ARGYLL AND BUTE COUNCIL

DEVELOPMENT AND ECONOMIC GROWTH

BUTE & COWAL COMMUNITY PLANNING GROUP

2ND FEBRUARY 2021

AFFORDABLE HOUSING SUPPLY AND DEMAND - BUTE AND COWAL

1.0 INTRODUCTION

1.1 The main purpose of this report is to update Members of the Community Planning Partnership on housing supply and demand activity within the Bute and Cowal area.

1.2 Argyll and Bute Council has a strategic enabling role in relation to housing in the local authority area. The Council has a statutory duty to produce a Local Housing Strategy (LHS) and a statutory duty to produce a Strategic Housing Investment Plan (SHIP) which details the new build affordable housing required in the area to meet housing need and demand.

Members are asked to consider the content of the report.

2.0 RECOMMENDATIONS

2.1 Members are asked to consider the content of this report.

3.0 DETAIL

3.1 Argyll and Bute Council retains the role of strategic housing authority and therefore has a series of important statutory housing functions to fulfil. A Housing Needs and Demand Assessment is carried out every 5 years which enables Scottish Government funding to be brought into Argyll and Bute primarily to deliver affordable housing. The Council also produces a Local Housing Strategy (LHS) every 5 years. The current LHS runs from 2016-2021 and have a vision for housing in Argyll and Bute which is ‘a housing system that makes a strong contribution to thriving and sustainable communities and supports economic growth’. This report will detail the affordable housing supply and demand taking place in Bute and Cowal.

3.2 Housing Market Area (HMA) Profile

A Housing Market Area is defined as a geographical space or territory within which people will search for housing and within which they are willing to move while maintaining their existing economic – e.g. employment – and social relationships (this thus excludes long distance migration associated with, for example, changed employment). The maximum distance that people are willing to move in the circumstances outlined is affected by a number of factors chief among which are personal mobility, the time and money costs of travel and house price differences – these are all factors which can change substantially in the medium term. For this reason it is necessary to keep housing market area definitions under review.

There are 9 HMA's in Argyll and Bute. Cowal is an HMA and Bute is an HMA.

The table below details the key housing market information for Bute and Cowal along with the average household income in each area.

UPDATED HMA PROFILE, 2019

	BUTE	COWAL	B&C TOTAL
Population (Rounded: 2016-based MYE, SAPE)	**6,130**	**14,280**	**20,410**
Households (rounded: NRS 2017 estimates)	**3,470**	**7,480**	**10,950**
All Dwellings (Council Tax Register, October 2019 All Properties)	**4,331**	**8,783**	**13,094**
All Occupied Dwellings (CTR, 2019, no discount)	**3,690**	**7,786**	**11,476**
Ineffective Stock (CTR, 2019, vacant + 2nd/ holiday homes)	**641**	**997**	**1,638**
RSL Stock (2019 Annual RSL Returns)	**1,055**	**1,464**	**2,519**
Average ***Household*** Income (CACI Paycheck, 2019)	**£25,813**	**£31,739**	**n/a**

3.3 **Private Rented Sector – Bute and Cowal**

Since 2004 the Antisocial Behaviour etc (Scotland) Act has required Local Authorities to establish and maintain a register of private landlords. Landlord Registration data provides us with the most reliable source of data on the location of Private Rented Sector dwellings however this will omit landlords who have failed to register. There are 565 registered private sector dwellings on Bute which is 11% of all registered private sector dwellings in Argyll and Bute. There are 889 registered private sector dwellings in Cowal which is 17% of all private sector dwellings in Argyll and Bute.

3.4 **Social Rented Sector – Bute and Cowal**

TOTAL RSL STOCK BY HMA & SIZE (no's bedrooms), 2019

All Landlords					
	1 Bed	2 Bed	3 Bed	4 Bed	Total
Bute	**492**	**404**	**131**	**28**	**1055**
Cowal	**646**	**483**	**288**	**47**	**1464**
B&C Total	**1,138**	**887**	**419**	**75**	**2,519**
% of Total	**45%**	**35%**	**17%**	**3%**	**100%**

HMA	**Trust**	**Fyne Homes**	**ACHA**	**Bield**	**KEY**	**DHA**	**Totals**
Bute	0	528	460	67	0	0	**1055**
Cowal	21	396	916	97	20	14	**1464**
Bute & Cowal Total	21	924	1376	164	20	14	**2519**

HOMEArgyll WAITING LIST April 2020 – Active Applicants					
	Minimum Bedroom Size Required				**TOTAL**
	0/1beds	**2beds**	**3beds**	**4+beds**	
Bute	79	42	20	7	148
Cowal	213	115	54	18	400
Bute & Cowal	292	157	74	25	548

For Bute & Cowal as a whole, the majority of applicants (53%) require one bedroom and 28% require 2 bedrooms.14% require 3 bedrooms and only 5% need 4 or more.

However, to establish actual need, the available supply must be factored into this, based on the available lets within the RSL stock during a year.

	HOMEArgyll Applicants	RSL Lets 2019/20 (HOMEArgyll only)	Pressure Ratio
Bute	148	172	1:1
Cowal	400	156	3:1
Bute & Cowal	548	303	2:1

This suggests the area is reasonably balanced, with an oversupply on Bute and only minimal pressure in Cowal.

While the pressure ratios are only one factor in determining need and demand, they are useful indicators of areas where further research and analysis may be required.

3.5 **Strategic Housing Investment Plan (SHIP)**

The Strategic Housing Investment Plan (SHIP) delivered no new affordable homes in Bute and Cowal in 2019/20. Cumulatively over the last 4 years of the current LHS, there have been 46 new affordable homes built in Cowal via the SHIP; amounting to 11% of the four-year total for Argyll and Bute.

Site/Development	RSL	Total Units	Expected Date of Completion
Dixon Avenue, Dunoon	ACHA	1	September 2020
Tighnabruaich	Fyne Homes	20	January 2021
Cairndow	Fyne Homes	6	March 2021
Eton Avenue, Dunoon	ACHA	4	January 2022

In addition, further sites/projects in the Cowal area which are in early stages of development and may be programmed in the SHIP include:

ACHA	Dunoon (4 units)
Fyne Homes	Tighnabruaich - scope for additional units subject to demand.

3.5 **Local Housing Strategy (LHS) 2021-2026**

As the strategic housing authority for Argyll and Bute, the Council has a statutory duty to develop, implement and monitor a Local Housing Strategy over a five-year planning cycle, based on a robust and credible Housing Need and Demand Assessment (HNDA) for the area. The current LHS for Argyll and Bute (2016-2021) is nearing completion and requires to be revised and submitted to Scottish Government Ministers in 2021. The planning process must be based on a robust process of consultation and stakeholder engagement.

The Council has carried out extensive engagement to inform both the revised HNDA and LHS, including a detailed HNDA Household Survey in 2019; an early engagement LHS survey in 2020; a virtual LHS Stakeholder Conference in November 2020; and other exercises for specific client groups. In addition, the outcomes of the CPP and LDP community engagement processes in recent years, focused on the Place Standard Toolkit sessions held for individual communities and settlements, have also helped to inform the development of the next LHS, with Housing issues prominent in the feedback.

The level of response and input from individual Cowal & Bute residents and community representatives has been encouraging. Key priorities and issues have been identified at the local level and along with national and statutory requirements, these will establish the core vision, outcomes and objectives for the new LHS. An Option Appraisal exercise will follow in early 2021, to identify the actions and targets required to deliver the strategy over the next five years, and a consultative draft LHS will then be published for comment and feedback. Local area committees and community planning groups will be key stakeholders in that final phase of the strategy process.

4.0 CONCLUSION

4.1 This report provides the detail of the Housing Market Area activity in the Bute and Cowal area. There are a variety of housing issues within the area which are being tackled by Argyll and Bute Council Housing Services and partner agencies with the aim of delivering a functioning housing systems which meets the needs of the communities we serve.

13th January 2021

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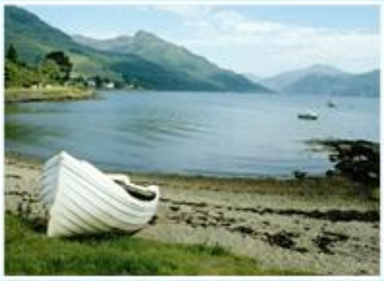
APPENDICES

Appendix 1 – Extract from LHS 2016 - 2021 (data as of 2016) Cowal
Appendix 2 – Extract from LHS 2016 - 2021 (data as of 2016) Bute

Appendix 1 - Extract from LHS 2016 -2021 (data as of 2016) Cowal



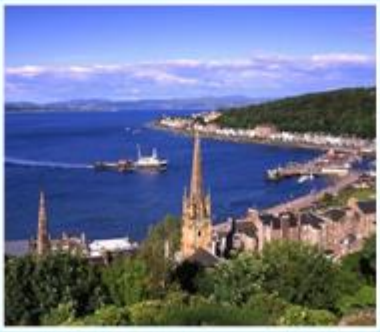
COWAL	
Population	14,650
Households	7,139
Dwellings	8,284
Ineffective stock	1145
RSL Stock	1,436
Waiting List	292
Annual Lets	162
Pressure Ratio	2:1
Average House Price	£122,957
Average Income	£29,004
Affordability	4.2

Cowal is projected to see the highest rate of population and household decline of any HMA in Argyll and Bute if current trends continue. It is the mainland housing market most influenced by house purchasers from out with Argyll and Bute – only 50% of sales in the area are to local residents. Average house prices have actually been lower than most other HMAs in Argyll and Bute in recent years, while household incomes are roughly average for the authority, making this the second most affordable housing market area within the authority. Between 2003 and 2013 the total dwelling stock increased by over 5%, and currently Cowal accounts for around 18% of the authority's housing. At the time of the last census almost 14% of the dwelling stock was deemed ineffective to meet local needs, i.e. second/holiday homes and long-term vacant properties. Over the last decade 135 new RSL homes were completed in the area, bringing the total social rented stock in 2015 to 1,436 which is 17% of the Argyll and Bute total. There are approximately 2 waiting list applicants for every available let, and over 17% of all homeless cases are located here; therefore it is evident that despite recent development activity and ongoing population decline, a degree of unmet need remains.

Key issues for Cowal HMA:

Although the rate of population decline would suggest that a surplus supply might be generated from within existing housing stock and therefore the need for new build would be minimal; nevertheless there are ongoing levels of unmet need in terms of long waiting lists and relatively high homelessness, and a judicious, strategically planned programme of new build could in fact help to support economic growth and reverse the population decline.
The delivery of effective, targeted Housing Options services and Tenancy Support will also be priorities.

Appendix 1 - Extract from LHS 2016 -2021 (data as of 2016) Bute



BUTE	
Population	6,410
Households	3,387
Dwellings	4,200
Ineffective stock	813
RSL Stock	1,099
Waiting List	127
Annual Lets	126
Pressure Ratio	1:1
Average House Price	£98,591
Average Income	£26,694
Affordability	3.7

Bute HMA is one of the least contained housing markets in Argyll and Bute, with only 46% of house sales going to local residents. Almost 34% of purchasers originate elsewhere in Scotland. Nevertheless, despite the lowest average household income in Argyll & Bute, it is by some way the most affordable area in the authority with a local average price to income ratio of 3.7. Due to a demolition/reconfiguration programme, it is the only area to have seen an actual decline in total dwellngs – down by over 2% between 2003 and 2013, despite over 100 new build RSL homes completed since 2004/5. Over 19% of the general stock is unavailable to meet local need i.e. second/holiday homes or long-term vacant. In 2015, there were 1,099 RSL homes, which is over 13% of the total social rented sector in Argyll & Bute; and there are indications of potential over-supply in this sector, with relatively high annual turnover, areas of low demand, and the main landlords sustaining a number of voids within their stock.

Key issues for Bute HMA:

The main focus for Bute will be on maintaining, repairing, improving and managing the existing stock, across all tenures.

There is currently no evidence of need for additional, subsidised affordable housing for social rent and any new build should be concentrated in the private sector.

Tackling fuel poverty, improving energy efficiency and targeting Housing Options advice and assistance remain priorities; as does supporting those with particular needs to remain independent in their home or within the community as far as possible.