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	**(THC033)** HNDA Specialist Housing Stakeholder Engagement Report **(THC070)** Draft Housing Need & Demand Assessment 2026 Calculation **(THC071)** Local Housing Strategy HST Methodology Report **(THC072)** Inverness & Cromarty Firth Green Freeport HST **(THC073)** Existing Housing Need in Highland: Diffley Partnership & Rettie Report (for Homes for Scotland) **(THC175)** Call for Development Sites: Template for Submissions

Ref no.	Online Resources	Date Accessed
THC010	Ardgour Local Place Plan	29.06.26
THC011	Black Isle Local Place Plan	29.06.26
THC012	Broadford and Strath Local Place Plan	29.06.26

	THC024	Caol Local Place Plan	29.06.26
	THC026	Croy and Tornagrain Local Place Plan	29.06.26
	THC013	Dores and Essich Community Local Place Plan	29.06.26
	THC014	Duror and Kentallen Local Place Plan	29.06.26
	THC022	Fort Augustus and Glenmoriston Local Place Plan	29.06.26
	THC015	Gairloch Local Place Plan	29.06.26
	THC016	Garve and District Local Place Plan	29.06.26
	THC029	Glen Urquhart Local Place Plan	29.06.26
	THC021	Golspie Local Place Plan	29.06.26
	THC017	Kinlochleven Local Place Plan	29.06.26
	THC028	Kyle of Sutherland Local Place Plan	29.06.26
	THC018	Lochalsh Local Place Plan	29.06.26
	THC027	Morvern Local Place Plan	29.06.26
	THC023	Nairnshire Local Place Plan	29.06.26
	THC025	Sleat Local Place Plan	29.06.26
	THC019	Stratherrick and Foyers Local Place Plan	29.06.26
	THC020	Torridon and Kinlochewe Local Place Plan	29.06.26
	THC585	Highland 2022 Census Overview	14.11.25
	THC586	NRS Migration Flows mid-2024	14.11.25
	THC587	NRS Births Time Series	14.11.25
	THC588	NRS Deaths Time Series	14.11.25
	THC589	NRS Subnational Population Projections: 2022	14.11.25
	THC590	NRS Subnational Population Projections: 2018	14.11.25
	THC591	NRS Subnational Household Projections: 2022	14.11.25
	THC592	NRS Subnational Household Projections: 2018	14.11.25
	THC593	Place-based Policy Approaches to Population Challenges	14.11.25
	THC594	Draft NPF4 Housing Land Requirement Explanatory Report	14.11.25
	THC595	Scotland wide Existing Housing Need	14.11.25
	THC596	Falkirk LDP Gate Check report	14.11.25
	THC597	Highland Local Housing Strategy 2023-2028	14.11.25
	THC598	Housing to 2040	14.11.25
	THC599	Deliverable Housing Land Pipeline for Highland	14.11.25
	THC600	Highland Council 2024 Housing Land Audit	14.11.25
	THC601	Chief planner letter, notification direction 2025	14.11.25
	THC602	Data on Social Sector House Completions	14.11.25
	THC603	Strategic Housing Investment Plan 2026-2031	14.11.25
	THC604	Affordable Housing Investment Benchmarks	14.11.25

THC605	Highland Housing Register	14.11.25
THC606	Highland Housing Register Report 2024-25	14.11.25
THC607	Assessment of the accommodation needs of gypsy travellers in Highland	14.11.25
THC608	Permanent gypsy traveller sites in Highland	14.11.25
THC609	Policy on supporting cooperation and managing unauthorised gypsy traveller camps	14.11.25
THC610	Bingin Noggins Tobar Taking our Journey Project Impact Report	14.11.25
THC611	Scottish Homes Housing for Varying Needs	14.11.25
THC612	Consultation better Accessible Homes Standard	14.11.25
THC613	Housing for Varying Needs design guide	14.11.25
THC614	NRS households and dwellings data	14.11.25
THC615	THC Short Term Let Public Register licence data	14.11.25
THC616	Developable Land Mapping	14.11.25
THC617	West Lothian LDP Gate Check decision	01.04.26
THC618	Urban Rural Classification 2022 8 Fold Map	14.11.25
THC619	2022 Census journey to work data	14.11.25
THC620	Fragile Areas Mapping	14.11.25
THC621	Potential Areas for Resettlement Mapping	14.11.25
THC622	Rural Housing Supplementary Guidance and explanatory note	14.11.25
THC623	HLDP Call for Development Sites	14.11.25

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 explains the implications of housing topic evidence including 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** and Demolitions
- **Housing Land Supply**
- **Affordable Housing**
- **Specialist Provision**
- **Rural Homes**

MATHLR and Housing Need

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 for Highland, shown 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**

9.1 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.

9.2 The initial default estimate MATHLR figure for Highland (minus the CNP area that falls within the Council's boundary) suggested to the Council in 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. After representations by the Council, Scottish Government officials increased this figure to 9,500. The Council's assertions were focussed on both future net additional households and the affordable housing backlog and that the annual, point-in-time definition of housing need missed additional in-year arising need. 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.

9.3 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

9.4 2022 Census data for Highland is still being analysed as NRS Subnational Population Projections: 2022-based have been produced (end of Sept 2025), with NRS Subnational Household Projections: 2022-based released in Dec 2025. The Centre for Housing Market Analysis (CHMA) aims to publish the updated HNDA Tool and Guidance at the end of June 2026 which will incorporate these updated population and household forecasts within the HNDA toolkit.

9.5 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 2021 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 had originally intended to complete the HNDA process before submitting the Evidence Report to Gate Check. Continued delays to the release of key information and the refreshed HNDA Tool have meant that this timetable has had to be revised. The Council does not wish to delay the Plan process any longer than necessary so is submitting the completed Evidence Report to Gate Check prior to the completion of the HNDA and the subsequent 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

9.6 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

	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%

9.7 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.

9.8 Between 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.

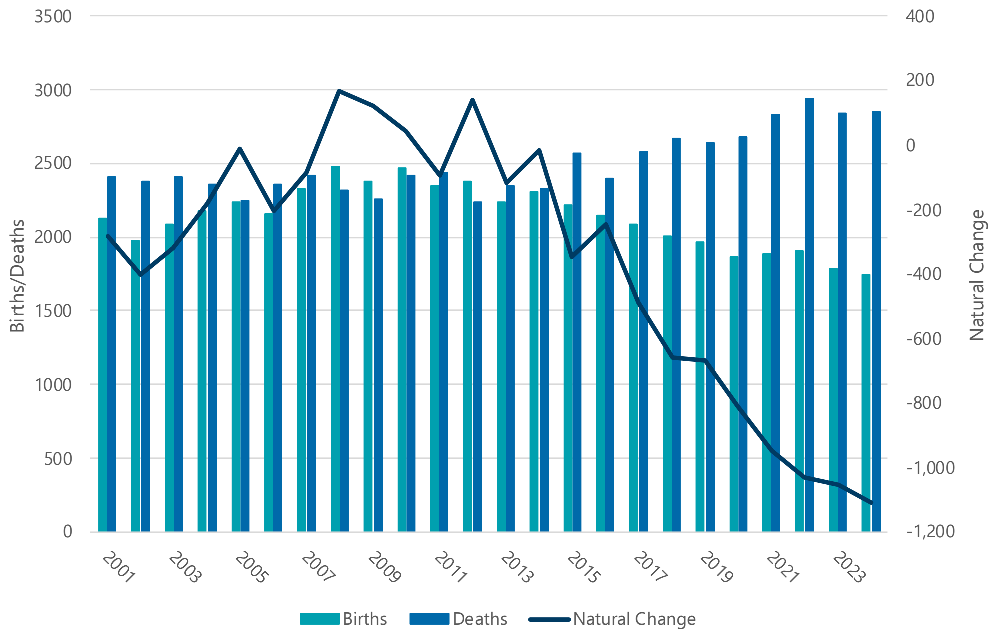

Figure 9:1 Highland Births and Deaths 2001-2024 (NRS Births and Deaths Times Series Data 2024)

9.9 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.

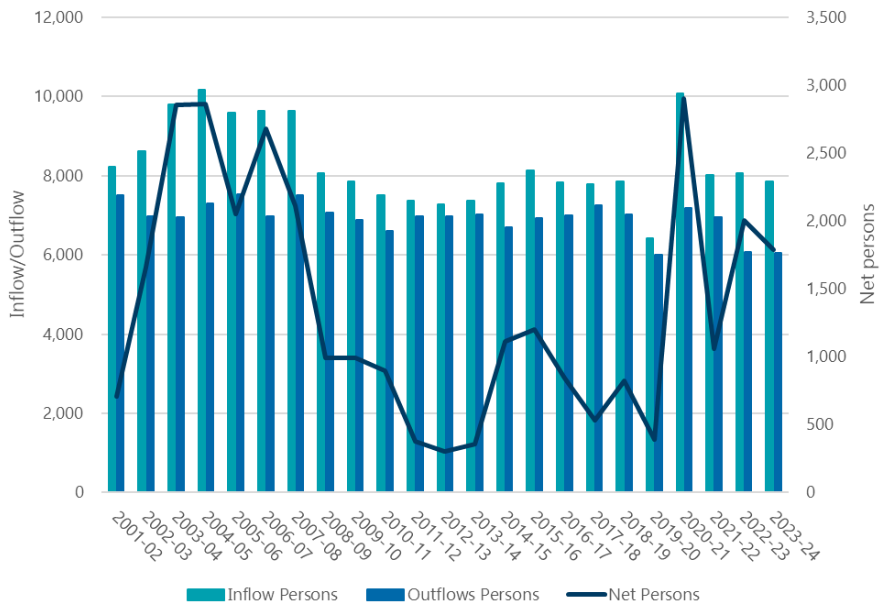

Figure 9:2 Highland Migration Flows 2001-2024 (NRS Migration Flows 2024 – Table 5)

9.10 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.

9.11 The age profile of the existing and projected future Highland population has implications for the future HLDP. Highland, relative to Scotland, has a higher proportion of 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 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 larges 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.

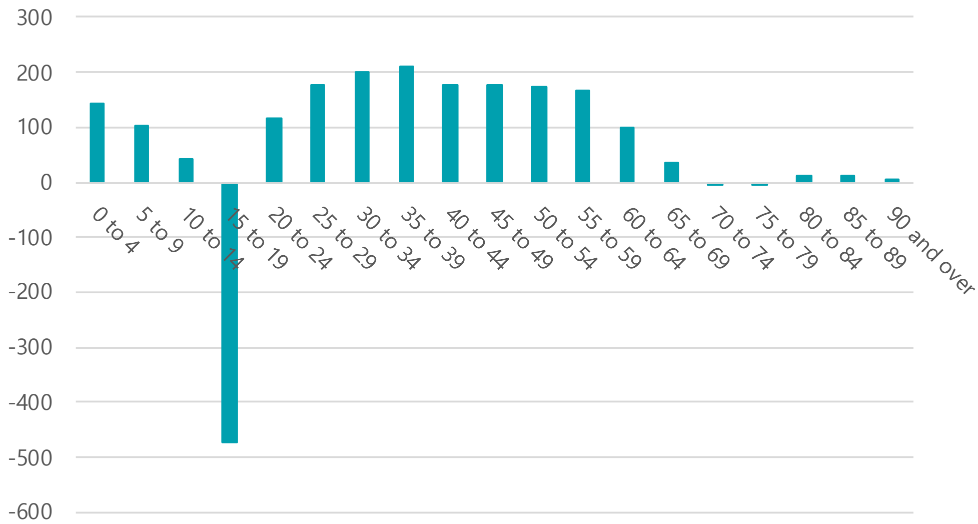

Figure 9:3 Age Profile of Highland Net Migration Average of 2002-2024 [(NRS Migration Flows 2024 – Table 8)]

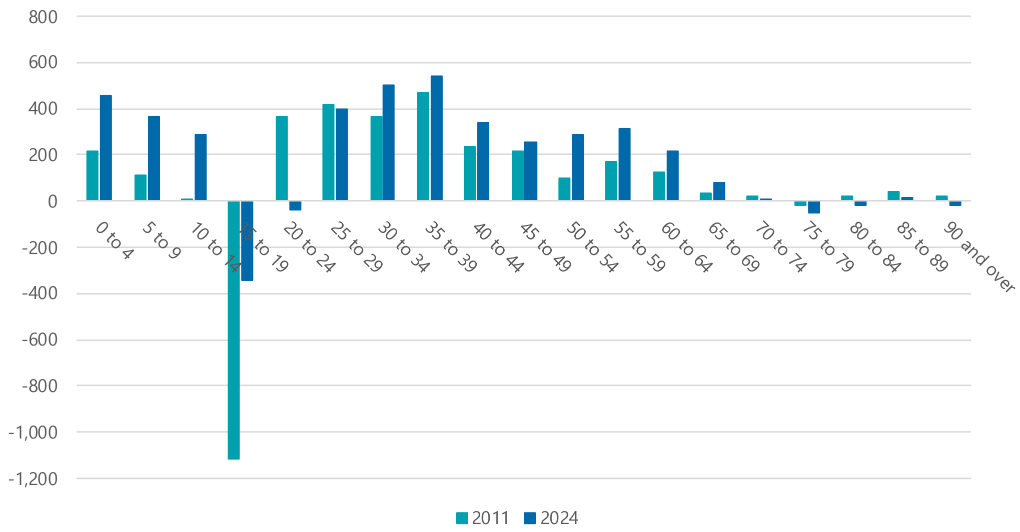

Figure 9:4 Highland Net Migration Age Profile 2011 and 2024 [(NRS Migration Flows 2024– Table 8)]()

9.12 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.

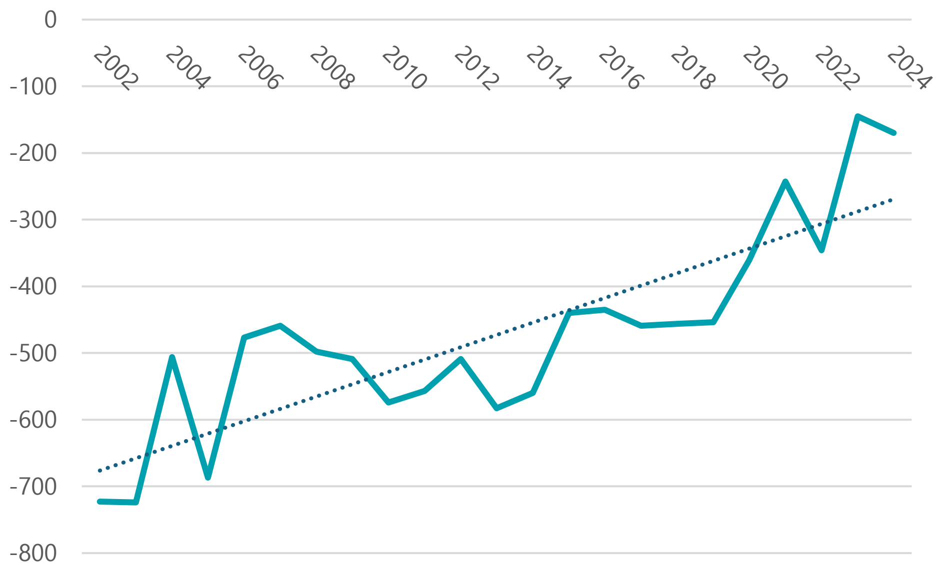

Figure 9:5 Highland Net Migration Aged 15-19, 2002-2024 (NRS Migration Flows 2024– Table 8)

9.13 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

9.14 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.

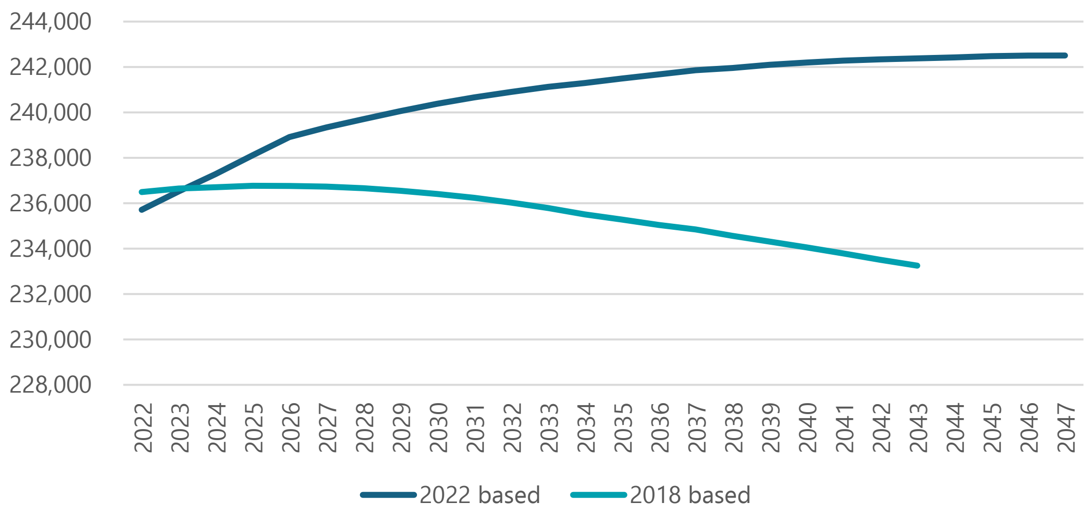

Figure 9:6 Highland Population Projections (NRS Subnational Population Projections 2022-based and 2018-based)

9.15 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.

9.16 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.

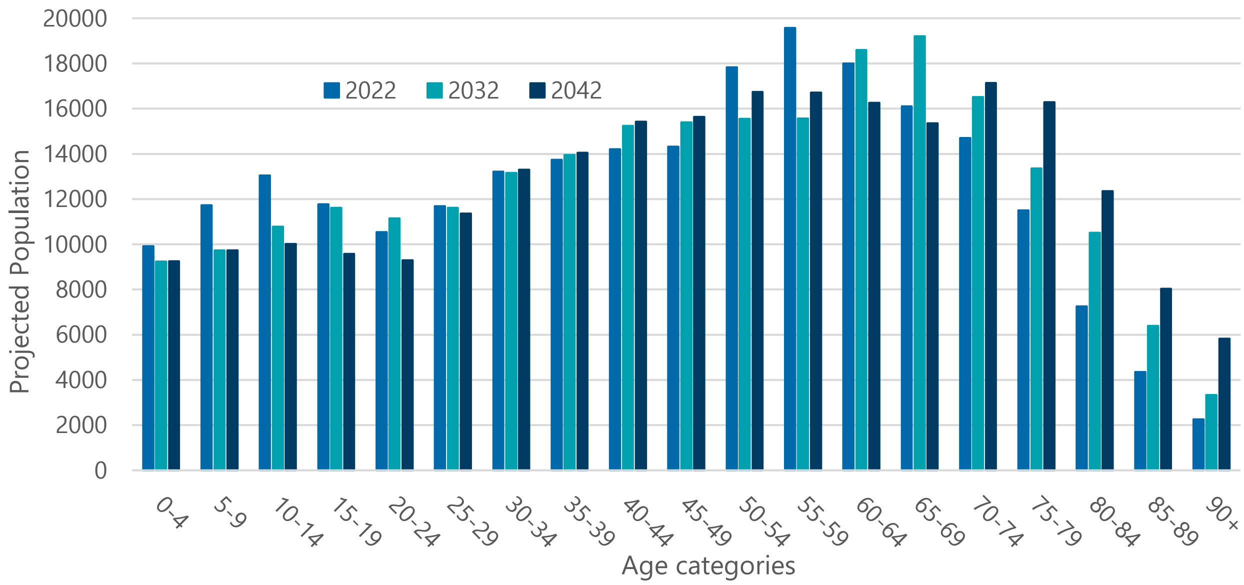

Figure 9:7 Highland Population Projections by Age Category (NRS 2022-based)

9.17 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.

9.18 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.

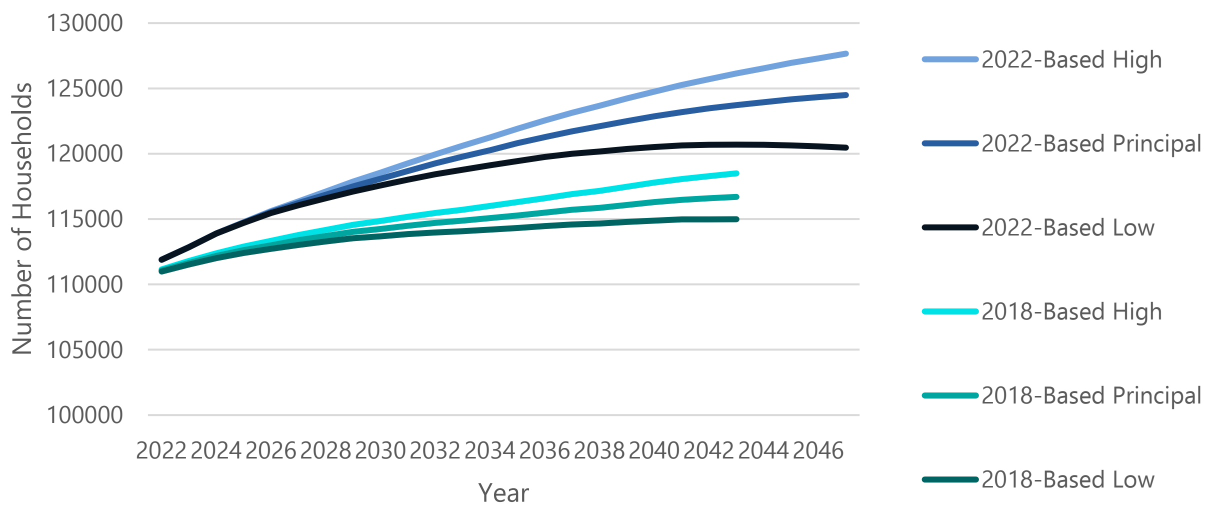

Figure 9:8 Difference between NRS 2018-based and 2022-based Household Projections for the Highland Council Area

9.19 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.

9.20 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%.

9.21 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	38.6%	3.2%	40.7%	6.2%	20.7%	1.4%
Scotland	38.0%	0.9%	39.0%	5.6%	23.0%	4.7%

9.22 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.

9.23 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.

9.24 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: Economy, Business, 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.

9.25 **Chapter 8: Economy, Business, 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.

9.26 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: Economy, Business, 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.**

9.27 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 **(THC073)** 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.

9.28 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

9.29 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 HNDA 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

9.30 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** (see Table 1.10 within **THC071**) **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 **10 year 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.

9.31 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 **(THC071)** 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 **THC071** 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.

9.32 The LHS therefore 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.

9.33 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.

9.34 The LHS 2023-2028 was undertaken when the understanding of the Inverness and Cromarty Firth Green Freeport was still evolving at early stages. After it was approved, the Council commissioned Arneil Johnston in 2024 to produce a report **(THC072)** to recalibrate the Housing Supply Targets within the Local Housing Strategy 2023-2028 to take into the account the subsequent economic impact assessment within the Inverness and Cromarty Firth Green Freeport Business Case discussed in **Chapter 8: Economy, Business, Tourism and Productive Places** as there were doubts as to whether the LHS had adequately incorporated this.

9.35 This report **(THC072)** 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 **(THC072)** summarises the results.

- Converting to HST into a 10-year as opposed to a 5-year target.

9.36 The Green Freeport project **(THC072)** 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 (subtracting Badenoch and Strathspey), 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, highlighting the continued challenge of estimating projecting housing need, demand and supply in Highland within a dynamic socio-economic context. While the revised 24,235 HST figure was widely known and shared locally, the Inverness and Cromarty Firth Green Freeport Housing Supply Targets **(THC072)** had been progressed outwith and subsequent to the formal LHS and have therefore not been approved by Scottish Government.

9.37 The Council has since commissioned Arneil Johnston to produce a new Highland HNDA with completion expected in 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 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 **THC070** and referred to in **Chapter 8: Economy, Business, Tourism and Productive Places**. The final HNDA anticipated for completion in 2026 after the Evidence Report Gate check submission will more fully inform the proposed plan as will reflect the most recent inputs available.

Setting Highland's LHLR

9.38 Until the new HNDA is completed, The Council is setting an interim, indicative LHLR based on the methodology within the LHS 2023-2028, since this reflects the most recent accepted figure that has been subject to Scottish Government oversight unlike **THC072**. This methodology is summarised above and set out in detail within Appendix 2 of the LHS (**THC071**). **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 Annual HST (A)	1,840
Badenoch and Strathspey Annual HST (B)	130
HLDP Area Annual HST (A-B)	1,710
Adjusted to 10 years (A-B) *10	17,100
Indicative Local Housing Land Requirement (iLHLR)	**17,100**

9.39 The Council's LHLR is proposed as the HST for the Highland area that falls within the LDP boundary, only making an adjustment to remove Badenoch and Strathspey within the CNPA LDP. 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, 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 estimating the LHLR in contrast with 2022-based projections. 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 HNDA in progress collects and assesses evidence and stakeholder input to justify such an assumption. **THC072** referencing how the Green Freeport may impact Highland's Housing Supply Targets is part of that justification, but has since been further qualified with further engagement with wider economic development partners and major employers in the region. **THC070** sets out the progress of the current HNDA and the agreed employment-led housing growth that has been agreed within this engagement and will be subject to assessment as part of the HNDA once complete.

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 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. 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 and Demolitions

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.

Demolitions

9.44 Scottish Government Housing (Demolitions) Statistics notes only a limited number of demolitions in Highland over the last five years for which information has been published as shown in Table 9:6. Only local authority demolitions are indicated within the Highland returns that inform these statistics within the last 15 years.

Table 9:6 Highland Demolitions from 2009-2024 (Scottish Government Housing Statistics)

Period	Non-local authority demolitions	Local authority demolitions	Total Demolitions
2019-20 to 2023-24	0	33	33
2014-15 to 2018-19	0	21	21
2009-10 to 2013-14	0	122	122

9.45 Extracted demolition records from Uniform data **(THC091)** shed light on potential local authority and non-local authority demolitions, albeit planning applications do not mean that these demolitions inevitably occur, and multiple applications may be received for an renewed proposal. Table 9:7 indicates that between 2020/21 until 2025/26, there were 59 applications for demolitions of a non-residential unit replaced with a residential unit, and 147 applications for demolitions of a residential unit replaced with a residential unit. However, a far smaller number subsequently submitted notices of initiation or completion.

*Table 9:7 Highland Planning Applications for Demolitions (**THC091**)*

	2021/22	2022/23	2023/24	2024/25	2025/26
Demolition of Non-Residential Unit & Replacement Non-Residential Unit	88	98	79	89	41
Demolition of Non-Residential Unit & Replacement Residential Unit	15	8	10	4	10
Demolition of Non-Residential Unit Only	7	4	6	6	9
Demolition of Residential Unit & Replacement Non-Residential Unit	2		3	1	1
Demolition of Residential Unit & Replacement Residential Unit	26	22	12	19	24
Demolition of Residential Unit Only	6	9	4	13	7
Total Residential Unit Demolished	**34**	**31**	**19**	**33**	**32**
*where NOI/NOC received	12	6	4	2	3
Total Demolitions with Replacement Residential units	**41**	**30**	**22**	**23**	**34**
*where NOI/NOC received	15	8	4	2	3

9.46 From the information in Table 9:6 and Table 9:7 in tandem, the Council considers that demolitions are not a substantial feature of development in the Highlands, and once total residential demolitions are compared with demolitions involving new residential units, there is little difference in the numbers, indicating little consequential contribution to the overall balance of stock. No adjustment has therefore been made to the LHLR to account for any dependable number of stock lost through demolitions or new housing units being completed on sites with former demolitions

Housing Land Supply

9.47 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 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.

9.48 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.

9.49 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 LDPs.

9.50 Over the period 4 April 2012 to 31 July 2025, there were 13,006 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, 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 HwLDP Policy 34 Settlement Development Areas 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.

9.51 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 9:8 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 9:8 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%**

9.52 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.

9.53 As outlined in previously in the Evidence Report, the Council is progressing 3 Masterplan Consent Areas and once the details of these are sufficiently advanced with numbers of housing units better known, the Council expects to factor this into the deliverable housing land pipeline.

Affordable Housing

9.54 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.

9.55 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.

9.56 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.

Affordable Housing Need

9.57 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 31 March 2026, had a total of 8,826 applications on the housing list, equating to 16,451 people as applications can be for single individuals, couples or families. An annual Highland Housing Register Analysis Report each August illustrates the register data, with the most recent available report referring to 31st March 2025, where 8,767 applications were on the housing list. Of all 8,767 applications held on 31 March 2025, 70.16% were not currently a tenant of a Highland Housing Register landlord. 50% of applications were for single individuals (highlighting a growing need for smaller properties), 10% were couples and 40% were families. An Highland Housing Register Analysis Report provides a fuller review of the Register data and how properties are allocated. 10% of these households were defined as homeless under national homelessness legislation. The tenure split within the ongoing HNDA once complete will give a more informed picture of the current level of affordable housing need by HMA.

9.58 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 than in 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 are increasingly staying for longer. 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.

9.59 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 from 2019/20. There are marked intra-Highland differences as shown in Table 9:9 ranging from £295,229 in Badenoch and Strathspey to £132,945 in Caithness.

Table 9:9 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**

9.60 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 9:10. 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 9:10 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%**

Private Rental Properties

9.61 The Private Rented Sector (PRS) is an important transitional and flexible housing tenure which offers accessible housing options to those in housing need. Improving the operation and supporting the growth of the PRS is an action attributed to addressing Outcome 3 within the LHS 2023-2028, where People in Highland have access to a wider range of housing options and choices and the support they need. There is evidence that the cost of private renting is out of reach for low-income households in Highland. An assessment of the CACI Banded Income Profiles used within the ongoing HNDA indicates that 48% households in Highland are unable to afford market rents, more than those who cannot afford the monthly costs of market entry housing (41% - see Table 9:10).

9.62 The LHS 2023-2028 indicates that at the time of production the PRS in Highland was slightly smaller (12%) than for Scotland (14%). Other research undertaken by the Scottish Government regarding the Impacts of Short Term Lets on Communities indicated that some areas of Highland such as Skye are characterised by a near absence of PRS accommodation options entirely. This places additional strain on the affordable housing sector, where 20% of applicants on the Highland Housing Register were interested in private renting as reported in the LHS 2023-2028.

9.63 Rent Service Scotland (RSS) do not have a complete list of all the private rented properties in the Highland Council area as landlords/letting agents are not required by legislation to provide that information to them. RSS are required to collect a minimum of 10% of the private rental market for all Broad Rental Market Areas (BRMAS). RSS therefore use a combination of the Census and landlord register data or information voluntarily provided to collect a representative sample and devise targets to meet this 10% minimum requirement.

9.64 The sample of PRS listings collated and supplied by RSS 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. Temporary legislation was introduced during the Covid-19 pandemic, with a moratorium on evictions from 06/09/2022 until 31/03/2024, alongside a cap in private rents in place for the same period. This is recognised as having added to the challenges of 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 given the lack of an effective PRS to house them. This coincides with UK Collaborative Centre for Housing Evidence on the PRS (Scotland's Private Rented Sector: The Next 30 Years), where active landlord registrations dropped by 5% between December 2020 and December 2025.

9.65 Moving forward it is considered that a healthy, sustained PRS 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.

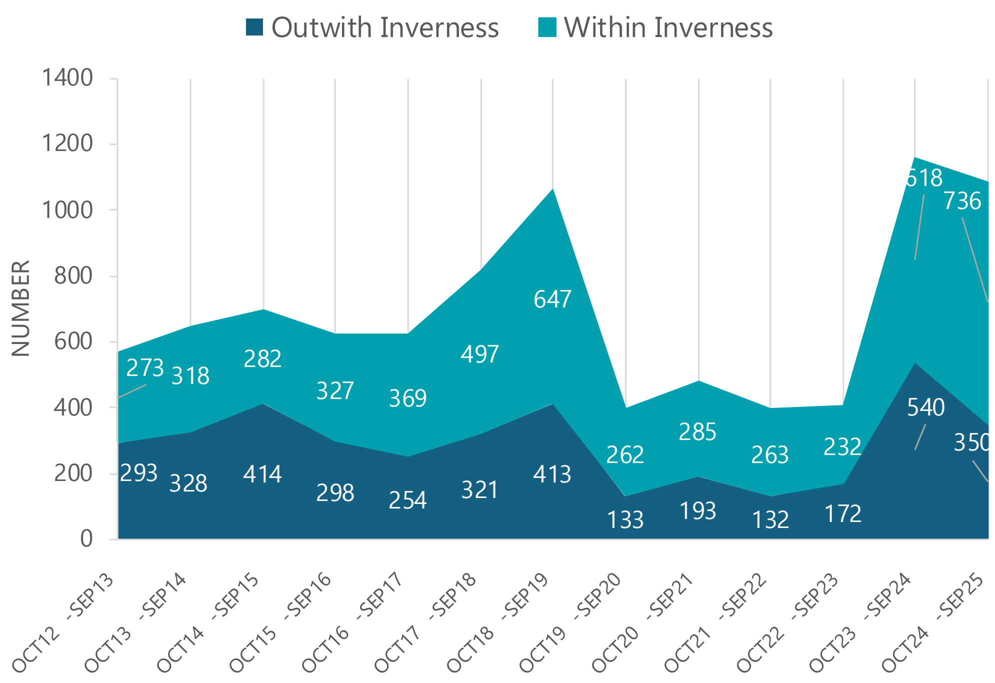

Figure 9:9 Highland Private Rental Sector Listings from 2012-2024

Specialist Provision

9.66 Legislation and 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

9.67 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 have unmet housing needs. Highland Housing Register Analysis Report shows that across Highland for 2024-2025, 53% of all lets (855) 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 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 extended the rights of homeless households to obtain a social rented unit, but this increased priority, without an increase in the stock available, 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 Highland, there were 526 households in temporary accommodation as of 30 September 2024, compared to a high of 785 households on 30 June 2021. A high proportion of homeless applicants are single people and/or aged 25 or under who need one-bedroom properties.

HNDA Specialist Provision Preliminary Work

9.68 As part of preparing the ongoing HNDA, A Specialist Housing Conference took place with a wide range of stakeholders to inform the inputs for the HNDA Core Output 3 and Existing Need. The aim of the specialist housing conference was to provide an opportunity for stakeholders involved in the planning, commissioning, and delivery of specialist housing in the Highland region to scrutinise emerging evidence and discuss the approach to meeting identified housing requirements. This includes the setting of wheelchair and accessible housing targets (across tenure), as well as the planning and commissioning of services to meet particular housing needs. The conference provided an important opportunity for the HNDA partners to obtain feedback on the process and draft outputs of the 2026

Highland HNDA and to influence the final draft document to be submitted to the Scottish Government in June 2026. In total, 31 partners and stakeholders attended the conference programme in February 2026. **THC033** provides the engagement report from this conference. In summary, the views raised (detailed in **THC033**) include:

- Partners agreed HNDA evidence on unmet specialist housing need reflects frontline pressures and is widely recognised.
- Rapid growth in the older population is a major challenge, worsening pressures in Care at Home and Care Home sectors, especially around viability and workforce shortages.
- Social housing plays a key role, with the Highland Housing Register helping meet urgent needs; better use of existing specialist stock is needed.
- Increasing the supply of specialist housing is a strategic priority, with HNDA evidence supporting stronger investment cases and funding bids.
- Lack of national definitions and data on specialist housing was noted; establishing shared local definitions and better data should be a priority.
- Greater delivery of wheelchair-accessible housing is needed, including stronger involvement from private developers through planning policy and design guidance.
- Developers are supportive but face viability challenges from rising costs and planning requirements; balanced approaches are needed.
- Workforce shortages are a growing risk to service delivery, requiring a more strategic, coordinated response.

9.69 This will therefore be taken forward within the HNDA once the new tool is available so that the HNDA can be finalised and the next LHS and HLDP will be informed better regarding specialist provision.

Gypsy Travellers

9.70 There is ongoing need and demand in Highland for culturally appropriate accommodation/facilities to meet the needs of the Gypsy/Traveller community. Gypsy/Travellers are 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, Gypsy/Travellers tends to include Scottish Gypsy/Travellers, Irish Travellers; Romany Gypsies - all recognised as ethnic minorities in law and protected under the race characteristic in the Equality Act (2010).

9.71 Although there have been subsequent consultative and statistical exercises, 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. 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.

9.72 There are 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. The Improving the Lives of Gypsy Travellers Working Group is a multi-agency group facilitated by the Council, committed to improving outcomes for the community and has a number of actions relating to health, digital access, education, tenant engagement and financial advice.

9.73 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 9:11 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**

9.74 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 has 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 achieved via the delivery of timber framed modular 'park home' style units which have now been completed and provided to the community. Work is ongoing to finalise the communal facilities, including a new play area and community meeting space added.

9.75 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.

9.76 Most of the permanent sites in Highland are permanently occupied by a few extended families. An increase in national pitch spacing standards will 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 Highland Housing Register 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. The Council have a commitment to work with COSLA, Scot Gov and the new government housing agency More Homes Scotland in regard to gypsy traveller engagement, guidance on negotiated stopping and the inclusion of sites in the affordable housing supply programme.

9.77 The Bingin Noggins Tobar Taking our Journey Project Impact Report led by Progress in Dialogue highlights some key research findings largely focussing on national issues 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 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/community-led planning. Lack of sites also meant that some feel they cannot speak out about struggles for fear of losing a place.
- Displacement from traditional spaces contributes to loneliness/mental strain.
- Sites do not tend to have a community building or the facilities to host community gatherings.

Accessible and Adapted Housing

9.78 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 committed to developing an accessible housing strategy in 2026/2027. The Council's 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.

9.79 A 2023 Scottish Government consultation on better Accessible Homes Standard through the review of Part 1 of the Housing for Varying Needs design guide considered a Standard through updates to building standards and guidance. However, this Standard has not been progressed to date. 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.

9.80 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 - 9.3% of the normally resident population. 8 Council Wards have over 10% of their populations that describe themselves as having a long-term physical disability. 4 of these comprise Caithness and Sutherland. Other Wards with a similarly high proportion are Nairnshire, Inverness Central, and two Wards that make up Easter Ross.

Self and Custom Build

9.81 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.

9.82 Highland Council opened a Self-Build Register in 2021 and as of September 2025 there were 126 registered people or 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 IMFLDP2 **(THC003)** contains 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

9.83 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. The Council's update to the housing challenge introduces a new mid-market rent model will help facilitate affordable housing options for key workers.

Energy Efficient Housing

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

Student Accommodation

9.85 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 directs prospective students 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.

Losses of Housing Stock from the Mainstream Housing Market

9.86 Many existing and new build houses are lost either temporarily or permanently from the mainstream housing market in Highland. The Council's forthcoming HNDA provides further detail on these matters. This has implications for setting the iLHLR, which needs to factor in that a proportion of future house completions will be lost from the mainstream affordable and market sectors and become ineffective housing stock, namely second homes, long term empty (LTE) or short term lets (STLs).

9.87 STLs are evidenced in detail within **Chapter 8 Economy, Business, Tourism and Productive Places** which illustrates the 4.7% Highland-wide share of newbuild completions transferred to STLs over the past 5 years **(THC064)**, but which far exceeds this in some areas. Similarly, the Council has undertaken a detailed audit of property sales transactions provided by the CHMA HNDA data pack from Registers of Scotland and tracked sales where the properties subsequently appeared within the Council's Short Term Let License Register where owners applied for and were issued secondary letting licenses. This audit found that in some areas of over 10% and as many as 15% of properties sold were subsequently used within STL License applications. Areas such as Skye and Lochalsh HMA and Ross and Cromarty West HMA demonstrate the highest rates.

9.88 NRS Household and Dwelling Estimates - Other Geographies, 2024 provide Ward level estimates of total dwellings, LTE and second homes, while Council Short Term Let Public Register licence data provides estimates for the numbers of STLs. In tandem it is evident from Table 9:12 that these three categories remove significant shares of stock from the Highland housing market. By using the final HNDA completed in 2026, the LHLR will be best placed to proceed taking this information into account in tandem with other aspects, in a comprehensive manner.

Table 9:12 Share of Highland total dwellings recorded as Long Term Empty, Second Homes and Short Term Lets as of 2024 (NRS, STL Register and Council Tax Register for Ward 19)

Ward	Total (2024)	Long Term Empty		Second Homes		Short Term Lets*	
		#	%	#	%	#	%
Eilean a' Cheò (Skye & Raasay)	6171	273	4%	359	6%	932	15.1%
W. Ross, Strathpeffer & Lochalsh	7449	378	5%	605	8%	699	9.4%
North, West and Central Sutherland	3702	208	6%	321	9%	322	8.7%
Fort William and Ardnamurchan	6542	247	4%	285	4%	581	8.9%
Badenoch and Strathspey	7661	290	4%	659	9%	635	8.3%
Caol and Mallaig	4386	156	4%	135	3%	352	8.0%
Aird and Loch Ness	6224	205	3%	163	3%	435	7.0%
East Sutherland and Edderton	4606	198	4%	228	5%	252	5.5%
Inverness Central	7278	223	3%	52	1%	9383	5.3%
Inverness South (Rural Portion)	760	26	3%	24	3%	40	5.3%
Highland Overall	**124812**	**3907**	**3%**	**3423**	**3%**	**5769**	**4.6%**
Inverness West	5176	102	2%	29	1%	164	3.2%
Black Isle	5126	130	3%	70	1%	130	2.5%
Wick and East Caithness	7213	299	4%	98	1%	143	2.0%
Tain and Easter Ross	4595	151	3%	77	2%	93	2.0%
Nairn and Cawdor	6558	140	2%	106	2%	127	1.9%
Inverness Millburn	4942	115	2%	20	0%	75	1.5%
Thurso and Northwest Caithness	6450	193	3%	61	1%	99	1.5%
Cromarty Firth	6125	118	2%	24	0%	74	1.2%
Inverness South (Urban Portion)	6762	98	1%	26	0%	81	1.2%
Dingwall and Seaforth	6283	176	3%	19	0%	64	1.0%
Culloden and Ardersier	5674	92	2%	36	1%	60	1.0%
Inverness Ness-side	5417	89	2%	26	0%	44	0.8%

**STLs used for secondary letting with unconventional accommodation (pods etc) excluded*

9.89 While Long Term Empty and Second Homes exist throughout Highland, the Council is currently using other policy mechanisms to address these which include premiums on Council Tax and the introduction of funds to bring LTE properties back into use. **Chapter 12: Historic Assets, Brownfield Land and Empty Buildings** discusses empty properties in greater detail. 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.

9.90 It is vital to stress that the total rate of ineffective stock is not easily derived from these totals. While LTE and Second Homes are distinct exclusive categories within the Council Tax Register, some STLs are also recorded on the Council Tax Register as Second Homes, while others are removed from the Council Tax Register and placed on the non-domestic rates (NDR) register provided they can evidence that the unit was let for 70 nights and available to let for 140 nights in the previous tax year. Table 9:12 therefore does not claim that a sum of these columns equates to the total ineffective stock owing to the likelihood of double counting between Second Homes and STLs. In 2024 within the HLDP area, combining NRS households and dwellings data, 8,570 or 7.3% of all dwellings were either second homes or short term let properties.

Rural Homes

9.91 Owing to Highland's **Demographic Overview**detailed above, a significant proportion of planning applications for housing and subsequent **Housing Completions** and Demolitions, 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 IMF Area. The 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.

9.92 As partly explained in the **Demographic Overview** 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.

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

9.94 The Council's Growing Settlements policy in HwLDP 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.

9.95 As evidenced in **Housing Completions** and Demolitions**,** 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.

9.96 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 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 the many established, smaller, dispersed house pattern, scattered rural communities across Highland.

9.97 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.

9.98 Marked variations in local development pressure also suggest the need for a more nuanced policy approach. Like 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 **(THC005)** area, over the period 2000-2017, 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

9.99 The Council has identified, in its current 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 water main connection, waste collection, a public sewer connection, or a school transport service; and, can result in adverse impacts on the natural environment, including breaking up ecological connectivity and fragmenting habitats.

9.100 Currently, as depicted on Figure 9:10, 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.

9.101 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 9:13.

9.102 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 9:10) to identify accessible and remote rural areas and the corresponding two-tier, differing policy presumption within each area.

9.103 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.

9.104 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.

9.105 The differing boundaries that result from the Council's Hinterland methodology and the Urban Rural Classification are highlighted in Figure 9:10. 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.

Table 9:13 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

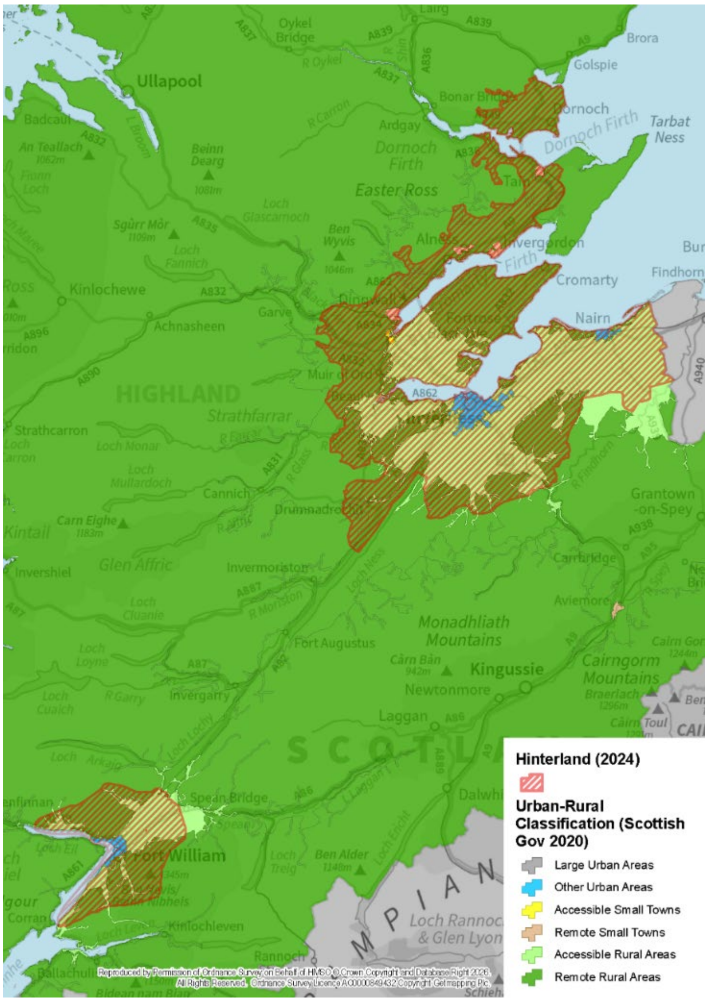

Figure 9:10 Scottish Government's 6-Fold Urban Rural Classification 2020 Accessible and Remote Rural Areas in Highland

9.106 Table 9:14 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 (non-Hinterland) 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 9:14 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

9.107 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 9:11 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.

9.108 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**. The Council intends to use this data in the formulation of an appropriate boundary for the area of countryside within which commuter housing pressure should be discouraged. The Council does not consider at this stage that this would likely be a reclassification of the Hinterland as a formal Green Belt.

9.109 When NPF4 was published, there was uncertainty as to whether NPF4 Policy 8 was the corresponding policy to be read alongside the HwLDP Policy 35 (Hinterland), and whether it was the Scottish Government's intention to require future LDPs to link these concepts. Our understanding of this has continued to evolve most recently in light of the West Lothian Evidence Report Gate Check decision where it was decided that such a proposal to establish a countryside belt as a green belt would be a significant change, and that, "in order to inform the establishment of any new green belt, a review of existing countryside belts and potentially a green belt study, would be required [...] Without this information, we do not consider that a clear basis to assess the impact of potential future changes from countryside belt to green belt has been demonstrated." A recent appeal decision PPA-300-2077 within Moray Council also reached the view that NPF4 Policy 8 was not engaged as Countryside Around Towns and Green Belt were not the same.

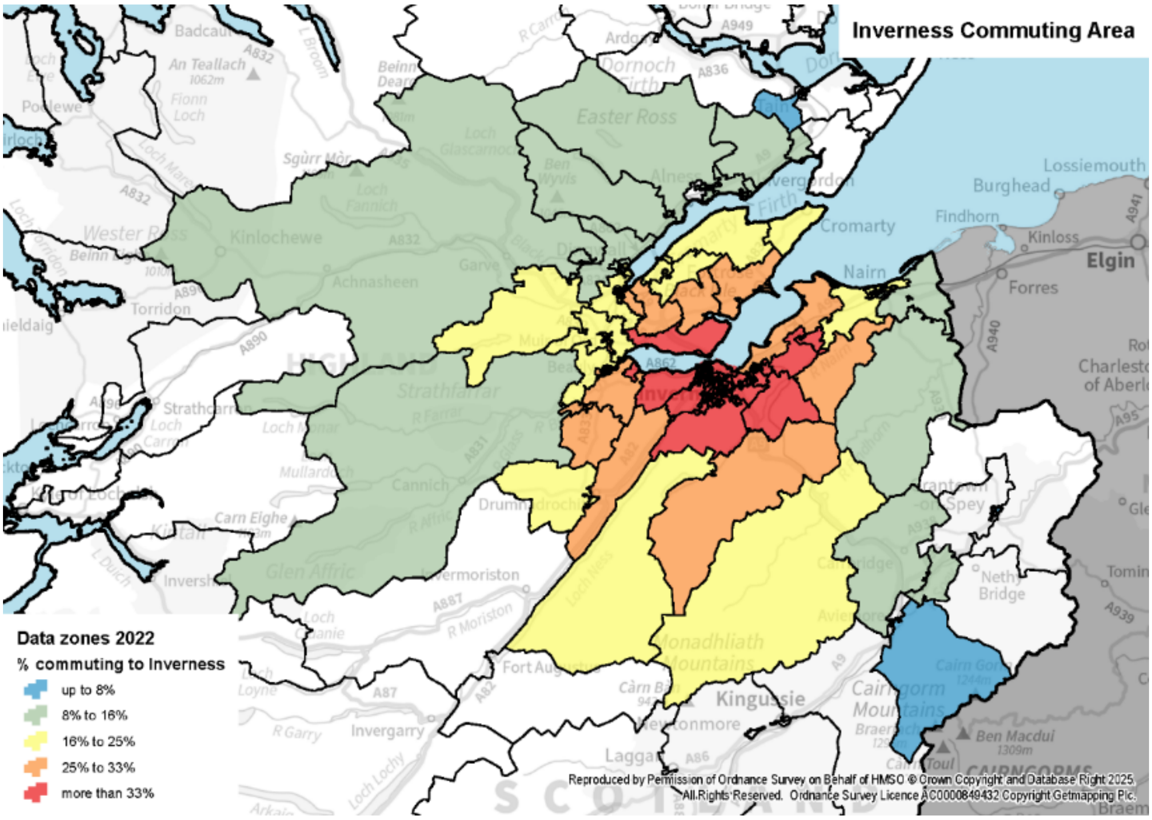

Figure 9:11 Inverness Commuter Area (2022 Census Journeys to Work By 2022 Census Data Zone)

9.110 The Council interprets that the understood Scottish Government position is therefore that Countryside Belts are not the same as Green Belts (despite both being settlement management tools) and that significant work would be required to formally establish or convert the Hinterland as Green Belt. The Hinterland boundary has been traditionally based on local understanding of development pressure and commuting behaviour, and not been subject to landscape character assessments. The Council would not seek to undertake an impractical scale of landscape character work to assess parcels of land in this regard. Therefore HLDP will aim to simplify the rural housing policy framework using the Hinterland as an example of a tailored housing approach to reflect local circumstances, which is referred to within NPF4 and the Local Development Planning Guidance.

Fragile Areas

9.111 As discussed in **Chapter 8: Economy, Business, 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.

9.112 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.

9.113 **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 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

9.114 Related to 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: Economy, Business, 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.

9.115 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.

9.116 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. 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.

9.117 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: Economy, Business, 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

9.118 As discussed in **Chapter 8: Economy, Business, 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.

9.119 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.

Community-led Housing

9.120 The Council has already undertaken a Call for Sites exercise between January and May 2025, and appreciates that it can be challenging for community-led housing development to be proposed through this process as ongoing negotiations with landowners and estates, coupled often with natural designations requiring specialist planning advice and assessments, mean that it is often not practicable for community organisations to submit conventional and informed bids for housing development. While sites proposed through LPPs offer one route of considering these sites up front without the requirement to propose them again, The Council considers that the nature of how community-led proposals progress in Highland would benefit from having a tailored community-led housing policy to determine applications that are not proposed through the plan-making process but instead are proposed through the lifespan of the plan. The Council notes HIE's consideration of specific policy support for community led housing projects which is not explicitly contained within existing LDP policies or NPF4. Rather than leaving interpretation as to whether community-led housing contributes towards local living as per Policy 17b, or supports identified local housing incomes as per Policy 17c, it would be helpful for HLDP to take an explicit approach to this.

Summary of Stakeholder Engagement

9.121 A full breakdown of all stakeholder engagement undertaken to support the Evidence Report is provided within the Log of Engagement **(THC001)**. A summary of the key stakeholder engagement activities undertaken for this chapter presented below:

- 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 **(THC175)** 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).

Stakeholders and Key Agencies

9.122 Prior to the drafting of the HLDP Evidence Report an early engagement exercise HLDP Evidence Consultation was undertaken from 31st Jan – 2nd May 2025. Responses to the HLDP Evidence Consultation (including from key agencies) are included in **THC006**. Drafts of the evidence presented in this chapter were then circulated to key agencies, listed below, and a range of other stakeholders, not listed, on 30 January 2026:

- NatureScot
- Scottish Water
- SEPA
- Historic Environment Scotland
- NHS Highland
- HIE
- HiTrans
- Transport Scotland
- Crofting Commission
- Homes for Scotland
- Scottish Land and Estates
- HNDA Housing Market Partnership Stakeholders
- CNPA
- UHI
- Highlife Highland
- SSEN-T
- SSEN-D

9.123 A summary of feedback received is presented below:

9.124 SEPA **(THC089)** responded to confirm that this chapter does not cover a topic on which SEPA would provide site specific advice. It makes suitable reference to other relevant topics chapters, such as flood risk, and confirm that from SEPA's perspective the evidence is sufficient. Historic Environment Scotland **(THC066)** Recognise cross over from housing and the historic environment, and consider this chapter to be sufficient for HES interests.

9.125 The Council are still awaiting a response from HIE and will update this section once this is provided.

Homes for Scotland (THC090)	
Main views raised	Welcome inclusion of National Records of Scotland 2022 based population and household projections and 2022 Census. The Council have justified layers of existing and new data that will set LHLR substantially above MATHLR, whilst recognising the varying

	pressures and housing trends different housing market areas are and will experience. Given varying challenges set out, it is important that the future LDP recognises that over 20% of housing supply since 2012 has been on sites out with LDP boundary or settlement boundary. HFS would support recognition of this in future policy and potential criteria detailing when this would be acceptable in principle. It is noted that the boundaries of this allocation around Fort William and Inverness have been reviewed in previous LDPs. It is suggested that in light of the development of ICFGF further review is required to allow additional housing sites to be brought forward in a planned manner. Adjust figure number 9.10 to 9.11. Within 9.100 please add reference to the Housing Land audit meeting that took place on 6 March 2026. Content that the summary of our previous points within 9.101 reflects our previous submissions. In recognising the significant intra-Highland differences on housing matters, welcome proposals to split the LHLR at a sub-Highland level and by tenure. Support retention of existing approach to deliver affordable housing. Support the principle of including a settlement infill policy within the Proposed LDP. Recognise work undertaken to identify Fragile Areas and Areas for Resettlement and potential 'Repopulation Zones' such as North West Sutherland. Any repopulation requires both public buy-in and a range of local jobs to make any area attractive to live in. Whilst the focus for new housing in Highland will be around the ICFGF there will be a need for the appropriate number of new homes in other settlements and rural areas to both attract people to those areas and help sustain local services, such as schools and retail provision. HFS welcomes the council's proposals to develop a framework for remote and rural areas. Welcome pro-active approach to engagement and clarity that has been added to the draft Chapter to address previous issues raised by HFS.
Council's response	Agree with the comments, required amendments have been made.
Outstanding issues	No outstanding issues.
Is agency content with the evidence?	Yes, Homes for Scotland are content with this chapter.

Proposed plan implications	No implications have arisen from these comments.
Actions for proposed plan stage	Recognise future LDP recognises that over 20% of housing supply since 2012 has been on sites out with LDP boundary or settlement boundary. In light of ICFGF, review of settlement boundaries will be considered.

NatureScot (THC088)	
Main views raised	We provided comments to your formal consultation on your emerging evidence which included Unique Challenge 1: Housing and Economy, and it is unclear if all our comments have been addressed within this chapter. Specifically, our comments relating to ICFGF where we advised that the implications for the proposed plan would need to include the consideration of the many protected areas that developments associated with the ICFGF are located within and near to. It may be that these comments have been reflected in other chapters, and it would be helpful to note that within this chapter.
Council's response	A full summary of how HLDP consultation responses were addressed can be found in **(THC006)**, due to the need for brevity, exact records of how all comments have been addressed will not be individually recorded. Considerations of ICFGF impacts on protected areas are addressed within **Chapter 5.** The Council agree with the comments made and have made adjustments where requested, however, these have been addressed in the most appropriate chapters.
Outstanding issues	No outstanding issues.
Is agency content with the evidence?	Yes, NatureScot is content with the evidence provided within this chapter.
Proposed plan implications	As found in **Chapter 5: Nature and Environment,** the Council will make consideration of the many protected areas that developments associated with the ICFGF are located within and near to.
Actions for proposed plan stage	No further actions have arisen from these comments.

Highlands and Islands Enterprise (THC080)	
Main views raised	The new HLDP must prioritise rural housing delivery to prevent further loss of the critical mass of communities in Highland.

		HIE welcomes the fragile areas mapping in the Evidence Report and strongly agrees with the process in the HLDP to identify conclusive fragile communities, suggest this should be a HLDP priority. A formal definition of fragile communities is necessary in the emerging HLDP. Concerned that there has been some uncertainty in the application and interpretation of NPF4 policies in the decision-making process of rural housing, HLDP should provide clarity on how NPF4 policies should be applied so that they can be utilised to encourage house building across planning cases. HIE welcomes the opportunity to reassess how remote rural communities are delineated in the Highlands and across Scotland. A conclusive and accurate remote rural classification is important in the HLDP. It will fix two core problems: A) The current classification does not reflect lived patterns of work, travel and housing pressure in the Highland. B) Poor definition skew how rural housing delivery is measured and prioritised nationally. Rising construction costs and community-led housing projects need support. Council support will be critical to the success of community-led housing and HIE recommends that the HLDP seeks to better embed community-led housing into the policies of the emerging Plan. *(Following further iteration)* Include reference to **THC511** The Regional Transformational Opportunities (RTOs) in the Highlands and Islands Report 2025 and **THC985** Back Scotland's Communities to Provide More Homes ***Support for Rural Housing*** HIE welcomes the supportive approach for rural housing which supports fragile communities and once identified, areas suitable for resettlement. This support needs to flow through into the implementation of other policies to make sure such housing is delivered and not resisted by encountering issues on infrastructure, design, soils and accessibility. To be successful, such a supportive housing policy approach needs to be reconciled across the whole policy landscape. ***Affordable Housing*** Policy support for affordable housing is recognised and welcomed. However, there should be recognition that rural highland communities are currently being "hollowed out", not only by holiday homes, but by a deficiency in appropriate types of affordable housing,

	such a Mid-Market Rent in more attractive housing market areas. Mid-Market Rent is a form of affordable housing which provides homes at rents set between social housing and private market levels, offering an option for those who cannot access social housing but still require an affordable alternative to the private sector. ***Key Workers*** HIE welcomes the draft Chapter's definition of 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*" (9.74). While the focus on particular sectors is helpful, it should not exclude other roles that are essential to rural Highland communities, such as people working in local shops, post offices or vehicle repair services. Clarifying this would strengthen the definition. ***Resettlement Opportunities*** HIE welcomes the Council's exploration of opportunities for resettlement in remote rural areas, with a focus on small-scale housing projects aligned with an infrastructure-first approach. This work is urgent, as delays risk missed housing opportunities, particularly community-led projects. While infrastructure provision will remain challenging in some remote areas, support may be required for projects where only sub-optimal infrastructure is available, or can be delivered. ***Fragile Areas*** HIE notes that the Council recognises that a community's fragility is influenced by changing demographic, economic and geographic factors, and welcomes that the framework for fragile areas will be dynamic and updated annually to reflect evolving indicators. Definitions and timing of updates will be crucial so that implementation of policies can be alive to changes.
Council's response	The Council welcome the comments made and have made amendments to text where necessary, with additional actions for the proposed plan suggested. **THC511** referenced and detailed in **Chapter 8: Economy, Business, Tourism and Productive Places and** has since been updated with and further qualified with ongoing engagement with wider employment sector in the Highland region. Links between housing and the RTOs are made clear in the Chapter. **THC985** noted and further qualifies Council's intention to support community housing solutions.

Outstanding issues	No outstanding issues
Is agency content with the evidence?	Yes, HIE are content with the evidence presented within this chapter.
Proposed plan implications	The Council will consider a HLDP definition of Fragile areas and will require to outline the policy weight that applies to this reflecting that many Fragile Areas could be in sensitive landscapes or locations. The Council will consider a policy on community-led housing in Highland.
Actions for proposed plan stage	If the Council writes a definition of Fragile areas, this will be included within the proposed plan. If the Council agree on the need for a community-led housing policy then this will also be included.

Cairngorm National Park Authority (THC187)	
Main views raised	Agree that housing need, demand and viability varies significantly across Highland and a more nuanced approach than a single all-tenure local housing land requirement is necessary, suggest THC look at CNPA for example. Ask that the Council consider revising the sections that refer to the National Park. Provide further comparison notes to CNPA calculations. Happy to discuss these comments and would welcome greater involvement in HNDA process to ensure that we work collaboratively on housing delivery across The Highland Council area.
Council's response	The Council welcome the collaborative approach and have made amendments to text where necessary.
Outstanding issues	No outstanding issues
Is agency content with the evidence?	Yes, CNPA are content with the evidence presented within this chapter.
Proposed plan implications	No implications have arisen from these comments.
Actions for proposed plan stage	The Council will continue discussions with CNPA on the HNDA process.

Summary of Local Place Plan Priorities

9.126 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. Achieved via: more housing investment; fit-for-purpose homes for all ages; care for elderly; community-run assets to generate income; more affordable homes in villages; better advice and finance; management of second homes/STL.
- Opportunity for home-based care & respite/residential care at Dail Mhor in Strontian; homes for people who are economically active or have a local connection; affordable new homes and remain so in perpetuity *(excluding self-build by existing residents),*range of tenures and house sizes (focused on younger people, workers & 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),new planning policy that a percentage of homes (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.

9.127 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.

9.128 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.

9.129 Caol Local Place Plan **(THC024)** has identified the following priorities relating to Housing:

- The general lack of affordable housing in noted as a local priority.
- Need for improved social care at home and desire for new care home.
- Specific housing site / opportunity at St John's Road / Broom Drive, Caol (if not needed for Caol Link Road transport scheme).

9.130 Croy and Tornagrain Local Place Plan **(THC026)** has identified the following priorities relating to Housing:

- Lack of housing for elderly and those requiring additional support.
- Any further housing development at Croy must include provision for a community hub.

9.131 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

9.132 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.
- More homes for people to rent long-term or buy as permanent residence.

9.133 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).

9.134 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.

9.135 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.

9.136 Glen Urquhart Local Place Plan **(THC029)** has identified the following priorities relating to Housing:

- Several locations identified as not suitable for any more housing.
- A community-led (to ensure new housing is reserved for local people) housing project at Drumnadrochit (no site defined).
- The general lack of affordable housing means outmigration of young people and staff shortages for local businesses.
- New build housing should be sensitively considered and numbers should be kept minimal to preserve the rural feel of the area.
- New housing should follow a local vernacular and reflect the rural character.
- New housing should be affordable and prioritise housing locals.
- Limit holiday properties in the area to keep the number of locals as high as possible.
- A retrofitting scheme, resources and guidance for retrofitting existing homes.

9.137 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.

9.138 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.

9.139 Kyle of Sutherland Local Place Plan **(THC028)** has identified the following priorities relating to Housing:

- Improve access to good quality affordable housing and social care.

- To keep and attract young people and families to the area and support our elderly to live independently through the delivery of a mix of social and private housing developments.
- To ensure that second home ownership and short term lets don't continue to take over large portions of the area's housing stock, consideration could be given to introducing a rural housing burden for all new affordable housing stock.
- Encouraging new and existing housing to be (re)designed and (re)constructed to a high standard with an emphasis on low carbon and ecologically sound buildings.
- Supporting the creation of new crofts and croft houses to allow young people to live in more traditional ways.
- Specific housing sites / opportunities at Ardgay; land east of primary school, land surrounding Kincardine Church, land around Manse street and old farm house, land behind Drovers Square, land at Ardgay Hill, land at current LDP business allocation.
- Specific housing sites / opportunities at Bonar Bridge; land east of Migdale Hospital, brownfield land at Tulloch Road, land behind Glimour Crescent.
- Specific housing sites / opportunities at Culrain; land to north of village hall.
- Specific housing sites / opportunities at Rosehall; land at north and south end of Cassley Drive, land north of Invercassley House.

9.140 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.

9.141 Morvern Local Place Plan **(THC027)** has identified the following priorities relating to Housing:

- More housing needed for key workers, to attract / retain young local people and help the elderly stay locally for longer.

- Controls required to control holiday, second and short term let homes (perhaps via a separate housing use class, primary residency requirement or duty of occupation).
- Want Local HNDA and LDP allocations made in accordance with its findings.
- More housing on new crofts and other self-build opportunities.
- Sustainable housing – low carbon for new build and retrofitting grant and advice for existing homes.
- Many specific housing sites / opportunities at Ardtornish/Lochaline and Killundie.

9.142 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.

9.143 Sleat Local Place Plan **(THC025)** has identified the following priorities relating to Housing:

- Young people, key workers and families will be able to build their futures through suitable housing.
- Older residents will be able to live well within their community supported by appropriate housing and care.
- Rural Housing Burden restricting availability of mortgage finance for self-build plots.
- Specific housing sites; major housing development should be limited to Kilbeg, not extending south beyond the Tarskavaig road and, if demand exists, to a single location around Camuscross/Duisdale.
- Specific housing suggestions; creation of centralised rental property register, streamlined planning for staff and season worker accommodation, local buyer shared equity scheme, review of social housing allocation policy to better reflect local needs, detailed needs assessment for current and future provision, site identification for supported-housing development, investigation of intergenerational housing models, integration of housing with care provision, reform of holiday let regulations, primary residence

requirement for new developments, tourism levy scheme with bulk of revenue kept in the community, strategy for vacant property utilisation, mixed-tenure housing developments, purpose-built sheltered housing complex, innovative multi-generational housing schemes, local occupancy conditions, such as rural burden, defined affordable housing quotas, sustainable community planning framework, strategic population management plan.

9.144 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.

9.145 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

9.146 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.

9.147 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.

9.148 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 Gate Check 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 Gate Check once the HNDA is complete and will likely send the HNDA for review by the CHMA concurrently if required to expediate the plan-making process.

9.149 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.

9.150 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.

9.151 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.

9.152 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.

9.153 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 and policy provisions of accessible and remote rural areas do not align with the Highland Hinterland 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. The Council understands that the Scottish Government interpretation is that the Hinterland is likely an example of a local tailored approach and does not therefore seek to establish or convert this to a formal Green Belt.

9.154 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: Economy, Business, 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.

9.155 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.

9.156 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.

9.157 Stakeholder and LPP 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.

9.158 The Council has already conducted the Call for Development Sites using the Call for Development Sites site appraisal template **(THC175).** This template was based on the IMFLDP2 SEA template so that all primary SEA considerations were covered. While candidate MCAs have progressed from this, the Council's main implication is now to fully apprise the proposed sites received and allocate a sufficient housing land requirement fully informed by the completed HNDA.

Statements of Agreement / Dispute

Agreement on Evidence

9.159 This Chapter had been initially circulated to Homes for Scotland and Key Agencies, with the caveat that it would not be submitted for Gatecheck until the HNDA had concluded and the iLHLR updated to reflect this. As delays to the updated HNDA Tool became evident, the Council therefore has required to submit the Evidence Report in advance of the HNDA concluding. Agencies who responded and agreed with the evidence and content presented include Homes for Scotland **(THC090),** while agreement has been inferred from other responses of agencies listed above.

9.160 Cairngorms National Park Authority's (CNPA) response **(THC187)** requested amendments 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

9.161 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

9.162 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 30 April 2026, 20 communities in Highland have formally registered Local Place Plans. Any Local Place Plans registered will be considered in the production of the LDP if timeously available.

9.163 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 HNDA will also provide better evidence on affordable tenure split and specialist housing need and demand. The Council has raised concerns over the delay to the HNDA Tool and Guidance with Scottish Government and understands that this is to now be published at the end of June 2026. The Evidence Report therefore submitted to Gate Check reflects the interim iLHLR which will require to be updated in preparing the proposed plan following the completion of the ongoing HNDA once robust and credible status is acquired.

9.164 The development of Masterplan Consent Areas remains ongoing, and should any of the three sites being taken forward not ultimately progress, then the deliverable land supply needed to meet the iLHLR will need to be updated to reflect this.