad terms it is evident that the demographic trends anticipated could place less pressure on school capacities, but increased pressure on health and social care.

9.18 One key issue is also that the projections indicate that some age groups are not expected to continually decrease or increase over the projected lifespan, but instead are more dynamic, meaning that those aged 20-24, and those in their 50's and 60's will be proportionately different in 2032 than in 2022, but then display the reverse trend by 2042. The key implication of this is that planning for Highland's various population needs will continue to evolve over the lifespan of the plan.

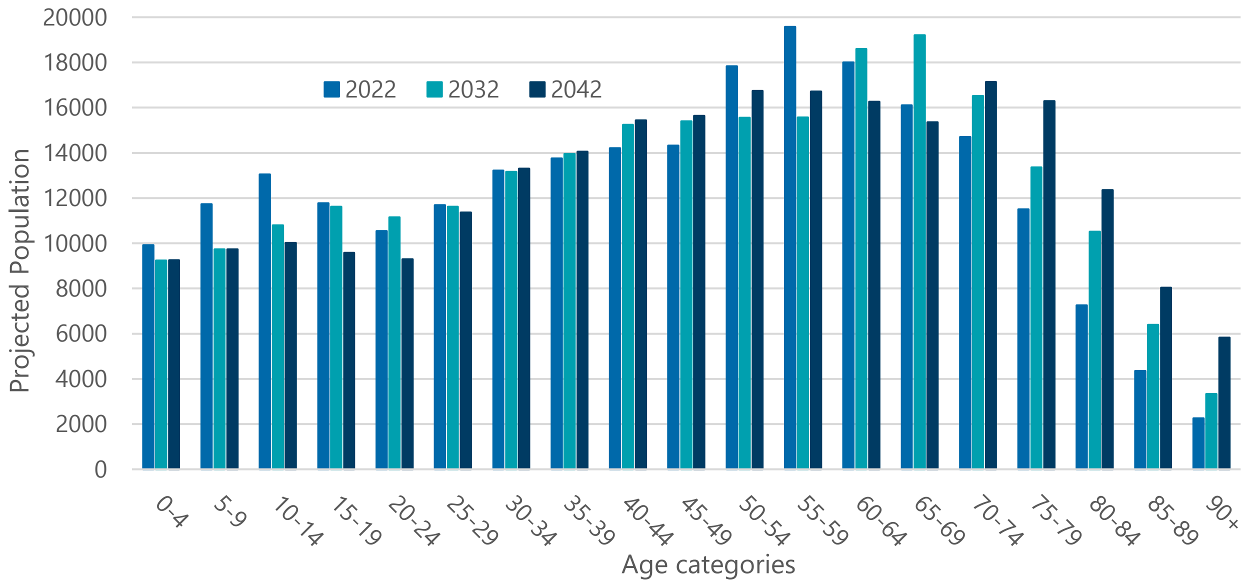

Figure 9:7 Highland Population Projections by Age Category (NRS 2022-based)

9.19 NRS Subnational Household Projections: 2022-based convert population projections to households. These evidence that the number of Highland households is anticipated to grow by 6.59% from 2022-2032, in contrast to Scotland's rate of 6.7%. This presents a considerable change from the previous NRS 2018-based Household Projections as evidenced in Figure 9:8. It is the Council's preference to utilise the 2022-based projections once incorporated into the HNDA Tool.

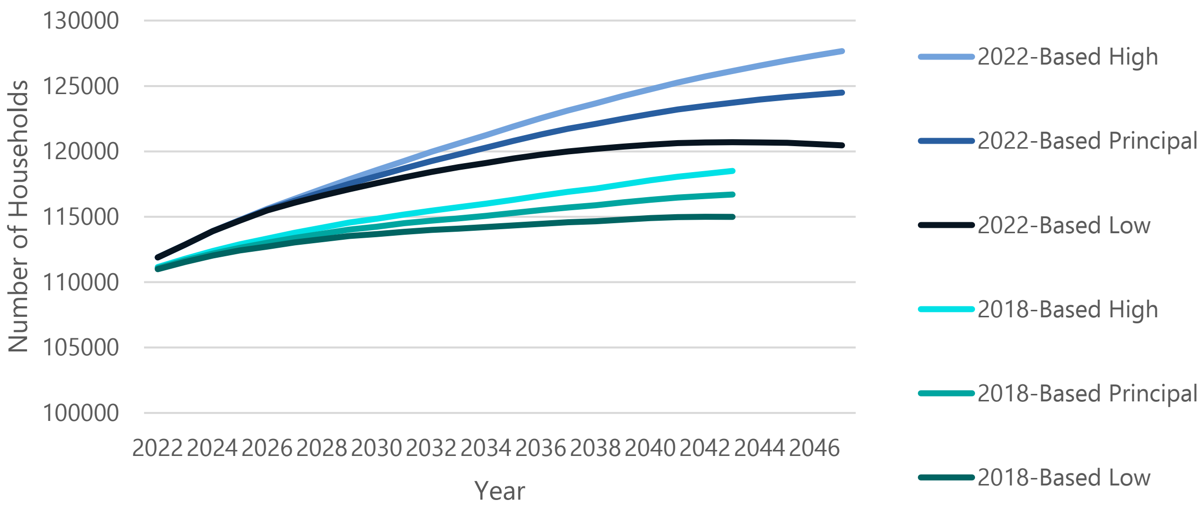

Figure 9:8 Difference between NRS 2018-based and 2022-based Household Projections for the Highland Council Area

9.20 The NRS Subnational Household Projections: 2022-based principal scenario equates to an additional 6,570 Highland households in 2040 (the end of the HLDP intended adoption period), compared with that forecast by the 2018-based principal scenario, and even the most conservative low-growth scenario for 2022-based projections now exceeds the most ambitious high-growth scenario from the 2018-based projections. The NRS 2018-based Household Projections are therefore considered significantly out of step with more recently available information owing to the considerable changes that have occurred in the wider Highland, Scottish and UK economy since the time at which they were produced.

9.21 Highland's anticipated household growth also signals changes in the compositions of the Household Reference Person (HRP). The HRP is a person chosen for statistical reasons by virtue of economic activity, age and/ or sex as the representative of a household. NRS Subnational Household Projections: 2022-based define the HRP as the eldest economically active person in the household, then the eldest inactive person if there was no economically active person. Between 2022-2032, most council areas are projected to see increases of 20% or more in the number of households where the HRP is aged 75 years or over, but for Highland, the equivalent rate is 35.46%, which is the third highest in Scotland. These age patterns reflect the projected ageing population in the 2022-based subnational population projections and are recognised as having significant implications for informing council decisions about future housing need and service provision (such as waste collection and community care). The projections feed into development plans, including assessments of housing need and demand for the future.

9.22 One key implication from the NRS Subnational Household Projections: 2022-based are that Highland's households are increasingly smaller in size, consisting of 2.2 persons in 2022, 2.15 persons in 2030, and 2.07 by 2040. This equates to a 9% decline in household size by 2047, while the equivalent decline in household sizes for Scotland is 6%.

9.23 The NRS Subnational Household Projections: 2022-based indicate that household type projections for Highland will influence the composition of household types. The key household types are:

- **One Adult Households**: Households consisting of just one adult are projected to account for 38.0% of all Scotland's households by 2032. This proportion of people living alone varies according to age and sex. People are more likely to live alone as they become older. Over a third (34.8%) of people in Scotland aged 65 years or over are projected to live alone by 2032. More than half

(54.2%) of people aged 85 years or over are projected to live alone in 2032. Men are more likely to be living alone than women in all age groups up to 64 years old. However, from 65 years old onwards women are more likely to be living alone, and this likelihood increases with age.

- **Two or more Adult Households**: The number of households consisting of just two or more adults is projected to rise by 5.6% in Scotland between 2022 and 2032 (to 1,046,900 households). They are projected to account for 39.0% of all Scottish households in 2032, slightly lower than the 39.4% share in 2022. The increase in the number of households consisting of just two or more adults is mainly driven by a large increase in those where the household reference person (HRP) is aged 65 years or over.
- **Adult(s) with dependent children Households**: The total number of Scottish households containing one or more dependent children is projected to grow from 590,000 in 2022 to 618,100 in 2032, an increase of 4.7%. Around half of council areas are projected to see an increase between 2022 and 2032 in the number of households containing dependent children. In general, it is the council areas which are reasonably close to the main cities which have the highest projected percentages of households with dependent children, while rates of growth are lower in the cities themselves, and in remote rural and island council areas.

Table 9:3 Projected distribution of households by type in council areas in 2032 and Percentage Change from 2022 (NRS Subnational Household Projections: 2022-based)

	1 Adult		2+ Adults		Adult(s) with Children	
	Composition	% Δ	Composition	% Δ	Composition	% Δ
Highland	38.63%	3.15%	40.70%	6.24%	20.66%	1.44%
Scotland	37.95%	0.9%	39.02%	5.58%	23.03%	4.67%

9.24 Table 9:3 indicates that the change in household composition is occurring differently in Highland than in Scotland. While there will be growth in all household types, Highland should anticipate a greater relative increase in childless households, compared to Scotland.

9.25 It is vital to stress that the Highlands is a large and diverse authority with disparate demographic trends occurring throughout the authority. While the Local Development Planning Guidance is primarily concerned with translating housing need and demand into a single authority-wide indicative housing land requirement, it is reasonable to highlight within the Evidence Report, that the aforementioned trends in household growth, household type and size are highly unlikely to be uniform across the Council's ten distinct Housing Market Areas, which are all starting from a different demographic composition and likely to experience different trends within the lifetime of HLDP. As such a large authority, the Highland Council contains both areas that import and export residents, providing both an urban employment centre that attracts incoming residents, while also containing fragile rural areas that are drawn to it. What is highly apparent however, is that a significantly higher number of homes is anticipated to be required to accommodate demographic change in Highland, however those homes will increasingly require to be smaller and suitable for older populations.

9.26 Highland's remote areas have a low population density due to many factors such as the physical, environmental and landownership constraints to further development, and the lack of employment and other opportunities. However, **Chapter 8: Business, Economy, Tourism and Productive Places** reveals that, compared to Scotland as a whole, Highland's population has a wider geographic distribution across both urban and rural areas. This reflects the size, shape and pattern of developable land in Highland; i.e, previous and future settlement are and will be concentrated on the coastal margins of the region and their accessible rural hinterlands. These developable coastal margins are separated from each other by large distances and problematic transport connectivity which is why so many smaller settlements (including crofting townships) exist in Highland.

9.27 **Chapter 8: Business, Economy, Tourism and Productive Places** section **Economic Profile and Rural Development** details the geographic distribution of the Highland population, nothing the 2022 research report Place-based Policy Approaches to Population Challenges, which evidences that in line with national trends, Highland's population within accessible rural areas has continued to grow at rates above the Scottish average, while remote rural areas have experienced declining populations since the early 2000's. The most remote and sparsely populated areas have seen the most substantial decline. The populations of accessible, remote and very remote small towns have shown very similar trends to their rural counterparts, though less extreme, i.e. closer to the Scottish average. Thus, both remoteness and settlement structure and pattern seem to play a role in determining recent population trends. Analysis of the components of population change suggests that the process by which the remote rural areas have "lost" population in recent years is predominantly through natural decrease (more deaths than births) rather than through net (out) migration. However, this natural decrease is partly a consequence of the previous age profile of migrants.

9.28 As a consequence of these complex age structure and migration dynamics, Highland's remote rural areas have acquired an increasingly unbalanced age structure, with proportions of children and working age adults below the Scottish average, and an expanding pensioner population. By comparison, the situation in accessible rural areas is mixed: the share of population who are children is above the Scottish average, but so is that of the over-65s, whilst the share in the economically active age groups is below the Scottish average. The implications of Highland's population structure and geographic distribution on the regional economy are detailed further in **Chapter 8: Business, Economy, Tourism and Productive Places**, while the implications of the ageing population on the health and social care needs of the region are detailed in **Chapter 11: Infrastructure.**

9.29 Homes for Scotland (HfS) commissioned a survey of 839 people in Highland (Highland Council area not HLDP area) households in August 2023 as new primary evidence of existing and likely future housing need. The associated report Existing Housing Need in Highland **(THC186)** estimated that there were 4,000 existing overcrowded households, 15,000 concealed households, 2,000 unfit property households, 4,000 households requiring adaptations of their existing properties, 9,000 households struggling with high housing costs (where more than 50% of their gross income was being spent on housing costs), and 500 households in temporary accommodation. In total, 30,500 have at least one form of need. The report concluded that of these households, 15,500 need an affordable solution and 10,000 can afford a market solution.

9.30 HfS commissioned similar Scotland wide Existing Housing Need, with individual local reports across Scotland. The relevance and significance of these reports have been considered at Gate Check. The Falkirk Local Development Plan Gate Check report commented that HfS' documents may prompt a national review of how the number of concealed households is estimated. It also discusses that the MATHLR may be regarded as a minimum housing need total and that the relevant HfS report figure as a maximum.

Housing Need and Demand Assessment 2021

9.31 The Council's 2021 HNDA is a robust and credible source of data to be relied upon, with a 5-year housing estimate of 4,998 (2019/20-2023/24). However, the HNDA is not in itself a land requirement – it is one of a number of inputs. However, in undertaking the HNDA 2021, the Council raised several key issues with the prescribed methodology and how this impacted the results in a Highland context, which are summarised in section 4 of the HNDA, namely:

- Household projections are not created at a Housing Market Area level – the CHMA tool uses a simple methodology (based upon Council tax based residential property counts) to apportion the projected housing need (both existing need and arising need) to individual HMAs. For the Highland Council area this approach is not considered by the Housing Market Partnership (HMP) to deliver appropriate splits of Highland-wide Household projections between HMA's. Sub council area population projections for the Highland Council area demonstrate very wide differences in the projected future population counts and specifically the population make-up by age. These variances are highly likely to drive significantly different needs across different Housing Market Areas. HMP agreed to depart from the HNDA Tool method and utilise a 10-year average of delivery (using completions data by HMA) to better proportionately allocate Arising Need, as these correspond better to the proportion of those aged 16-64 and the projected change in the proportion of the total Highland 16-64 age group to 2040, which was considered most useful in understanding the proportion of home makers.
- The HMP agreed to use an in-house developed method to estimate existing need (sometimes referred to as the backlog of need). This is based on an assessment of the current living arrangements of each applicant on the Highland Housing Register (HHR). The Partnership considered this approach more robust than the defaults suggested in the HNDA Guidance in incorporated as default in the CHMA Tool (which provides a figure of 840 for the Highland Council Area from significantly outdated sources). The accompanying background Paper 1 - Estimating Existing Need – Approach to Backlog Definition describes this approach fully.
- The HNDA 2021 states that the High Migration projection is used, due to the continuing recent evidence of a net inward migration of 1000+ per year into the Highland Council area, and that the HMP considered that, of the three, the high migration scenario was the closest to the likely future growth of Highland, but even this equated HNDA Housing estimates being 24% lower than historic completion levels. However, since the publication of the Highland HNDA 2021, the Housing Market Partnership continued to raise concerns regarding these matters in the production of the subsequent Local Housing Strategy.

Local Housing Strategy

9.32 The Highland Council Local Housing Strategy 2023-2028 (LHS) was approved in April 2023. The Council must have regard, in preparing the new HLDP (section 9 of the Town and Country Planning (Development Planning) (Scotland) Regulations 2023) to the LHS. It sets a far higher housing (supply) target for Highland than the MATHLR because of the expected effects of major economic projects such as the Inverness and Highland City Region Growth Deal and the Inverness and Cromarty Firth Green Freeport in stimulating the need and demand for housing. The LHS is founded partly upon expectation and partly upon aspiration. The LHS reports a consensus across the stakeholders that collaborated to prepare the LHS of the need to encourage a step change in housing delivery required to support and drive economic growth in the Highlands. **Although the LHS only covers a 5-year period it sets an annual Highland Council boundary Housing Supply Target (HST) of 1,840 dwellings which would equate to 18,400 over 10 years**. Subtracting the Badenoch and Strathspey Housing Market Area (the populous part of which almost exclusively lies within the Cairngorms National Park Authority area), the **HST for the HLDP area equates to 17,100 units**. It is for the Cairngorms National Park Authority to make its own conclusions from the Council's LHS 2023-2028 and other available evidence to inform the Local Housing Land Requirement for their next local development plan.

9.33 The methodology used to derive the LHS housing targets is different to that used for the MATHLR, and the statement within the LHS on pg 35 that "the HST has been derived from HNDA housing estimates" is partially correct. Appendix 2 **(THC###)** serves as the Housing Supply Target Methodology Paper for the LHS 2023-2028 details the steps in that methodology and the evidence to justify its choice. In summary, the LHS is committed to achieving a 'step change in housing supply' to enable the delivery of an ambitious economic development strategy for the Highland region and to relieve evidenced pressures on affordable and key worker housing. As such, Housing Market Partners were not satisfied that HNDA housing estimates offered a reasonable starting point for setting the HST. The key reasons are detailed in **THC###** but in summary:

- **Tenure split of HNDA Housing Estimates** which reverse the tenure delivery profile of future housing supply in Highland. Whilst increases in the scale of affordable housing delivery are welcomed in the context of affordability pressures, housing estimates account for just 35% of historic market housing delivery rates. The HNDA toolkit calculates housing tenure estimates based on a historic income profile of the existing household population in Highland. This methodology will therefore drive a significant need for affordable housing and will not reflect the future need for market housing associated with economic growth projects, which are aimed at attracting skilled workers with higher income levels into Highland.

- **Reducing market delivery targets could have a negative impact on future delivery of affordable housing.** The Highland Affordable Housing Policy requires 25% of all completions to be developed for affordable housing on all sites greater than four units. Based on the last 5 years of market activity and adjusting for windfall delivery from small sites (up to 15% of all completions); results in approximately 960 units of affordable housing delivery. If Housing Supply Targets are based on unadjusted HNDA housing estimates, the affordable housing contribution from market delivery will reach just 340 units, just 35% of historic Affordable Housing Policy completions. On this basis, it was agreed that Housing Supply Targets should not assume market supply targets below the rate of historic completions as a baseline, whilst the estimated need for affordable housing should be projected and maintained in an attempt to address the backlog of housing need in Highland communities.

9.34 The LHS therefore disputes and replaces the HNDA methodology (and therefore does not utilise any of the HNDA scenarios in their entirety) because it generates annual market housing totals that account for just 35% of past trend private completions and uses existing household income profile data that will not reflect the aspiration for future economic growth that will attract skilled workers with higher income levels into Highland.

9.35 The key difference therefore is that the LHS 2023-2028 uses the HNDA *affordable* housing estimates (3,396) which are then benchmarked to past average affordable sector completions as a base for future forecasting rather than a full 2021 HNDA scenario estimate. Also, inflations to the totals factor in ambitious levels of employment-led housing growth and an allowance for a proportion of the future housing stock to be lost from mainstream use to second home / holiday home / short-term letting use.

9.36 The Council commissioned Arneil Johnston in 2024 to produce a report **(THC187)** to recalibrate the Housing Supply Targets within the Local Housing Strategy 2023-2028 to take into the account the economic impact assessment within the Inverness and Cromarty Firth Green Freeport Business Case discussed in **Chapter 8: Economy, Business, Tourism and Productive Places**. This report **(THC187)** explains the methodology followed which can be summarised as: estimating the gross direct Full Time Equivalent (FTE) jobs arising from the economic impact analysis of the Green Freeport project by area; adjusting for additionality impacts i.e. deadweight (existing jobs lost) or displacement (proposal taking jobs from existing economy) to establish net additional FTE jobs; assessing where the workforce is likely to originate from by area to assess net housing requirements (i.e. the number of new additional units required to accommodate the in-migrant portion of the required workforce); and, assessing the extent to which job estimates are already reflected in the current HNDA / LHS processes to avoid double counting. Specifically, an assumption of 10,192 Green Freeport direct FTE jobs over 10 years was input. Table 1.11 within the report **(THC187)** summarises the results. The Green Freeport project adjusted Housing Supply Targets for the next 10 years for all of Highland are 24,235 units split 71% (17,157) market and 29% (7,078) affordable. For the smaller HLDP area, this equates to a total of 23,045 units split 16,568 market and 6,477 affordable. The report doesn't include indirect, multiplier and related renewables industry employment. Major energy grid reinforcement construction projects are ongoing within Highland and will continue until at least 2031 and therefore it is reasonable to assume that there will be additional, albeit part temporary, employment-led housing growth resulting from that construction activity. For example, SSE have confirmed that they intend to purchase 200-300 new build residential units for their workers between 2025 and 2030. In September 2025, the Inverness and Cromarty Firth Green Freeport Memorandum of Understanding revised the additional jobs estimate to 11,000 over 25 years.

9.37 The Council has since commissioned Arneil Johnston to produce a new Highland HNDA **(THC070)** with completion expected in April 2026. It will then be sent to the Centre for Housing Market Analysis (CHMA) to seek its endorsement as robust and credible. That endorsement will hopefully be forthcoming during the Gate Check process. This new HNDA will incorporate latest 2022-based Subnational population projections and (when available) the 2022-based household projections for Highland. It will also include further primary research on local housing need and demand and stakeholder input on the known or likely effects of employment-led growth and workforce estimates on that need and demand, which has been detailed in **Chapter 8: Economy, Business, Tourism and Productive Places**. This draft Chapter of the HLDP Evidence Report therefore will require to be updated to reflect the completed HNDA, before submission to Gatecheck.

Setting Highland's LHLR

9.38 Until the new HNDA is completed, in the interests of circulating a draft among key stakeholders, the Council is setting an interim, indicative LHLR based on the methodology within the LHS 2023-2028. This methodology is summarised above and set out in detail within Appendix 2 of the LHS (LHS Development: Setting Housing Supply Targets). **For the HLDP area over 10 years this equates to an iLHLR of 17,100 units** as shown in Table 9:4.

Table 9:4 Highland Indicative Local Housing Land Requirement (iLHLR)

Housing Supply Target - 10 year (LHS 2023-2028)	
Highland total (A)	18,400
Badenoch and Strathspey (B)	1,300
HLDP Area (A-B)	17,100
Indicative Local Housing Land Requirement (iLHLR)	**17,100**

9.39 As explained above, the LHS 2023-2028 follows a different methodology to that promoted by the CHMA through the HNDA Toolkit. The two methodologies highlight the quandary of whether setting housing targets should be a technical, past data-driven process or one overtly influenced by policy objectives. Current practice in Scotland reflects a compromise between the two.

9.40 As explained above, the previous natural decrease population trends and 2018-based projections in Highland suggests that the current HNDA Toolkit based forecast will set a low base for then estimating the LHLR. The Council does not wish to plan for the decline of Highland. Instead, it wishes to incorporate a policy assumption that future economic growth will stimulate an increase in future housing need and demand. The new HNDA will collect and assess evidence and stakeholder input to justify such an assumption. The report **(THC187)** referenced in the preceding section on how the Green Freeport project may impact Highland's Housing Supply Targets is part of that justification.

9.41 Similarly positive policy assumptions have been made at national level. Housing to 2040 includes the Scottish Government's overarching objective for the housing sector which is "for everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be." The same document sets a target for Scotland of 10,000 affordable homes per year up to 2032 with 70% of these for social rent. However, the combined MATHLR figures set out in Annex E of NPF4 total 204,292 units over 10 years or 20,429 units per year which implies that the Scottish

Government's market sector target for Scotland is only 10,429 units per year. Similar to the LHS methodology argument explained above, Scotland's long term (1997 to 2024 inclusive) actual private sector completions averaged a far higher 15,932 units per year. At the very least there is a disconnect between the NPF4 MATHLR figures and their underlying HNDA methodology, and the Scottish Government's housing policy objectives set out in Housing to 2040.

Housing Completions

9.42 Completions data provides evidence of past trends in delivery of new housing units and are a helpful reference point. They are not necessarily an indicator of future demand or the potential for future delivery. The information is therefore helpful to use as a comparative benchmark. Past trends in housing completions give an indication of average development industry capacity, affordable housing grant levels, and proven market demand within Highland. However, they don't help predict any future changes in these factors. Factually, over the period 2008 to 2024 inclusive, HLDP area house completions averaged 1,031 units per annum.

Table 9:5 Completions by Highland Housing Market Areas by Calendar Year 2008-2024

Housing Market Area	Total	Annual Average
Caithness	992	58
East Ross	1,292	76
Inverness	7,840	461
Lochaber	1,473	87
Mid Ross	1,960	115
Nairn	733	43
Ross and Cromarty West	720	42
Skye and Lochalsh	1,593	94
Sutherland	917	54
HLDP Total	**17,520**	**1,031**

9.43 Table 9:5 demonstrates the concentration of most completions within the Inner Moray Firth (a combination of the East Ross, Inverness, Mid Ross and Nairn Housing Market Areas) with two-thirds (67%) of recent housing development in this area and 45% solely within the Inverness Housing Market Area.

Housing Land Supply

9.44 Scottish Ministers now require each planning authority to better demonstrate that it is meeting its housing target. This evidence is to be a published Pipeline, which is to include the sequencing of, and timescale for, the delivery of all housing component sites allocated in the authority's local development plan(s) and/or with an extant planning permission. The Council first published its Deliverable Housing Land Pipeline for Highland in May 2025. This Pipeline includes only those sites with an extant housing capacity of 25 or more units as of a base date of 1 June 2024. The other components of the housing land supply comprise those sites expected to be delivered by sites between 4 and 24 units as set out within the Council's 2024 Housing Land Audit and the yield from smaller 1-3 unit developments.

9.45 Currently, these 3 components of the housing land supply are expected to deliver 12,360 units over 10 years. In more detail, the 25+ unit sites are expected to deliver 2,513 units over the next 3 years and 6,147 over years 1-6. Thereafter, only another 2,777 units are expected in years 7-10 inclusive. At least 4,700 potential housing units are tied to allocated housing sites which are not expected to deliver in the next 10 years. From the wider 2024 Housing Land Audit, 4-24 sites are expected to deliver 266 over years 1-3, 719 over years 1-6, and only a further 137 units over years 7-10 inclusive. From past trends (April 2012 to July 2025 inclusive) small scale windfall development (1–3 unit developments on non-allocated land) delivered an average of 258 units per year, which if continued would generate an additional 2,580 units over 10 years. In summary, there is a current estimated shortfall of just under 5,000 units in sites that are likely to deliverable within the next 10 years relative to the LHS 2023-2028 based HST of 17,100 units.

9.46 Estimating future windfall development (most commonly defined as housing completions outwith specifically allocated sites) is uncertain but past trend evidence provides an indication of what might happen. Unsurprisingly, in a predominantly rural area such as Highland, a large part of the housing land supply is accommodated on land not specifically allocated for that purpose within one of the Council's three area local development plans. Over the period 4 April 2012 to 31 July 2025, there were 13,006 house completions across the HLDP area. Of these, 4,833 (37%) were on land outwith any specific LDP allocation at the time of decision. There has been considerable recent debate as to whether windfall development within settlements is stymied by Policy 16 f) of NPF4. In September 2025, following lobbying from the housebuilding sector, the Scottish Government issued a Chief Planner Letter and Notification Direction - September 2025 to require better monitoring by local planning authorities of this issue. Highland's existing policy on this issue is Policy 34 Settlement Development Areas of the HwLDP **(THC002)** which establishes a general presumption in favour of infill development on unallocated land within settlements unless there are proposal and/or site-specifics which dictate otherwise.

9.47 Since the 1990s, the Council has applied a positive presumption in favour of development, subject to the proposal and site-specifics, within various Highland settlements the outer edge of which is defined by a Settlement Development Area boundary. This presumption is detailed within a Settlement Development Areas policy (Policy 34 of HwLDP **(THC002)**). The intention of this policy is to be supportive of the principle of "infill" development within settlements. In part, the policy is also founded upon the impracticability of specifically identifying every suitable development site within every Highland settlement. For house completions outwith LDP defined settlement boundaries, as shown in Table 9:6 there were 2,769 units or 21.3% of all completions over the period 2012-2025. This is a truer indication of windfall development. Even then, many of these completions were not in the open countryside but within smaller crofting townships and other smaller parish based rural settlements or housing groups that are not defined by boundary within an LDP.

Table 9:6 Highland Completions 2012-2025

Location	Number	Percentage of Total
Within LDP Allocation	8,173	62.8%
Outwith Allocation but Within Settlement Boundary	2,064	15.9%
Outwith any LDP Allocation or Settlement Boundary	2,769	21.3%
Totals	**13,006**	**100%**

9.48 Future Scottish Government and Council policy and application on rural housing will most affect whether this percentage increases or decreases but a continuation of past trend data would be a sensible and neutral assumption for now.

Affordable Housing

9.49 According to Scottish Government Data on Social Sector House Completions across the Council area averaged 290 units per annum over the period 2016/17 to 2024/25 inclusive. The Council believes this to be a significant under-estimate due to definitional differences and, instead, as stated in its Strategic Housing Investment Plan (SHIP) 2026-2031 that an average of 500 units per annum have been delivered over the last 10 years (2015-2024 inclusive) and that annual completions over the current financial year and next most recent two years will average 416 units per annum. The Scottish Government average figure equates to an average of 26% of all completions across the same period and area. The latest SHIP aims to build 700 affordable units per annum over the period 2026-2031, rather than the 500 which had originally been forecast. With listed schemes for 3,272 new approval units at an annual rate of 654 units but ideally 700 per annum with 35.3% of the proposed investment within the Inverness Housing Market Area.

9.50 The viability of social housing providers delivering affordable housing in Highland is largely dictated by the availability and level of Scottish Government subsidy. This level of subsidy is established through published Scottish Government Affordable Housing Investment Benchmarks, which are subject to occasional review. The current (October 2024 set) maximum level of subsidy for a standard 3-person residential unit for social rent in West Highland is £117,222. The lowest level of subsidy for a standard 3-person residential unit for Council mid-market rent in Inverness is £60,145. An August 2025 review of affordable housing scheme tender prices estimated that the current (prices indexed to August 2025) total, traditional procurement, benchmark cost of provision of a standard 3 bedspace residential unit in South Highland (Lochaber and Skye and Lochalsh) is £277,622 and £210,789.68 in the rest of Highland. The same assessment revealed that a design and build procurement via a section 75 agreement with a private housebuilder reduces this average cost of a 3-bedspace unit by between 11 and 19%. The marked difference between the actual cost of completing an affordable unit in Highland relative to the public subsidy available to do so inhibits affordable housing delivery. The financial risk of borrowing the difference between the level of subsidy and the actual cost of completing units is challenging for the smaller social housing providers that operate in Highland. The current subsidy regime encourages working with private housebuilders via section 75 agreements and a preference for mid-market rent units which offer a lower level of subsidy but a greater future income stream. Therefore, it is particularly problematic to deliver smaller groups of social rented units in the remoter parts of Highland, which have no volume private housebuilder interest and generally higher development costs and tender prices.

9.51 The Council's SHIP 2026-2031 references the other barriers to affordable housing delivery in Highland as: a lack of economically deliverable development sites; higher national interest rates that depress private market demand and activity therefore reducing the number of private sites that can deliver 25% affordable units;

insufficient school capacity in the most pressured parts of Highland which drive up developer contribution costs; delays in obtaining all consents; construction cost inflation; a national tax regime that disincentivises landowner land release; the lack of contractors competing for tenders; high abnormal site development costs for brownfield and remoter sites; and, higher national energy-efficiency standards and the costs of funding such.

9.52 There are several estimates and sources of evidence on housing need. The official combined waiting list for all social housing providers in Highland, known as the Highland Housing Register, as of 1 April 2025, had a total of 11,636 applicants on the housing list (not including those wishing to transfer from an existing affordable unit). An Highland Housing Register Analysis Report provides a fuller review of the Register data and how properties are allocated. In terms of separate households then there were 8,767 applicants as of 1 April 2025. 10% of these households are defined as homeless under national homelessness legislation. Half of all applicants are single person households highlighting the need for smaller properties. The highest first choice area for accommodation is Inverness (chosen by 41% of all applicants). The Register also highlights that the prospects of obtaining an existing affordable unit by comparing the number of applicants to the number of units in each lettings area. The prospects of being let a unit in Caithness are far better than in Inverness because there is much more favourable ratio of available lets relative to the need for them in Caithness relative to Inverness. 1,620 households were housed over the 2024/25 financial year (including transfers). Even though new affordable units became available over the course of that year, there were fewer properties available for re-let relative to the previous year because existing tenants were staying for longer than in that previous year. This evidence highlights the issue that building more affordable housing doesn't necessarily clear a waiting list on a one-for-one basis in an area.

9.53 The affordability of home purchase is related to average house prices. Using the CHMA datapacks and CACI 2024 income profiles, the containment and affordability analysis has been undertaken for the HNDA. The average house price, for the financial year 2023/24 across the Council area was £209,125, a 22% increase on the average of £186,310 in 2019/20. There are marked intra-Highland differences as shown in Table 9:7 ranging from £295,229 in Badenoch and Strathspey to £132,945 in Caithness.

Table 9:7 Housing Affordability in Highland Housing Market Areas

HMA	2019-20	2020-21	2021-22	2022-23	2023-24	Change	Average
Badenoch & Strathspey	£232,671	£219,168	£262,344	£291,739	£295,229	27%	£262,460
Caithness	£116,986	£121,770	£130,094	£146,301	£155,016	33%	£132,945
East Ross	£159,234	£168,485	£176,642	£184,868	£176,642	11%	£174,190
Inverness	£194,039	£208,377	£212,432	£223,269	£225,254	16%	£212,077
Lochaber	£199,678	£211,282	£234,802	£262,537	£236,876	19%	£227,668
Mid Ross	£192,859	£212,112	£224,068	£237,432	£239,429	24%	£219,097
Nairn	£202,718	£217,278	£233,805	£242,297	£248,260	22%	£227,125
Ross & Cromarty West	£189,104	£225,849	£242,615	£272,194	£247,709	31%	£234,242
Skye & Lochalsh	£209,194	£214,999	£245,440	£272,727	£260,395	24%	£239,637
Sutherland	£166,935	£176,647	£201,841	£220,597	£223,688	34%	£196,483
Highland	**£186,310**	**£198,830**	**£210,185**	**£227,463**	**£227,375**	**22%**	**£209,125**

9.54 Relative to the average Highland household income in 2024 of £50,527, only 36% of households could afford (spending 30% of their household income on housing costs) the average Highland house price and only 59% the cheapest form of owner-occupation. The least affordable part of the Council area is Skye and Lochalsh where only 29% of households can afford the average house price and only 50% the cheapest form of owner-occupation as shown in Table 9:8. The most affordable part of Highland is Caithness where 48% of households can afford the average house price and 72% the cheapest form of owner-occupation.

Table 9:8 Income required for average house prices in Highland Housing Market Areas (2019-2024)

HMA	Avg House Price	Avg Household Income	Income required for Avg House Price	% Cannot Afford Avg House Price	% Cannot Afford Market Entry Price
Badenoch & Strathspey	£295,229	£55,991	£69,716	69%	44%
Caithness	£155,016	£42,293	£35,314	52%	28%
East Ross	£176,642	£45,413	£46,269	61%	38%
Inverness	£225,254	£53,219	£56,333	62%	41%
Lochaber	£236,876	£48,929	£60,474	70%	46%
Mid Ross	£239,429	£53,899	£58,198	63%	40%
Nairn	£248,260	£51,724	£60,330	66%	45%
Ross & Cromarty West	£247,709	£50,099	£62,220	71%	47%
Skye & Lochalsh	£260,395	£50,263	£63,654	71%	50%
Sutherland	£223,688	£45,069	£52,191	68%	41%
Highland	**£227,375**	**£50,527**	**£55,549**	**64%**	**41%**

9.55 Private Rental Listings supplied by Rent Services Scotland evidence a highly pressurised rental market in Highland in most recent years from 2019-2024, albeit there are signs of this growing again in the most recent available year. This is recognised as having added to the affordability of housing issues among those who do not meet the criteria for affordable housing but who cannot afford to buy at market entry or average house prices in the Highlands. This coincides with UK Collaborative Centre for Housing Evidence on the Private Rented Sector across Scotland (Scotland’s Private Rented Sector: The Next 30 Years), where active landlord registrations dropped by 5% between December 2020 and December 2025. Moving forward it is therefore considered that a healthy and sustained private rental sector is essential to meet the needs of Highland communities, including key workers moving to Highland who initially seek rental accommodation as a short or medium-term solution.

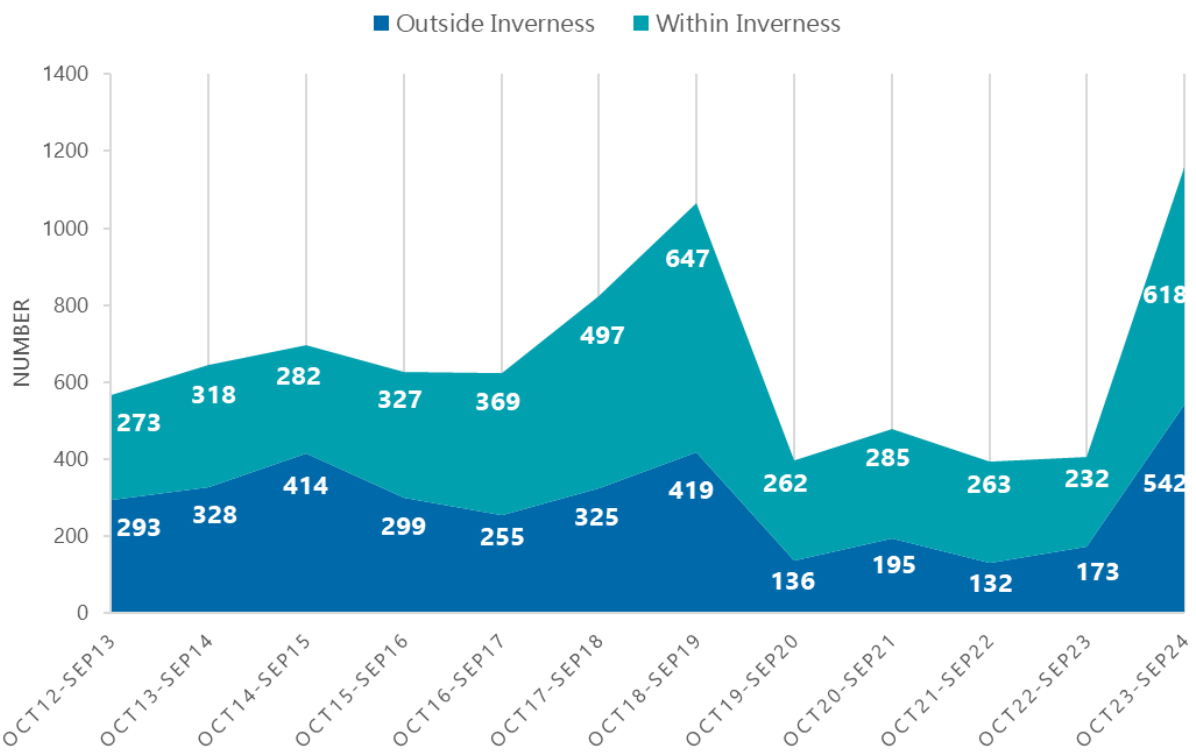

Figure 9:9 Highland Private Rental Sector Listings from 2012-2024

Specialist Provision

9.56 Legislation and Scottish Government guidance requires assessment of different types of housing need and demand. The following section assesses evidence in respect of: the homeless; the gypsy traveller community; older and disabled people requiring accessible and adapted housing; self and custom build; key workers; students; poor energy efficiency housing; and, losses of housing stock from the mainstream market to other forms of occupation such as short term let accommodation.

Homelessness

9.57 Social rented housing providers have a legal duty to give a "reasonable preference" to priority groups when allocating housing; this includes households who have nowhere safe and secure that they can reasonably stay and so are homeless and households who are living under unsatisfactory conditions and who have unmet housing needs. Highland Housing Register Analysis Report shows that across

Highland for 2024-2025, 855 lets – 53% of all lets – went to households with points which reflect their homelessness status; a 3% increase from 2023/24. In areas where there is a greater demand for housing, homeless points play a more significant role in leading to a let; for example, the Highland Council across five housing areas allocated more than 53% of stock to homeless households: in Inverness (72%); Dingwall (73%); Badenoch and Strathspey (65%); Nairn (72%) and Portree (71%). The Scottish Government has recently extended the rights of homeless households to obtain a social rented unit but this increased priority, without an increase in the stock available, just reduces the stock available to meet other types of housing need in Highland. More positively, this greater priority has taken households out of temporary accommodation. Within the Council area, there were 526 households in temporary accommodation as of 30 September 2024, compared to a high of 785 households as of 30 June 2021. A high proportion of homeless applicants are single people and / or aged 25 or under who need one-bedroom properties.

Gypsy Travellers

9.58 The Council recognises that there is an ongoing need and demand in Highland for culturally appropriate accommodation and facilities to meet the needs of people from the Gypsy / Traveller community. Gypsy/Travellers' in Scotland are not a single group but are instead comprised of many different individuals, families and groups, each defined by its own history, culture and lifestyle and their right to self-identify is central to each. Gypsy/Traveller communities in Highland are part of Scotland's rich cultural fabric but remain one of its most marginalised populations. In Highland, the term Gypsy/Travellers tends to refer to; Scottish Gypsy/Travellers, Irish Travellers; Romany Gypsies - all recognised as ethnic minorities in law. This also means they are protected under the race characteristic in the Equality Act (2010).

9.59 The last comprehensive assessment of the accommodation needs of gypsy travellers in Highland was made in 2014. In the 2022 Census, 3,343 people in Scotland identified as belonging to the Gypsy/Traveller ethnic group, representing 0.06% of Scotland's population. However, organisations working with these communities estimate that the true Gypsy/Traveller population size could be as high as 15,000 to 20,000. This indicates that Gypsy/Travellers can be more difficult to count in the census and other surveys, because they move around, feel the need to hide their identities due to fear of discrimination, or feel a disconnect with any benefits from completing these surveys. Owing to these factors, there is considerable doubt regarding the accuracy of the figure of 263 permanently resident persons within Highland that classed themselves as gypsy travellers within the 2022 Census.

9.60 There are only 4 permanent gypsy traveller sites in Highland. Numbers of applicants on the waiting lists are known to be poor indicators of unmet need as households are known to apply only at the point they become aware that there is potential availability. In Highland, community members often live in remote rural areas or roadside locations, where access to stable housing, education, healthcare, and mental health services is frequently compromised. Many of the community also live in housing or on Gypsy/Traveller sites. Nonetheless, most continue to experience barriers around digital exclusion, discrimination, and lack of cultural competency within services. Gypsy/traveller site waiting lists and site occupancy in addition to temporary encampments have been provided to Arneil Johnston for the purposes of identifying required specialist provision for the community.

9.61 Recent records of temporary encampments in Highland found that there were 59 locations used over the period with the annual use of these averaging 0.9 uses per annum. The average encampment was small at 3 caravans.

Table 9:9 Highland Recorded Temporary Gypsy/Traveller Encampments

Area	2022	2023	2024	2025	Total
Badenoch & Strathspey	1		1	1	3
Caithness		2			2
Inverness	7	8	4	4	23
Ross & Cromarty	8	19	4		31
Total	**16**	**29**	**9**	**5**	**59**

9.62 The choice of temporary locations is driven by proximity to employment opportunities, amenities, family relations and holiday destinations. Improvements are being made to the quality of the permanent sites such as at Longman Park, Inverness where £7.14M is being invested in future-proofing site accommodation and facilities. This reflects local liaison with the gypsy traveller community as to its preferences and aspirations, changes in fire safety standards and a desire to follow the Scottish Government's Interim Site Design Guide. At Longman Park, this is to be achieved via the delivery of timber framed modular 'park home' style units. This site is also scheduled to have a new play area and community meeting space added.

9.63 However, most gypsy travellers only visit Highland between spring and autumn when the weather is kinder for mobile home living and when it is more traditional to visit Highland relations. This seasonal and transient need and demand is usually accommodated in roadside laybys. The Council and other agencies manage the effects of this need and demand via an agreed policy on supporting cooperation and managing unauthorised gypsy traveller camps. Assistance is offered by liaison officers who coordinate the provision of refuse collection, temporary toilets, and if required, education and health services.

9.64 Most of the permanent sites in Highland are permanently occupied by a few extended families. An increase in national pitch spacing standards is likely to reduce the capacity of the permanent sites. However, all 4 permanent sites suffer from physical and ownership constraints to their expansion. Council Tenant Participation Officers explain how to join the housing waiting list and seek permanent accommodation options. There is one privately owned and managed Showpeople site in Highland at Invergordon which adequately caters for the needs of that community.

9.65 The Bingin Noggins Tobar Taking our Journey Project Impact Report led by Progress in Dialogue highlights some key research findings regarding cultural erosion of traditional ways of life, due to limited access to stopping places, site closures, and culturally inappropriate developments have fractured social bonds and disrupted identity:

- Participants described feelings of isolation and cultural disconnection, particularly among those placed in housing far from extended family networks.
- Upgrades to sites often feel imposed, rather than co-designed, and fail to reflect cultural values or community-led planning. A lack of sites also meant that some feel they cannot speak out about struggles for fear of losing their place on site.
- Displacement from traditional spaces contributes to increased loneliness and mental strain.
- Sites do not tend to have a community building or the facilities to host community gatherings. Some young people felt this was the reason for widespread use of drugs.

Accessible and Adapted Housing

9.66 As the **Recent demographic trends** section above established, future Highland will have a higher proportion of its population in the older age groups than many other authorities. Property requirements will change with that shift and there will be a need for more existing and new properties to be accessible and adapted to the needs of the occupants. The Council's recently adopted IMFLDP2 **(THC003)** contains a Policy 13, Accessible and Adaptable Homes, which has already established 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 policy utilises the Scottish Homes Housing for Varying Needs document to outline the precise requirements to make homes wheelchair liveable on the ground floor. Other non-planning policy options include the use of assistive technology that enables people with particular housing needs to live independently and well at home.

9.67 In June 2023 there was a Scottish Government consultation on better Accessible Homes Standard through the review of Part 1 of the Housing for Varying Needs design guide and by introducing a Standard through updates to building standards and guidance. However, this Standard has not been progressed to date. The availability of public and private funding for accessible and adapted housing is very limited and capital investment in care service housing projects requires a partnership approach and a commitment to essential revenue funding from Health and Social Care budgets.

9.68 The Highland 2022 Census Overview provides output area data on those persons classifying themselves as having a long-term physical disability (a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, lifting or carrying). 21,799 persons within Highland consider themselves to have a long-term physical disability. This represents 9.3% of the normally resident population. 8 of the 21 Council Wards have over 10% of their populations that describe themselves as having a long-term physical disability. 4 of these Wards comprise Caithness and Sutherland. Other Wards with a similarly high proportion are Nairnshire, Inverness Central, and the two Wards that make up Easter Ross. Unsurprisingly, Wards with higher proportions of family housing or holiday accommodation have lower percentages.

Self and Custom Build

9.69 Self and custom build housing is defined as homes built or commissioned by individuals or groups of individuals for their own use. Highland’s rural areas have historically seen the greatest demand for, and the delivery of self and custom build plots. Conversely, Inverness City and Highland towns and villages have seen few self and custom build plots become available and those that do, are often sold quickly and at a high price. Each planning authority is to prepare and maintain a list of people interested in self-build across its area. Highland Council opened its Self-Build Register in 2021 and as of September 2025 there were 126 registered people or individual groups seeking self or custom build house sites. The Register total includes all entries regardless of how viable it is for the applicant to pursue a self-build project. The Council's recently adopted IMFLDP2 **(THC003)** contains a Policy 11 Self and Custom Build Housing brought in a requirement within urban areas, that at least 5% of the total residential units, on sites delivering 100 or more housing units be delivered as self or custom build plots.

Key Workers

9.70 The Council has defined a Key Worker as "a *worker who fulfils a role regarded as vital for the community, especially in the health, education, security, and infrastructure sectors."* There is a shortage of housing options for a variety of "key workers" within Highland especially in rural areas but this can partially be addressed by increasing the supply of mid-market rent and low-cost home ownership units. Current housing legislation and national guidance makes it difficult to favour housing waiting list applicants solely because of a longstanding local or employment connection with an area. However, for the 2024/25 financial year, over 8 out of 10 applicants housed had additional points which recognised they had a particular "Need to Reside" in a community either because they work or are already established there. This "Need to Reside" category is specific to Highland and is not widely used by most local authorities.

Student Accommodation

9.71 On-campus University of the Highlands and Islands (UHI) accommodation in Highland is limited and a residential place cannot be guaranteed to prospective students but there has been investment in the last 10 years. A £2.4M, 40-bed facility in Fort William, and two 150-bed facilities in Inverness have been delivered at a combined cost of £12.5M. Student need and demand is lessened by the fact that many students study locally or online but the 300 beds at Inverness Campus compare to a total student population of 5,000 at that Campus. Pressure may reduce slightly if the total of UHI students declines in line with projected demographic changes. However, it is too early to confirm any trend in this data. In 2018/19 there was a total of 43,686 students and in 2023/24 this was reduced to 36,142 but the 2022/23 figure was 42,255. Other factors may play more of a part like the availability of public funding for the university sector. If bespoke on-campus accommodation isn't available then UHI direct prospective to the local private rented housing market which is pressured in Inverness, Fort William, Skye and Lochalsh and Wester Ross as shown in Figure 9:9.

Energy Efficient Housing

9.72 **Chapter 4: Climate Change and Energy** considers the evidence on this topic and its implications for policy.

Losses of Housing Stock from the Mainstream Housing Market

9.73 Many existing and new build houses are lost either temporarily or permanently from the mainstream housing market in Highland. This has implications for setting the iLHLR, which needs to factor in that a proportion of future house completions will be lost to the mainstream affordable and market sectors. This is evidenced in more detail within **Chapter 8 Economy, Business, Tourism and Productive Places**. Perhaps of most interest, the loss of existing and new build housing stock to second homes and short term-let accommodation can be influenced by planning policy. Again, there are significant intra-Highland differences as, unsurprisingly, the more attractive and popular holiday destinations have higher rates of stock lost from the mainstream housing market. In 2024 within the HLDP area, combining NRS households and dwellings data with Council Short Term Let Public Register licence data, 8,570 or 7.3% of all dwellings were either second homes or short term let properties. A further 11,112 units or 9.5% were empty, long-term empty or otherwise unoccupied. In all, 16.8% of all housing stock was unavailable to the mainstream market and affordable sectors in 2024. In the more scenic Ross and Cromarty West and Skye and Lochalsh Housing Market Areas, 28% and 29% respectively of dwellings were unavailable to the mainstream market and affordable sectors in 2024. Solely in terms of new build houses, over the 5 years 2020/21 to 2024/25, 4.7% (275) of (5,790) new build houses became short term let accommodation. The Council's HNDA provides further detail on these matters.

Rural Homes

9.74 Owing to Highland's **Demographic Overview** and detailed above, a significant proportion of planning applications for housing and subsequent **Housing Completions**, are smaller windfall developments, located outwith allocated sites or settlements entirely. While the extent of Highland's rurality varies, demand for rural homes is not limited to remote areas, but is also evident short distances from Inverness and other towns in the Inner Moray Firth Area. The virtual absence of private, volume house builder interest in much of Caithness, Sutherland, Wester Ross, Skye and Lochaber, means that single, rural, private houses built on unallocated sites often equate to a high proportion of housing completions in those areas. As part of preparing the WestPlan **(THC005),** it was evident that of the 3,720 house completions from 2000 to 2017 inclusive within the plan area, 3,150 of those completions were outwith those allocations, which equates to an 85% windfall level.

9.75 As partly explained in the **Demographic Overview** and section above, Highland's rural area is not as homogeneous as that of many other authorities. It has marked variations demographically, physically, economically, in development pressure, in pattern of landownership and existing settlement, and in accessibility to infrastructure and facility networks. This variety has prompted the Council in previous and existing development plans to pursue a far more nuanced policy response to rural housing development than other authorities and that taken within NPF4. The Council, in existing approved development plan policy terms defines Highland's rural areas as all land outwith both an LDP delineated settlement boundary or an Economic Development Area. This land is divided into 4 separate policy application areas;

- Growing Settlements,
- Hinterland countryside (see **Hinterland** below),
- Housing groups (not otherwise classified as part of a settlement), and
- Wider countryside.

9.76 In contrast, NPF4 Policy 17 only recognises 2 types of rural area, accessible rural and remote rural. Previously inhabited and green belt areas are referenced in NPF4 but are not defined rural area types within the Scottish Government's 6 Fold Urban Rural Classification 2020.

9.77 The Council's current "Growing Settlements" policy in HwLDP **(THC002)** lists and provides policy text for these crofting and other similar smaller settlements but does not specifically allocate sites within them and does not delineate their outer edge with a boundary.

9.78 As evidenced in **Housing Completions,** just over a fifth of recent house completions have been built both outwith any LDP allocated site or delineated settlement. This reflects circumstances that are common to only a few authorities. Highland contains many crofting settlements whose original pattern was of single houses usually dispersed across a linear series of land strips of inbye crofts surrounded by communal common grazings. These communities rarely had a nucleated centre and instead community and commercial facilities were also dispersed across the wider parish to the agriculturally poorer common grazings land or to land in other ownership such as that owned by the church or a public authority. Similarly dispersed settlement patterns were also established where other agricultural smallholdings were created.

9.79 Another peculiarity of Highland is the high proportion of its rural area that is difficult, expensive and/or inappropriate to develop in terms of physical, servicing and heritage constraints. The Council's Developable Land Mapping shows that 85% of the HLDP area has at least one significant development constraint in terms of altitude, flood risk, heritage designation, slope or distance from the adopted road network. The mapping illustrates how many of the settled and potential areas for future settlement areas are separated and fragmented across Highland, generally drawn to the flatter and more agriculturally productive, long and indented, coastal or loch-side margins. These factors help explain why there are so many established, smaller, dispersed house pattern, scattered rural communities across Highland.

9.80 The Council is also conscious of the Gaelic and wider Highland cultural significance of these communities. The concentrated pattern of large country estate ownership and the current UK tax system also causes differences in land availability for housing development and therefore settlement pattern. In simplistic terms, there are more financial incentives for larger estates to lease land for fishing, shooting, minerals, renewables and tourism uses than to sell land for housing. Another Highland factor is the number and type of housing groups in the rural area. Most other authorities have traditional larger farm building groupings and support conversion, diversification and rounding-off development of such. Highland has a much wider variety of housing groups because of the number of crofts, small holdings and other dispersed rather than nucleated, settlement-based development.

9.81 Marked variations in local development pressure also suggest the need for a more nuanced policy approach. Like many other authorities, Highland experiences high pressure within an acceptable commuting time of Fort William and the Inner Moray Firth major work centre settlements. Although working from home and improvements in rural digital connectivity have reduced this pressure the largest centres still have a draw for journey to school and other higher order facilities. Conversely, rural areas outwith this "Hinterland" area have experienced much lower development pressure except where tourism plays a part. As evidenced in the Specialist Provision section above, rural land with an attractive outlook (often to the sea, loch or mountains) stimulates development aimed at the second home, short term let and wider tourism market. Within the WestPlan LDP **(THC005)** area, over the period 2000 to 2017 inclusive, 85% (3,150) of a total of 3,720 house completions were outwith specific allocations identified within that LDP. This plan area covers 3 areas, Lochaber, Skye and Lochalsh and Wester Ross, notable for their scenic quality and tourism demand. However, local variation can be significant. Small, inland rural settlements with a more typical landscape and outlook can be far less attractive to tourism-led housing demand. For example, the remoter, landward straths of Sutherland and Caithness contain many fragile communities experiencing depopulation and very low private demand for rural housing.

Hinterland

9.82 The Council has identified, in its current approved LDPs, a Hinterland covering the rural area around its major work centres. The accompanying policy and guidance aim better to manage pressure for new housebuilding within this Hinterland because of its adverse environmental and economic effects. Specifically, uncontrolled, sporadic housing development in this part of the rural area: increases car-based trips to work and most other activities resulting in higher carbon and other harmful emissions than otherwise need occur; suburbanises the open (or dispersed pattern of settlement) landscape character of the existing countryside; increases the cost of public (and private) service provision such as a wired internet connection, a postal service, a private parcel delivery, a water main connection, waste collection, a public sewer connection, a mobile library van service or a school transport service; and, can result in adverse impacts on the natural environment, including breaking up ecological connectivity and fragmenting habitats.

9.83 Currently, as depicted on Figure 9:9, there are two Hinterland areas within Highland, one for the Inner Moray Firth and one for Fort William. The base policy applicable within this Hinterland area is Policy 35 of the HwLDP **(THC002)** however it should be noted that the boundaries of the two current Hinterland areas have been fine-tuned through local development plan reviews since 2012 and that the base policy has been supplemented by the Rural Housing Supplementary Guidance and its explanatory note.

9.84 While the Hinterland has never been explicitly classed as a green belt, it is recognised that the Hinterland is a form of settlement management tool. Key differences between the policy framework of the Hinterland and Green Belts are summarised in Table 9:10.

Table 9:10 Comparison of Hinterland and Green Belt Provisions

	Highland Hinterland (HwLDP)	**Green Belts (NPF4)**
Policy Intent	Based on commuting patterns to and from employment centres to manage growth, self-sustaining communities and protect the countryside.	To encourage, promote and facilitate compact urban growth and use the land around our towns and cities sustainably.
Justification	More managed approach to housing development to prevent suburbanisation of the countryside and breaching of service network capacities.	Green belts may be zoned around settlements where there is a significant danger of unsustainable growth in car-based commuting or suburbanisation of the countryside
Application	Housing only (Policy 35)	All development (Policy 8)
Housing only supported where proposal:	• Is essential for land management or family purposes related to the management of land; • Is for retiring farmer; or a person retiring from other rural businesses […] where previous accommodation is required for the new operator; • Is affordable housing required to meet demonstrable local affordable housing need; • Is essential in association with existing or new rural business; • Replaces existing dwelling which does not meet the requirements for modern living and costs of upgrading are not justified; • Involves conversion or reuse of traditional buildings or the redevelopment of derelict land; • Meets criteria for expansion of a housing group or development within garden ground (as detailed in the relevant RHSG).	• Residential accommodation required and designed for a key worker in a primary industry within the immediate vicinity of their place of employment where the presence of a worker is essential to the operation of the enterprise, or retired workers where there is no suitable alternative accommodation available • Intensification of established uses, including extensions to an existing building where that is ancillary to the main use • the reuse, rehabilitation and conversion of historic environment assets; or • one-for-one replacements of existing permanent homes

9.85 Therefore, Highland's current approach and circumstances that pertain to rural housing are different to those within NPF4. Perhaps the most significant challenge to compatibility is NPF4 Policy 17's suggested use of the Scottish Government's 6-Fold Urban Rural Classification 2020 (See Figure 9:9) to identify accessible and remote rural areas and the corresponding two-tier, differing policy presumption within each area.

9.86 The 6-fold Classification follows a consistent methodology but uses an arbitrary 10,000 population threshold for urban areas for which an associated accessible rural area is identified. In Highland, only Inverness, Fort William and Nairn meet that threshold. The Hinterland by contrast is based on drive times from the major employment centres, many of which have smaller populations than 10,000. This results in the Hinterland boundary often extending further North and West than accessible rural areas. Consequently, many Highland towns and major work centres have no accessible rural area surrounding them and instead the 6-fold Classification suggests that land just outwith these towns is remote and by implication should carry a more supportive approach to rural houses.

9.87 Moreover, the precise dividing line between accessible and remote rural in the Classification appears to be determined by an urban area drive time and/or distance from an assumed adopted road network analysis. This analysis generates a boundary that is unworkable in policy terms as it follows no sensible physical boundaries and contains several factual errors such as a large part of the rough track section of the West Highland Way being assumed as an adopted road that could service rural housing development.

9.88 The differing boundaries that result from the Council's Hinterland methodology and the Urban Rural Classification are highlighted in Figure 9:9. Having two mis-aligned areas with similar policy aspirations but also with differing housing criteria forming part of the statutory development plan has created a complex policy landscape that requires to be rectified in HLDP. Despite the urban rural classification generally being relatively 'tighter' around the proposed Inner Moray Firth and Fort William areas, the policy criteria specified under NPF4 Policy 17 are more restrictive than HwLDP Policy 35, in that infill sites and housing groups are not included.

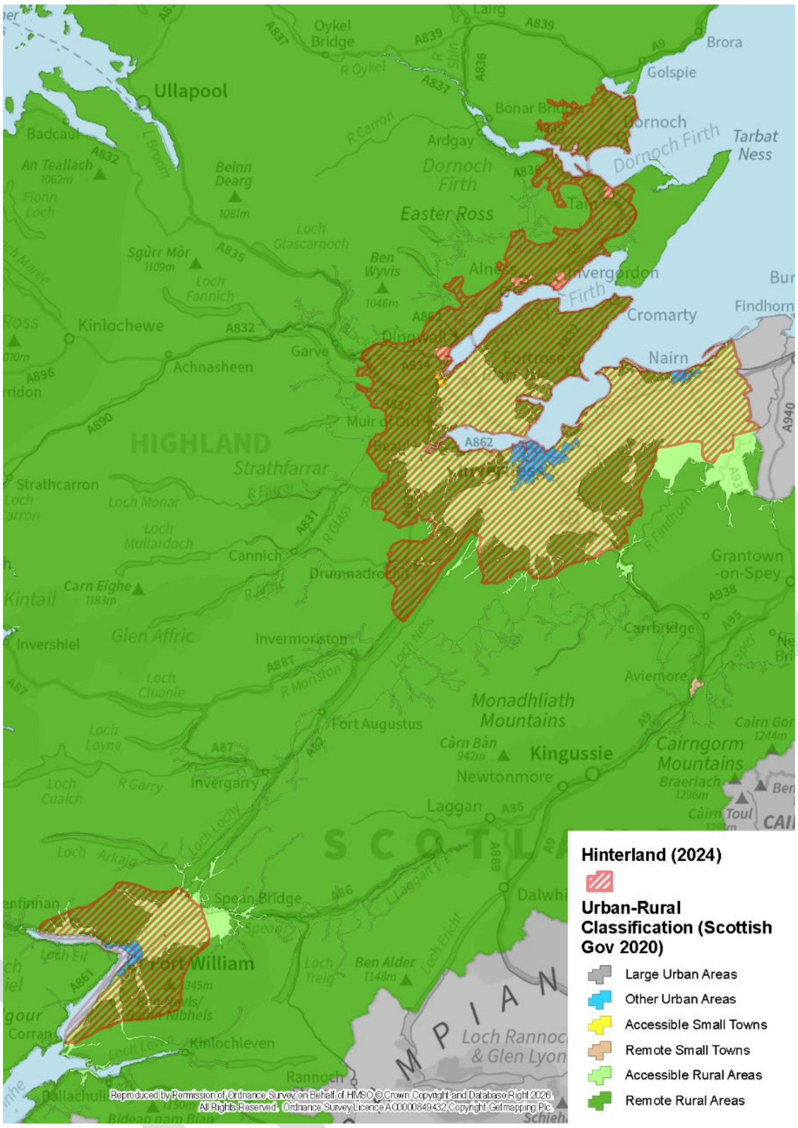

Figure 9:10 [Scottish Government's 6-Fold Urban Rural Classification 2020] Accessible and Remote Rural Areas in Highland

9.89 Table 9:11 compares the density of rural area house completions over the period since the adoption of the HwLDP (April 2012 to August 2025). This indicates that realised rural housing development pressure is most concentrated close to Highland's largest settlements. In policy boundary terms, it is interesting to note that there is little difference in this geographic concentration of pressure for the Council's Wider Countryside area relative to the Classification defined remote rural area. However, the data suggests that this geographic concentration of pressure is higher closer to Inverness and Nairn than it is across the Council's wider Inner Moray Firth

Hinterland and the Fort William Hinterland or the similar Fort William accessible rural area. In future policy terms, the data suggests that there are at least 3 subdivisions that should be delineated of the HLDP rural area if the policy presumption to encourage or discourage development in each is to be tailored to the development pressure likely to be experienced in that part of Highland.

Table 9:11 Rural House Completion Density for HLDP Area (April 2012 to August 2025)

Rural Area	Area (km2)	Number of Completions	Density of Completions (units/km2)
Inner Moray Firth Hinterland	1,478	785	0.53
Fort William Hinterland	264	89	0.34
Wider Countryside	22,643	2,128	0.09
Accessible Rural	827	586	0.71
Remote Rural	23,523	2,397	0.10

9.90 2022 Census data zone origin and destination journey to work data was released in late 2025 which provides comprehensive information on commuting patterns within Highland albeit at the time of the Census in March 2022. The results depicted in Figure 9:10 which show the percentage of those working in each origin zone that commute to a workplace within any Inverness City data zone suggest that the Inverness City commuter area extends beyond the 30 minute accessible rural area identified by the 6-Fold Classification. The Council intends to use this data in the formulation of an appropriate boundary for the area of open countryside within which commuter housing pressure should be discouraged. The increase in hybrid and remote working has coincided with an increase in the distances commuters consider travelling to on the days that they travel to a physical workplace. Travel patterns are discussed in greater detail in **Chapter 10: Transport**.

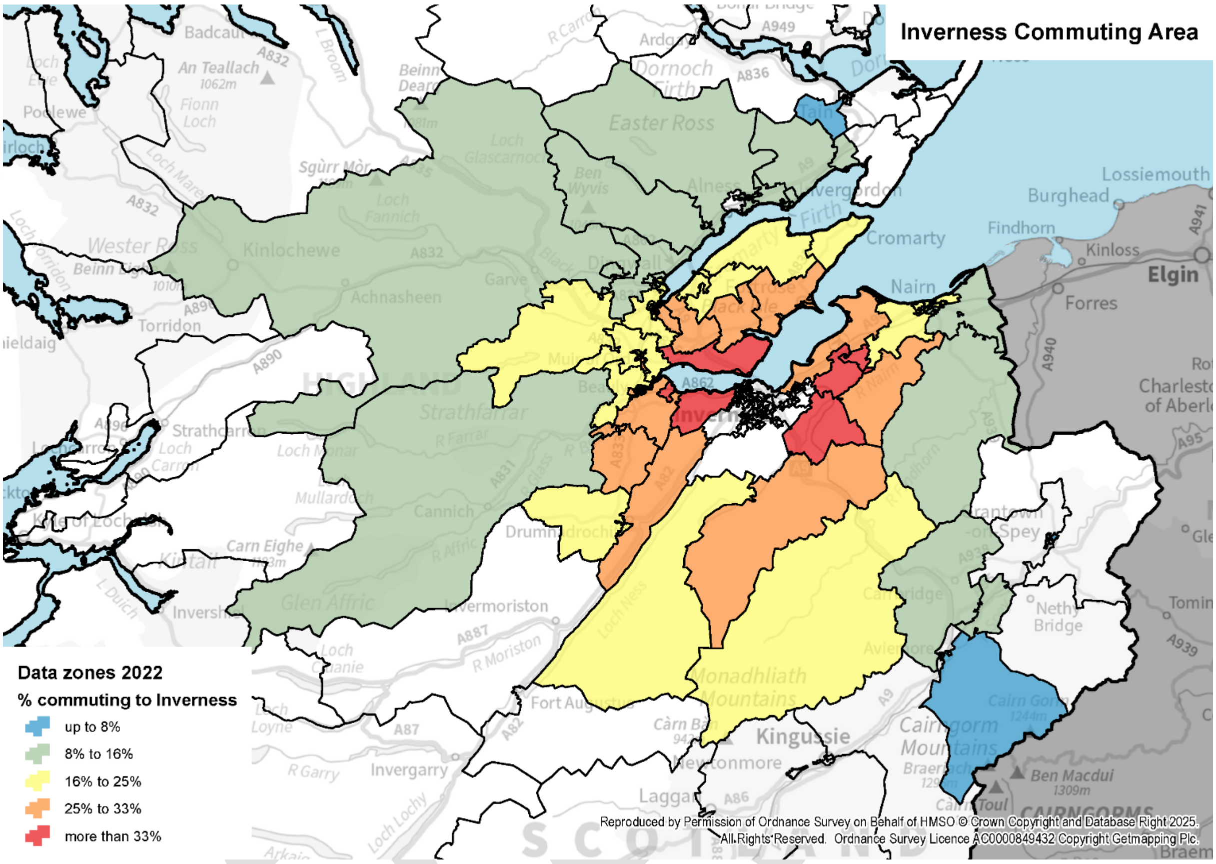

Figure 9:11 Inverness City Commuter Area (2022 Census Journeys to Work By 2022 Census Data Zone

Fragile Areas

9.91 As discussed in **Chapter 8: Business, Economy, Tourism and Productive Places**, NPF4 has supportive policy provisions for rural development and rural homes in fragile communities and areas suitable for potential resettlement, and the Council has accordingly undertaken analysis to identify such locations as denoted in the Fragile Areas Mapping and Potential Areas for Resettlement Mapping, which would benefit from further engagement with communities before being taken forward as formal proposals in HLDP. It is noted that substantial areas within Highland meet the definition of fragile using the Council's methodology, which is underpinned by housing, socio-demographic and economic indicators, some of which have been used within the Council's forthcoming HNDA.

9.92 NPF4 Policy 17 also states that LDPs should set out tailored approaches to rural housing and where relevant include proposals for future population growth –

including provision for small-scale housing such as crofts and woodland crofts and the appropriate resettlement of previously inhabited areas. Owing to the remoteness of such likely locations and the need to adhere to an infrastructure first approach, such designations are likely to set a policy framework for small scale housing, rather than indicate large site allocations.

9.93 **Chapter 5: Nature and Environment** outlines that greater alignment between crofts (including woodland crofts) and rural housing policy would be beneficial, and that clearer guidance for woodland crofts would be a priority for HLDP, to ensure that woodland crofts are used as a mechanism to create new, expanded woodland.

Resettlement of Previously Inhabited Areas

9.94 Related to the issue of fragile areas, the HLDP and this Evidence Report must consider the desirability of allocating land for the purposes of resettlement as discussed in **Chapter 8: Business, Economy, Tourism and Productive Places**. The North West Sutherland area as highlighted is a known area with coordinated efforts to encourage repopulation that the HLDP should recognise. The implications of resettlement for housing are discussed specifically in this section. The population of Highland was higher and more dispersed in the 1700s and early 1800s than it is today. However, present day houses and their occupants require far quicker, cheaper and more convenient access to a range of infrastructure networks and other services and facilities than 250 years ago. Present day houses and occupants also have a less sympathetic relationship with the natural environment. Understandably therefore, national planning policy has centred on the public and private sector service provision cost and environmental reasons to direct most future development to within established or newly planned settlements.

9.95 The Council is acutely aware of the cultural history of the Highlands and the tradition of dispersed, parish based rural settlement and facilities. We wish to respect this history by continuing to support development within Highland's rural communities. However, as explained in the **Affordable Housing** section, the unit cost of building houses in the remoter parts of Highland is far higher than in urban and other accessible areas, land availability can be more limited, and environmental challenges can be greater.

9.96 In its recent LDPs, the Council has preferred an approach of bolstering the main village(s) closest to areas of depopulation. This approach maximises environmentally sustainability and economic viability. For example, Dunvegan in northwest Skye is seeing coordinated public agency investment in education and affordable housing provision within the village. It may mean that population moves from the outlying crofting communities of northwest Skye but more likely that it is retained in the wider area not lost to Portree, the mainland or further afield.

9.97 The Council's HLDP Call for Development Sites between January and May 2025 did not attract any resettlement proposals but instead proposals to expand housing within remote small villages such as Lochaline and Tongue. Further evidence will be collated and representations considered as the Plan preparation progresses, including ongoing reviews of Local Place Plans in case they include requests for resettlement of any area. As stated in **Chapter 8: Business, Economy, Tourism and Productive Places,** the Council is supportive of the designations of Fragile Areas and Areas for potential resettlement to mean broader spatial areas where the principle of rural housing and rural development are supported, rather than implying that these designations signal direct Council-led creation of new communities.

Masterplan Consent Areas

9.98 As discussed in **Chapter 8: Business, Economy, Tourism and Productive Places,** Masterplan Consent Areas (MCA)s are a new upfront consenting mechanism introduced by the Planning (Scotland) 2019 Act where the planning authority proactively sets out, and grants consent, in an MCA 'Scheme' for development it wishes to be delivered. The Scottish Government has endorsed the use of MCAs to support large scale projects such as Inverness and Cromarty Firth Green Freeport (ICFGF). The Council is pursuing 3 potential MCA sites identified to support the ICFGF, at Ardersier East, Embo and Essich Road Inverness, cognisant of several criteria and predicated on proximity to ICFGF jobs.

9.99 In the first instance, the identification of the 3 MCAs derived from the HLDP Call for Development Sites. Any progression of the 3 sites will be subject to a more inclusive and detailed appraisal of their suitability through an environmental impact assessment process and initial community, agency and landowner consultation. The Council will also have to consider subsequent approval stages that may be necessary in due course, to accommodate the internal governance of MCAs, including amendments to the Council's Scheme of Delegation.

Summary of Stakeholder Engagement

9.100 A full breakdown of all stakeholder engagement undertaken to support the Evidence Report is provided within the **Log of Engagement**. A summary of the key stakeholder engagement activities undertaken for this chapter include:

- A public consultation on the Call for Development Sites Draft Submission Template between 28 November 2024 and 3 January 2025 which prompted 25 responses principally from the development industry and was amended in light of these comments and made available as part of the Call for Development Sites between January and May 2025 (the amended Call for Development Sites Appraisal Template from **(THC188)** constitutes the "site appraisal template" referenced in the LDP Guidance).
- Meetings with Homes for Scotland: 11 March 2025 (Housing Land Audit); 12 March 2025 (HLDP, Deliverable Housing Land Pipeline, Call for Development Sites); 29 July 2025 (HLDP Evidence).
- Wider development industry briefing: 20 March 2025 ((HLDP, Deliverable Housing Land Pipeline, Call for Development Sites).
- 2025/26 HNDA stakeholder meetings: 28 August 2025 (partner launch meeting).
- Meeting with the Council's Housing Teams: 8 May 2025 (gypsy traveller accommodation needs).

HLDP Evidence Consultation

9.101 The Council undertook a formal public consultation on its Evidence Papers between 31 January 2025 and 2 May 2025. A summary of the views expressed on this topic follows.

- **Homes for Scotland:** provided responses on the following matters:
  - Agrees with stated need for more homes to retain younger people, retain jobs and attract more jobs.
  - Believes that the Highland Housing Challenge and national Housing Emergency establish the principle of increasing housing supply.
  - States that private housebuilding helps deliver affordable units at a rate of at least 25% and that new housebuilding creates supply in the existing stock market as people move.
  - Believes that allocations must be in viable places otherwise housing supply and completions will not happen.
  - Argues that housebuilders employ a local workforce, provide new infrastructure and have other local economic multiplier benefits. States

that the housebuilding sector has not fully recovered from the 2008/2009 downturn so it is an industry that should be supported.

- Believes that the national HNDA tool is fundamentally flawed because it is based on past trends and data. Agrees with Council that the LHLR should encourage and plan for future economic growth rather than accepting and planning for a static or declining population.
- Believes that the 24,000 homes target figure doesn't take account of other renewable energy industry investment such as electricity grid reinforcement and therefore doesn't include these additional jobs. Believes the LHLR should be set well in excess of the MATHLR. Believes that the Green Freeport housing report should be the starting point. To supplement this, refers to the Existing Housing Need in Highland report, prepared by Rettie/Diffley, instructed by HfS. This report estimates (via a telephone sample survey) that 26,000 Highland households have some form of need (overcrowding, young people living with parents and older people in houses that don't meet their accommodation needs). Therefore, the indicative LHLR should be at least 24,235, and, preferably, over 26,000 to support the growth ambitions and forecasts need for the Highlands.
- Suggests re-use of Highland LHS methodology (assume a past completions rate base, add additional housing need and then add an employment-led housing growth assumption).
- Unsure that increased densities on existing allocations are the answer as greenspace and other existing and proposed policy aspirations may be compromised (an example is the new regulations associated with the Scottish Accessible Homes Standard which, if implemented, will increase floorspaces to accommodate better wheelchair access and the floor area of new homes by 10-15%).
- Disputes Council's assertion that an extra 2,000 units could be met from increased densities.
- Wants Council to detail how deliverability constraints will be removed in Deliverable Housing Land Pipeline (DHLP) document by whom and by when. Want 4-24 unit sites added to the DHLP and a similar level of detail on constraint removal.
- Believes Council should contact landowner if there is no application or consent to promote the release of an allocated site.
- All new HLDP allocations should be deliverable. This should include infrastructure so that "the site is either free of infrastructure constraints,

or any required infrastructure can be realistically provided to allow development". Non-deliverable sites should be deallocated from the next LDP.
  - Believes new HLDP should be underpinned by a new HNDA but recognises that release of new population and household forecasts may delay this timetable.
  - Believes NPF4 Policy 16 will reduce the opportunity for medium scale windfall development within settlement boundaries and therefore the LHLR should be higher. "Smaller scale" windfall should be defined in the HLDP and set at a higher number to minimise this issue.
  - Quotes Falkirk Gate Check Report where the Reporter suggested that LDPs should identify larger infill opportunities. Also argues that reducing policy and developer contributions requirements will stimulate the industry to build more homes.

  Council response: Noted. The Evidence Report includes evidence on these issues and other matters are for the future HLDP or outwith its scope. The Council notes that Homes for Scotland have been invited to participate in the Housing Market Partnership oversight of the HNDA. The Council would wish to use the new HNDA to underpin the iLHLR.
- **Ardgour Community Council:** disagrees with the principle of increased housing densities in urban areas because this will likely be to the detriment of greenspace and leisure provision. Seeks greater public subsidy to make croft house and affordable development more economic in rural Highland where development costs are higher. Seeks more effective ways to encourage large rural estates to release land for housing development. States that rural population decline is also caused by housing affordability; i.e., young local people can't afford to stay. Believes the Crofting Commission should help local people stay by retaining and creating new croft tenancies. Wants HLDP to allocate for and build more affordable housing for local people and those with a local employment connection. Wants the Council to retain commuted affordable sums in the local area. Wants Council housing allocation policies to reserve housing for local people and key workers. Seeks introduction of Short Tern Let Control Area for Ardgour.

  Council response: Noted. This chapter contains evidence on most of the issues raised. Others are policy matters for the future HLDP or outwith its scope.
- **Nairn River Community Council:** states that young people leave Highland for many reasons other than the lack of employment and sufficient housing and

can better be persuaded to stay by better local education, apprenticeships and vocational training. Argues that Council's previous aspirational growth forecasts have proved unfounded. Believes that most Green Freeport jobs are proving to be temporary or short-term contract jobs and filled by incoming workers not local residents and therefore these jobs won't require permanent new houses. Believes population natural change will be negative as birth rates continue to drop and death rates rise. Disputes that temporary workers should be incorporated as an employment-led housing need and demand within the HNDA. Supports the importance of some evidence such as data on changes in the number of second and long-term empty homes and the self-build register. Opposes the principle of a Call for Development Sites for developers and instead local communities including local landowners should lead the site selection process which should be controlled by available infrastructure capacity. Only after that should a developer have an opportunity to react to what the local community have deemed acceptable. Believes that town centre brownfield regeneration opportunities for affordable housing should be the priority. Commends the Nairn and Nairnshire Local Place Plan as the way forward.
Council response: Noted. This chapter contains evidence on most of the issues raised. Others are policy matters for the future HLDP or outwith its scope.

- **Nairn West and Suburban Community Council:** disputes the population and housing need data intended to be used by the Council.
  Council response: Noted. This chapter summarises all population and housing data the Council believes is relevant to preparation of the future HLDP. The 2025/2026 HNDA process will allow the collection and consideration of new data.
- **Crown and City Centre Community Council:** requests more evidence on the impacts of short-term lets (STLs) on housing availability, community cohesion, and local services, particularly within their community council boundary. Believes that current licensing figures likely underestimate the extent of STLs operating and that the number of key safes on properties and local knowledge is better evidence. Better control is needed to release more existing housing stock to young professionals and families, who are increasingly unable to access suitable long-term rental or private properties to buy, which in turn is reducing the local permanent population and reducing school roll projections.

Council response: Noted. This chapter and wider Evidence Report contains more information on this topic relative to that published through the Evidence Papers. Any STL policy detail is a matter for the future HLDP.

- **Joan Noble:** disputes the validity of the Housing Market Partnership that oversaw the production of the 2020 HNDA and the previous use of overly inflated housing requirements that have proven inaccurate relative to actual data on population, households and house completions. Disputes the logic, methodology and accuracy of LHS and states that it has had no independent vetting. Believes that the 2020 HNDA is the only definitive tool to forecast the LHLR. Points out the conflict between aspirational and past trend-based forecasts. Believes that the LHLR should be controlled to the level of development which can be serviced by current infrastructure capacity. Believes that there shouldn't be housing targets by HMA and that housing allocations should simply be made where there is spare infrastructure capacity for example at Tornagrain. Complains that the Green Freeport housing supply targets document was difficult to find during the public evidence papers consultation. Believes that the assumption that 1 job equals 1 house is not robust because not all incoming workers will need a house and not all jobs will be permanent. Believes that there has been double counting of employment-led housing growth between the HNDA and LHS. States that natural change will worsen so more houses will become available as deaths far exceed births. Believes that completions via brownfield house conversions should increase if Scottish Government policy is abided by. Believes that excessive land allocations make infrastructure planning more difficult and upset community cohesion. Quotes NRS death figures as evidence that housing targets should be far lower.
  Council response: Noted. This chapter summarises all population and housing data the Council believes is relevant to preparation of the future HLDP including the evidence referenced by the respondent. The 2025/2026 HNDA process will allow the collection and consideration of new data. Other issues raised by the respondent are interpretation and policy matters for the future HLDP or outwith its scope.
- **Lynn Parker:** the evidence should include a more detailed and longer period age breakdown of the existing and projected future population of Highland and future migration to ensure that future planning is more accurate. There should be more data on housing affordability, tenure, demand, need, social housing supply and vacant derelict properties.

Council response: Noted. Forecasting the future population, household formation, its age profile and migration at national level is fraught with weakly evidenced assumptions about many variables. At local authority and sub authority area the forecasts can best be described as estimates. The longer into the future or the more localised the projections are made then the less accurate they become. This chapter includes evidence on the matters referenced by the respondent. The 2025/2026 HNDA process will allow the collection and consideration of new data.

- **Don Michie:** seeks allocation for housing development of a particular land parcel in Caol, Fort William.
  Council response: Noted. The Evidence Report doesn't consider individual site allocation matters, which is a policy issue for the future HLDP.
- **Elly Russell:** GP registration and Census data are insufficient to produce the future Plan. Other (undefined) data should be used.
  Council response: Noted. The respondent hasn't indicated what evidence should be considered.
- **Heather Crosbie:** the Council supplied evidence demonstrates that building more houses will worsen the age balance of Highland because most new houses will go to those moving for retirement rather than work.
  Council response: Noted. This chapter includes sufficient evidence on this topic. Controlling the age profile of future housing occupants is outwith the scope of an LDP.
- **Scott Macdonald:** future planning should not be based on past trends otherwise areas of population decline will continue to decline and growth areas will continue to grow. Economic growth should be redirected to declining communities which in turn will stimulate housing need and demand.
  Council response: Noted. This chapter includes sufficient evidence on this topic. Any policy decision to seek to redirect economic growth within Highland is a matter for the future HLDP.
- **Rodney and Myra Lee:** request a more permissive rural housing policy to allow housing in association with agricultural smallholdings. Disputes the Council's current operational needs assessment requirement of one labour unit to justify a house within the Hinterland.
  Council response: Noted. This chapter includes sufficient evidence on the rural housing topic. Any policy decision to change the land management requirements for a rural house in the Hinterland is a matter for the future HLDP.

Summary of Local Place Plan Priorities

9.102 Ardgour Local Place Plan **(THC010)** has identified the following priorities relating to Housing:

- Affordable housing for all so young people, workers and families can afford to live in the area and everyone has a home fit for purpose.
- This to be achieved via: more housing investment; fit-for-purpose homes for all ages; care for older people; community-run assets to generate income; more affordable homes in villages; better advice and finance; management of second homes and holiday lets.
- Detailed projects and ideas: home-based care & respite/residential care at Dail Mhor in Strontian; homes for people who are economically active or have a local connection; new homes to be affordable and remain so in perpetuity *(excluding self build by existing residents);* with a range of tenures and house sizes (focused on younger people, workers and families) progressed once the current Urram/CHT housing needs survey is complete; designate more land for new affordable homes including self-build (Clovullin, North Corran), a new planning policy that a percentage of homes (say 1 in 3) be sold to a local person at an affordable price; upgrade homes on lower council tax bands to higher EPC ratings with grants / low interest loans and streamlined consents; new homes should enhance local character, community and zero-carbon by updating planning requirements around building design, siting, layout, space standards, accessibility, supporting facilities & construction procurement; guaranteed low-interest mortgages for workers and young people to buy and upgrade homes; information and advice for young people on available housing options including finance, how and where to buy; encouragement of downsizing and sale to locals e.g. a voluntary Fair Chance scheme as in Wales / Rural Housing Burden, adding tax relief to cover reduction in sale value; prevent change of use of existing homes to full-time holiday lets through implementation of Short Term Let Control Area; increase tax on second homes sufficient to stem proliferation, including closing tax relief loopholes; more local authority buyback of homes from the open market, to let to Highland Housing Register ('Open Market Purchase Scheme'); prioritise local need/employment and key workers on housing waiting list criteria; encourage re-use of empty property by making more use of CPO & 'forced sales'; and, smart clachans / cohousing Rural housing clusters with shared heating, power, growing space, guest rooms; new registered crofts with woodland.

9.103 Black Isle Local Place Plan **(THC011)** has identified the following priorities relating to Housing:

- Affordable homes for all: so young people, workers and families can afford to live in environment-friendly homes that are fit for purpose.
- Local residents & workers, particularly younger people & working families, need to be able to afford to live on the Black Isle.
- Small numbers of affordable homes in and around our existing settlements to sustain those communities - combined with the necessary investment in schools, health and social care, roads and infrastructure. Also with a more streamlined process for that kind of development in those locations.
- Build more affordable homes across different tenures & types: e.g. mid-market rent, starter homes, community owned, shared equity, co-housing, self-build, woodland crofts.
- All new homes should be affordable and remain so in perpetuity (Rural Housing Burden & changes in national/local planning policy as in Wales (e.g. Gwynedd & Anglesey).
- Encourage re-use of empty homes & conversion of other empty buildings such as disused churches, through more use of CPO and 'forced sales'.
- Upgrade homes on lower Council Tax bands to higher EPC ratings with grants/loans and streamlined consents.
- Detailed projects and ideas: easier access to low cost finance for workers and young people to buy and upgrade homes; more information for young people on housing options; encourage downsizing and local sale, like Welsh 'Fair Chance' scheme with tax relief to cover reduction in sale value; prevent existing homes becoming full-time holiday lets (using Short Term Let Control Area); control growth of second homes, e.g. by increasing tax & closing tax loopholes; increase stock by local authority buyback of homes (Open Market Purchase Scheme); and, more emphasis on local residency & employment in social housing criteria.

9.104 Broadford and Strath Local Place Plan **(THC012)** has identified the following priorities relating to Housing:

- Promote the delivery of affordable housing for young people, families and key workers to address a wider concern about demographic imbalance and ageing communities via a range of housing options in all communities (not just Broadford).
- Age-appropriate housing: Concern about provision of social care services. More appropriate housing options for older

- Residents required and could help address social isolation.
- Renovation: Upgrading of existing housing stock to make sure homes are fit for purpose, lower energy and adapted to our changing climate.
- Housing allocations at: Broadford old primary school site for supported housing or other adapted housing aimed at older residents and last-time buyers; areas zoned for housing in WestPlan BF02 - land south of Caberfeidh and BF03 - Glen Road West (long term); Elgol and wider rural area - small-scale development of affordable new homes on appropriate sites within the village or on common grazings in the wider area prioritising occupancy by local people, workers and families.
- More opportunities for alternative housing models (e.g. collective self-build, last-time homes, supported housing units, outlying townships) and achieving a balance between year-round resident and visitor accommodation. The Elgol area in particular is experiencing the impact of an imbalance in second home ownership. Research undertaken in 2024 identified that 56% of homes in Elgol are not lived in on a full-time basis.
- In the rural area - housing renovation of old housing stock to bring up to standard.

9.105 Dores and Essich Local Place Plan **(THC013)** has identified the following priorities relating to Housing:

- High demand for affordable housing and general housing provisions for all tenures, with a mix of sizes.
- Concerns about delayed housing projects and suggestions for prioritising local residents in new developments and provision of housing suitable to young families that in return will support the local primary school roll.
- 6 specific housing opportunity sites identified at Glebe land at Dores, plot above Torr Gardens, land south and east of village hall, Torbreck and Scaniport.
- Need for additional mixed tenure housing (social and private);
- Development of care home, sheltered housing and assisted living facility;
- Lack of affordable housing;
- Ensuring Developer Contributions goes towards affordable housing

9.106 Duror and Kentallen Local Place Plan **(THC014)** has identified the following priorities relating to Housing:

- A local residents' survey in 2023/24 estimated there were 244 homes of which 157 (64%) were available to the mainstream market; 80 (33%) were in second home or short term rental use and 7 (3%) were presently empty. Second homes have pushed up the price of houses so they are no longer affordable for locals. The housing shortage is leading to fewer families and young children in the area.

- Kentallen is home to one of HC's three Traveller Sites which has 7 pitches available to rent. The population of the site varies.
- There is little spare housing capacity; properties coming to the market in recent years tend to sell very quickly.
- Demand in the area for small developments of quality built homes to suit a range of needs, including small homes for young singles and couples, or retired people looking to downsize, and larger family-sized homes.
- Local businesses struggle to recruit employees due to a shortage of accommodation in the area.
- A lack of local housing, and housing suitable for the older residents, means that many people are faced with having to move out of the area if their circumstances change.
- Need for a small retirement complex, starter homes, shared equity homes, and more long-term rental properties.
- There is very little developable land It must take into account the flood risk and peat on the low lying areas, access off the A828 and the junction with Achindarroch Road and the A828 for developments on higher ground plus landowners not always willing to release land for development.
- Additional housing for people to rent long term or buy as their permanent residence.

9.107 Fort Augustus and Glenmoriston Local Place Plan **(THC022)** has identified the following priorities relating to Housing:

- Developing new affordable houses for locals and local employees (particularly for younger people and families with a range of tenures).
- Detailed projects and ideas: encourage downsizing and local sale, like Welsh 'Fair Chance' scheme with tax relief to cover reduction in sale value; prevent existing homes becoming full-time holiday lets (using Short Term Let Control Area); increase stock by local authority buyback of homes (Open Market Purchase Scheme); and, more emphasis on local residency & employment in social housing criteria; every resident looking for a house should join the waiting list to get a true indication of need; undertake a housing needs survey to establish exact demand; and, upgrade existing homes especially their energy efficiency rating.

- New housing sites should be within settlements, targeted at local needs and local workers, be non-suburban in design and layout, have slow phasing, and good services and amenities (no specific sites identified).

9.108 Gairloch Local Place Plan **(THC015)** has identified the following priorities relating to Housing:

- To provide affordable housing alongside a mix of housing provision, particularly for young people and families
- To support mixed development compatible with small business development
- To improve the management of short-term lets and holiday accommodation
- Specific housing sites at: waste land behind BT Exchange and Chinese Takeaway (extension of Macintyre Rd); Former Les Buchan builder's yard (Flowerdale); Former fish processing factory site (Pier Road, above the harbour); Former Farm and Garden store site (Mihol Road); Mihol, field immediately north of Fire Station; Mihol, field between Stratford House and Mihol Road; Badachro, south of Coille Dhorch development; Charleston, south of Glen Lodge (above existing housing).
- Return empty homes to housing stock particularly in central areas of the village. Providing additional support for landlords and absentee owners could encourage the occupation of existing properties.

9.109 Garve and District Local Place Plan **(THC016)** has identified the following priorities relating to Housing:

- Affordable housing to attract new, younger residents to the area,
- Local sheltered housing,
- Well-insulated, energy efficient buildings and homes.

9.110 Golspie Local Place Plan **(THC021)** has identified the following priorities relating to Housing:

- More affordable housing. All new housing to adhere to sustainable construction principles, biodiversity net gain principles, avoid soil sealing, incorporate sustainable sewage and drainage systems.
- Specific housing sites at: The Field (21 units), Plot at junction Rhives Road and Back Road, self-build/renovation opportunities within existing housing area between Main St and Back Road, Drummuie for staff/trainees, and Fields adjacent to Rhives.

9.111 Kinlochleven Local Place Plan **(THC017)** has identified the following priorities relating to Housing:

- Homes are cheaper to buy or rent in Kinlochleven than in Ballachulish or Glencoe but still prohibitively expensive for young people starting out or people in less well-paid jobs.
- Many available homes are bought for holiday rentals and lie empty through the winter.
- The lack of housing makes it difficult for people to stay in the village and to fill job vacancies.
- New affordable houses for younger people, workers and families (private and social rented, shared equity, community owned etc).
- More Council buyback of homes from the open market, to let to the Highland Housing Register ('Open Market Purchase Scheme').
- Short Term Let Control Area for holiday lets etc.
- Prioritise local need/work on the housing waiting list, and new social rented homes to be for Local Letting (as in Upper Achintore).
- Encourage downsizing and sale to locals such as something similar to the Welsh Government's voluntary Fair Chance scheme.
- Explore conversion of existing underused property as temporary staff accommodation, for example for teachers and care staff.
- Every resident looking for a house should join the waiting list.
- Undertake a housing needs survey to establish exact demand: how many homes; what sizes, tenures and price points; and mechanisms for building new homes especially on the old smelter site. The aim should be to reverse depopulation and attract more working families.
- Specific proposals for affordable housing on old, demolished smelter site and to upgrade older homes.

9.112 Lochalsh Local Place Plan **(THC018)** has identified the following priorities relating to Housing:

- Tenure diverse, energy efficient, affordable homes for people to live and work locally in or near every settlement.
- Planning policy should support principle of 1 or 2 affordable houses in every settlement.
- Introduce Short Term Let Control Area and control second homes.
- Information and advice for young people on available housing options including finance, how and where to buy.
- Prioritise local need/employment and key workers on housing waiting list criteria.
- Specific housing sites at: the previously consented land at Auchtertyre, Balmacara (no specific sites identified), possibly by redeveloping Graham

House at Dornie, currently and previously allocated land at Glenelg, Kyle of Lochalsh, Ratagan, Saraig, Inverinate, Plockton and Achmore.

9.113 Nairnshire Local Place Plan **(THC023)** has identified the following priorities relating to Housing:

- A variety of housing options that cater to different life stages and economic situations.
- No significant housing development before the Nairn bypass and other infrastructure upgrades are completed.
- Local preference for regeneration and consolidation of existing buildings particularly within town and village centres for 1 and 2 bedroom flats not further major new build.
- Further research on the impacts of short term lets before a decision on any control area is made.
- Specific housing site opportunities; conversions within Nairn town centre, Albert Street bowls club, east of Retail Park, and Highland Council depot site.

9.114 Stratherrick and Foyers Local Place Plan **(THC019)** has identified the following priorities relating to Housing:

- Develop affordable homes for local people who need them,
- Ensure new developments are appropriately designed for rural communities and the landscape context,
- Locate new developments within existing villages, including sites identified on village maps for Foyers, Gorthleck, Inverfarigaig and Whitebridge,
- Explore potential for woodland crofting in appropriate forestry and woodland locations outwith the villages,
- Explore potential for specialist accommodation: elderly | care | respite,
- Zero-carbon homes for all: including making it easier for homes to be upgraded, adapted or extended.

9.115 Torridon and Kinlochewe Local Place Plan **(THC020)** has identified the following priorities relating to Housing:

- The area has a far higher proportion of second residences/holiday homes than the regional or national average and desirability pushes up prices beyond what the local economy will support.
- More affordable housing.
- Specific housing site opportunities; 6-8 houses at Fasaig (behind Darroch Park), 2 units in refurbishment of former Torridon primary school and unit at Kinlochewe village shop.

Summary of Implications for the Proposed Plan

9.116 Demographic trends and projections indicate that the Highland Council should anticipate a significant increase in newly forming households, in excess (by circa 6,000 households) of what was anticipated in 2018-based statistics. These households will likely require to be smaller and comprise older adults living alone.

9.117 Given that 2018-based population and household projections formed the basis of the MATHLR, and the Council's previous HNDA in 2021, the Council considers that both of these have been superseded by more appropriate and recently available information, which will be taken forward within the Council's latest HNDA currently in production. The Council appreciates that the LDP Guidance states that the MATHLR should be used as a starting point, but given the considerable difference between the contributory data (2018-based) and more recently available 2022-based data, and the MATHLR equating to a lower annual target than previous annual average completions in Highland for the past 10 years, the Council does not consider it credible to use the MATHLR to take forward into setting the iLHLR.

9.118 Similarly, the Council does not consider it credible to use the current HNDA Tool available by the CHMA as this has not yet been updated to reflect the 2022-based household projections, and remains a prepopulated Excel model with the 2018-based household projections locked within. The Council's HNDA process is therefore contingent on the CHMA updating the HNDA Tool as promptly as is practical. Given that the Gatecheck process for Evidence Reports seeks that only formally agreed figures from either a HNDA or LHS are used for taking forward to an iLHLR, the Council has used the Housing Supply Target from the LHS as an interim iLHLR until the HNDA is complete. The Council intends to submit the Evidence Report for Gatecheck once the HNDA is complete and will likely send the HNDA for review by the CHMA concurrently.

9.119 The evidence outlined above demonstrates significant intra-Highland differences on housing issues. Housing circumstances in Highland don't mirror those across Scotland. Housing need, demand and viability vary markedly across the largest geographic local planning authority in Scotland. Therefore, the Council believes that a more nuanced, than set out in NPF4, approach to many housing issues will be appropriate within the future HLDP.

9.120 For example, a single all-tenure local housing land requirement for all the HLDP area will be stated but requires to be subdivided at sub-Highland level and tenure to be meaningful and not to have adverse, unintended consequences. Including only a single all-tenure target may undermine pursuit of the aim of meeting the Scottish

Government's affordable housing delivery target as set out in Housing to 2040 and the Council's LHS and SHIP by not setting a separate, measurable figure against which to compare delivery. Similarly, a single all-Highland figure will not allow a more local prioritisation of housing delivery. Volume housebuilder activity and most affordable housing need is concentrated in the Inner Moray Firth area. A single all-Highland figure runs the risk of not monitoring and assessing the impacts of that concentration, and in housing land supply terms, not tailoring the number and capacity of allocations to sub-Highland circumstances. For example, housebuilders are unlikely to support a single all-Highland target if the capacity of housing land allocations in locations they regard as less viable unduly reduces the target available for areas where they wish to build. Moreover, section 15 (1A) of the Town and Country Planning (Scotland) Act 1997 as amended requires each LDP to "include targets for meeting the housing needs of people living in the part of the district to which it relates." The word "targets" is pluralised and therefore a single Local Housing Land Requirement figure is insufficient.

9.121 Unlike some other authorities, the Council is not wholly dependent upon the private sector to deliver affordable units via section 75 agreements. The Council and other affordable unit providers lead the delivery of many LDP allocations from land acquisition to housing completion particularly in the less commercially viable parts of Highland. As such, only including a single LHLR figure and assuming that 25% of those units will be delivered as affordable oversimplifies circumstances in Highland. In short, sub-Highland market and affordable sector targets will better reflect the markedly different housing need and demand across Highland, better attract funding to address them, and better measure the HLDP's future performance in meeting those targets. Another policy workaround solution if a local planning authority must rely upon a single, all-tenure, plan-wide LHLR figure is to increase the percentage of affordable housing required from private sector led developments. The Council does not intend to progress such an approach within the HLDP because we believe that a higher percentage will harm the commercial viability of many sites in Highland, increase disputes with developers and may even stymie the delivery of both affordable and market units on otherwise suitable allocations.

9.122 Many councils including Highland and other parties believe that NPF4 Policy 16 f) requires review. The Council wishes and still believes it to be appropriate to continue to support infill development on unallocated land within its settlements subject to the land not being afforded a safeguarding notation (such as protected greenspace) and the proposal and/or site specifics not suggesting significant adverse impacts. There is no current prospect of NPF4 Policy 16 f) being reviewed or reinterpreted and therefore the Council is considering the inclusion within the Highland Proposed LDP of a settlement infill policy similar to Policy 34 in the HwLDP.

9.123 NPF4 takes a two-tier approach to rural homes, using the urban rural classification to indicate accessible rural and remote rural locations. Despite also being based on drive times from major settlements, the boundaries of accessible and remote rural areas do not align with the Highland hinterland boundary and this has resulted in a complex policy landscape which requires considerable resource to communicate, and is identified as an action for HLDP to simplify moving forward.

9.124 Because fragile communities are referenced within several NPF4 policies but not defined in its Glossary, HLDP will require to identify conclusive fragile communities in remote rural areas which will ideally be geospatial proposals in order to aid efficient decision making for rural housing. This will likely be underpinned by the Fragile Areas methodology developed in **Chapter 8: Business, Economy, Tourism and Productive Places**. A framework for defined fragile communities may require to be dynamic and updated annually over the lifespan of the plan as the underpinning indicators are updated.

9.125 HLDP will require to identify conclusive areas for population resettlement in remote rural areas, which will ideally be geospatial proposals in order to aid efficient decision making for rural housing. Any identified areas suitable for population resettlement will require a clear framework for planned/allocated development alongside self-build and windfall developments.

9.126 The Council believes that demographic, economic and geographic factors affect the socio-economic fragility of a community. The evidence considered in this chapter and **Chapter 8: Business, Economy, Tourism and Productive Places** suggests, in terms of future rural housing policy, that a three-tier approach may be appropriate. The rural areas closest to Highland's largest settlements are likely to continue to experience levels of housing in the countryside pressure that may breach visual and infrastructure capacities and promote environmentally unsustainable travel patterns and therefore controls on further development are sensible in line with a hinterland/accessible rural policy approach. Conversely, rural housing development within or close to fragile communities will likely help underpin facilities within those communities and therefore there should be a more supportive policy presumption in such areas. HLDP will require to develop an appropriate framework for remote rural areas that are not distinctly fragile or identified for potential resettlement, as NPF4 provides no specific direction for such cases. For those communities which are neither pressured nor fragile then a more neutral policy presumption may be taken forward.

9.127 Stakeholder and Local Place Plan inputs have provided useful suggestions for new evidence that have been followed up and incorporated within this chapter if appropriate and relevant. All site-specific and practicable policy suggestions will be considered in preparing the HLDP Proposed Plan. Some matters raised are outwith the scope of an LDP most commonly requiring national legislative or financial intervention.

Statements of Agreement / Dispute

Agreement on Evidence

9.128 This Chapter remains in draft and has been circulated to Homes for Scotland and Key Agencies, with the caveat that it will not be submitted for Gatecheck until the HNDA has concluded and the ILHLR updated to reflect this. Agencies who responded and agreed with the evidence and content presented will be populated once known.

9.129 Cairngorms National Park Authority's (CNPA) response **(THC###)** requested amendments to this Chapter to clarify the CNPA's position on the interpretation and application of the Council's 2023-2028 LHS within the Badenoch and Strathspey portion of the CNPA LDP area and the CNPA approach to a percentage for affordable housing provision in its new-style LDP policy. The Council agrees with these requested amendments and has incorporated them in this final version of this chapter.

Disputes with Stakeholders

9.130 The issues raised in Homes for Scotland's (HfS) response of December 2025 **(THC090)** have now been addressed within this chapter. The Council has revised the summary of HfS's initial response to the Council's Housing and Economy Evidence Paper as requested albeit clarifying that the Scottish Accessible Homes Standard has not, to date, been implemented within operative Building Standards Regulations. Also, the word "landbanking" has been amended to "land acquisition" to avoid any negative implication. The substantive HfS concern is that it believes the Council wishes to justify a higher percentage affordable housing requirement within the future LDP. The relevant chapter section has been amended to clarify that the Council has no intention to increase the current 25% figure (and current 35% within the suburban part of Inverness City) in the new HLDP. The Council recognises that many Highland housing sites are marginal in economic terms and wishes to encourage development on allocated land.

Information Gaps

9.131 It is considered that Highland Council's Area Place Plans would be informative evidence sources of relevance to this section of the evidence report, yet it is acknowledged that these remain in production at the time of writing. Place Plans once approved will be considered in the production of the LDP if timeously available.

9.132 It is considered that community-led Local Place Plans would be informative evidence sources of relevance to this section of the Evidence Report, and several are understood to remain in production at the time of writing. To date, 14 communities in Highland have formally registered Local Place Plans, but the progress is supported and communicated by the Council's Community Planning Lead. Any Local Place Plans registered will be considered in the production of the LDP if timeously available.

9.133 The most obvious and crucial evidence gap is the completion of the ongoing HNDA, which in turn is based upon the belated release of national population and household forecasts and their incorporation within the HNDA Tool by the CHMA. The Council is pressing Scottish Government agencies to minimise the delay in the release of this evidence. It is likely that the Highland HNDA will be submitted to Gate Check incorporating this evidence but without "robust and credible" CHMA sign-off of the documentation at that time. The HNDA will also provide better evidence on specialist housing need and demand.