ARGYLL AND BUTE COUNCIL | **OBAN LORN AND THE ISLES AREA COMMITTEE**

DEVELOPMENT AND ECONOMIC GROWTH | **11th MARCH 2026**

HOUSING SERVICES ACTIVITY UPDATE - STRATEGIC HOUSING INVESTMENT PLAN (SHIP) – ANNUAL UPDATE

1.0 EXECUTIVE SUMMARY

1.1 The main purpose of this report is to update Members of Housing Services activity and progress with the Local Housing Strategy for the Oban, Lorn and the Isles area.

This report will detail the following housing activity:-

- Housing Emergency
- Housing Need and Demand
- Homelessness
- Affordable Housing Supply - Strategic Housing Investment Programme (SHIP)
- Empty Homes
- Private Sector Housing Grant Adaptations
- Private Sector Housing Grant Repairs and Improvements
- Energy Efficiency - Energy Efficiency Scotland: Area Based Scheme(EES:ABS)
- Local Housing Strategy

1.2 RECOMMENDATION

Members are asked to consider and agree the content of the report.

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HOUSING SERVICES ACTIVITY UPDATE - STRATEGIC HOUSING INVESTMENT PLAN (SHIP) – ANNUAL UPDATE

2.0 INTRODUCTION

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This report will detail the following housing activity:-

- Housing Emergency
- Housing Need and Demand
- Homelessness
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- Empty Homes
- Private Sector Housing Grant Adaptations
- Private Sector Housing Grant Repairs and Improvements
- Energy Efficiency – Energy Efficiency Programme: Area Based Scheme
- Local Housing Strategy

3.0 RECOMMENDATION

3.1 Members are asked to consider and agree the content of this report.

4.0 DETAIL

4.1 As the Strategic Housing Authority for this area, the Council has a series of important statutory housing functions to fulfil. A Housing Need and Demand Assessment (HNDA) is carried out every 5 years which enables Scottish Government funding to be brought into Argyll and Bute primarily to deliver affordable housing. A comprehensive revision of the local HNDA was approved as “robust and credible” by the Scottish Government’s Centre for Housing Market Analysis in December 2021. The Council also produces a Local Housing Strategy (LHS) every 5 years. The LHS 2022-27 was approved

by Full Council in December 2021. It is subject to annual updates, which are published on the Housing Strategy pages of the Council website.

The LHS has been developed in accordance with Scottish Government guidance and local priorities as identified in the new HNDA. .This sets out the vision for Argyll and Bute: ***"Everyone in Argyll & Bute has access to a suitable, high quality home which is affordable and located within a vibrant, sustainable and connected community."*** This report will detail the housing activity taking place in Oban, Lorn and the Isles.

4.2 **HOUSING EMERGENCY**

In June 2023, Argyll and Bute Council became the first local authority to declare a housing emergency. A number of key statistics informed the emergency.

- In 2023 there were just under 3,300 people on social rented housing waiting lists, representing an increase of 8% since the previous year.
- The average housing price in 2022 was £206,000 which is 7 times the average income level in Argyll and Bute.
- 11% of all homes are ineffective stock, with 6% second homes and 4% empty.
- 42% of the property sales are made to people living out with the Argyll and Bute area.
- There were 131 private house completions in the last 5 years representing only 17% of the expected rate.
- Constructions costs have seen a 22% increase in 2022 with island construction costs significantly higher. This trend is continuing currently.
- 92% of residents responding to the Housing Emergency survey said that housing shortage was having an impact on their community
- Of employers who responded to the workforce housing survey, 75% said a shortage of housing was a barrier to recruiting or retaining staff

4.3 A copy of the Housing Emergency Summit Report held in November 2023 and the Action Plan agreed in June 2024 and associated progress reports are available on the Council website.

4.4 The Housing Emergency Action Plan developed in conjunction with partners at the Housing Summit has been appended to the Local Housing Strategy Annual update 2025 and will be fully embedded into the next Local Housing Strategy.

4.5 Members requested regular updates on activity to tackle the housing emergency including a set of metrics, which could be used as a benchmark to monitor progress. The housing system is complex and wide-ranging; the following table of statistics and indicators, which were approved by Council in November 2024, give a balanced representation of the housing system based on the issues across the housing market.

HOUSING EMERGENCY - METRICS (1st April)			
	Year		
Measures	**2023/24**	**2024/25**	**2025/26**
Housing Completions – All Tenures	144	78	
Planning Consents Granted	*512**	247 consents / 531 units	
Resource Planning Allocation(RPA)	£18.26m	£14m	
Resource Planning Allocation(RPA) spend	*Available Mid 2025*	*Available Mid 2026*	
Strategic Housing Fund (SHF) spend	£1.057m	£1.057m	
Number of Homeless Applications	492	459	
Number of Households on social housing waiting list	3209	3,117	
Multiple of median wage to median house price	5x (£35k / £175k)	5x (Median income £37k / Median house price £180k)	
Number of Registered Short Term Lets	3031	2,949	
Number of Second Homes	2811	2,605	
Number of Empty Homes	2364	2,205 +910 exempt = 3,115	

5.0 HOUSING NEED & DEMAND IN OBAN, LORN & THE ISLES

HOMEArgyll WAITING LIST November 2025 – Active Applicants (excluding applicants with 0 points i.e. no need)					
	Minimum Bedroom Size Required				**TOTAL**
	0/1beds	**2beds**	**3beds**	**4+beds**	
Lorn	341	126	72	32	571
Mull & Iona	49	17	8	0	74
Coll & Tiree	10	4	1	4	19
OLI Totals	400	147	81	36	664

5.1 In addition there was a registered demand from almost 305 applicants who received nil points according to the Common Allocation Policy and therefore would be deemed not to have a defined housing need. This included 250 applicants for Lorn; 43 for Mull & Iona; and 12 for Coll & Tiree.

For the Oban Lorn and Isles area as a whole, the majority of applicants (60%) require one bedroom and 22% require 2 bedrooms.12% require 3 bedrooms and 5% need 4 bedrooms or more.

5.2 **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.**

Applicants per available RSL Let (Pressure Ratios)

	HOMEArgyll Applicants	RSL Lets 2024/25 (HOMEArgyll only)	Pressure Ratio
Lorn	571	107	5:1
Mull & Iona	74	15	5:1
Coll & Tiree	19	9	2:1
OLI Totals	664	131	5:1

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

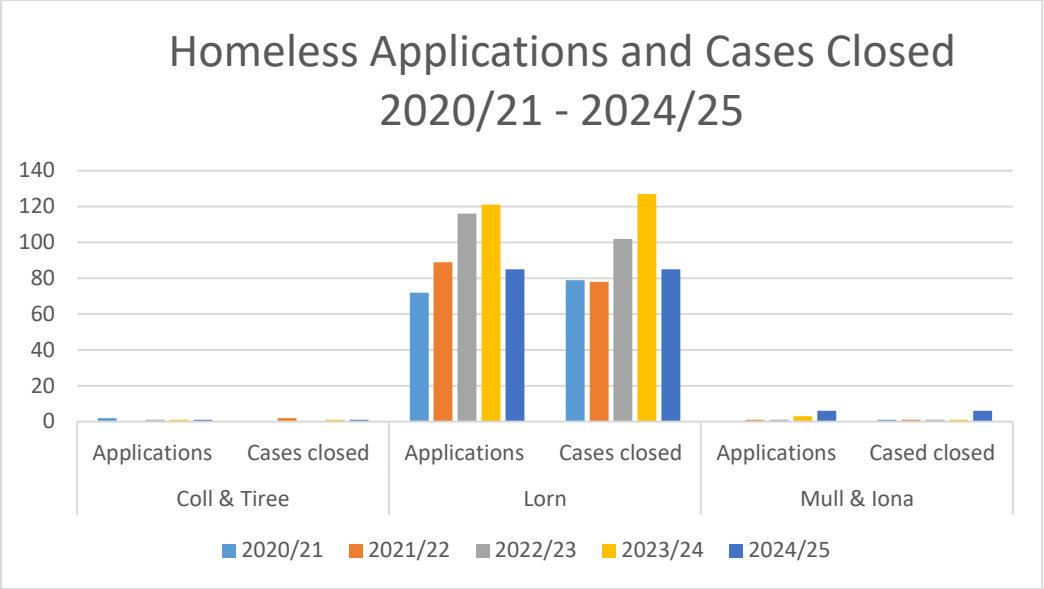
5.3 The Council is currently working through the HNDA process with a view to submit a revised HNDA to the Scottish Government in the spring of 2026. The HNDA 2026 is going take account of a wide range of factors to determine existing need and future demand for new build housing. Housing requirements will then be apportioned to each Housing Market Area.

6.0 HOMELESSNESS

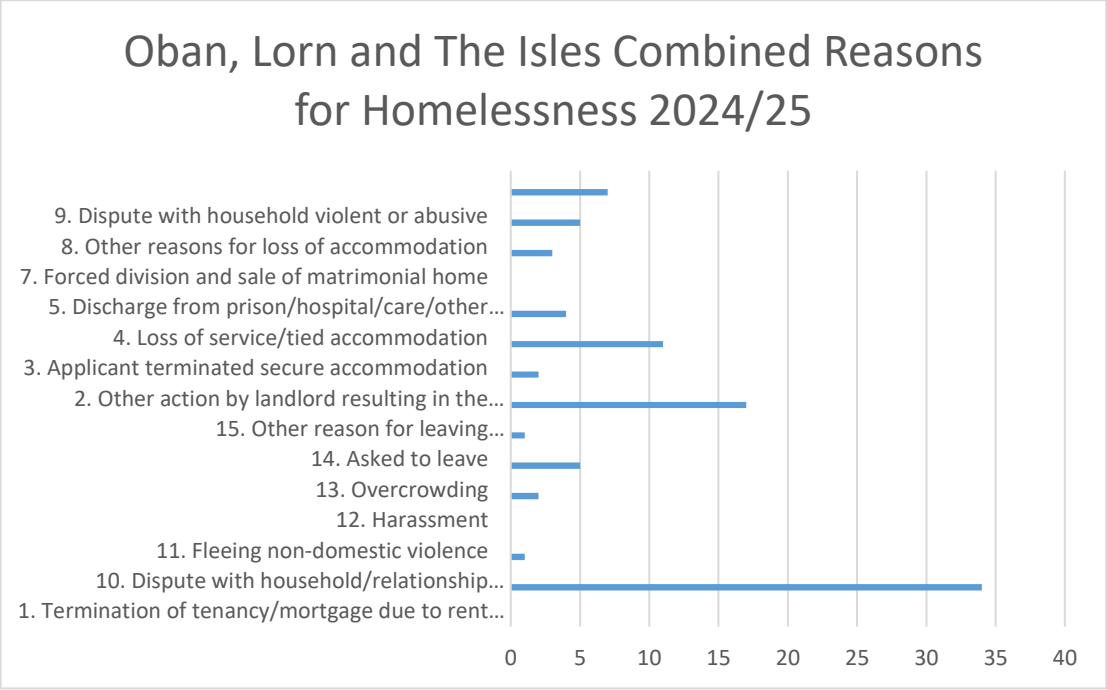
6.1 Homeless applications across the area decreased (92 from 118) in the Oban, Lorn and the Isles area during 2024/25. These applications included 6 homeless applications for Mull & Iona and 1 for Coll & Tiree.

During 2024/25 there were 92 homeless cases closed in the Oban, Lorn and the Isles area. 85 of the cases were in the Oban and Lorn, 1 case in Coll & Tiree, and 6 cases were on Mull.

The figures below illustrate the number of homeless applications and cases closed for the period from 2020/21 to 2024/25.



6.2 The main reasons for presenting as Homeless last year were “disputes with family/relationship breakdown – non-violent”, and “other action by landlord resulting in the termination of the tenancy”.



6.3 Rough Sleeping

The Oban, Lorn and Isles area experienced a decrease in the incidence of rough sleeping over the same period last year, with 8 cases (-8) in total across the area reporting that they slept rough the night preceding their

presentation and 10 (-12) reporting that they had slept rough in the 3 months preceding their homeless application. These were disaggregated as follows:-

AREA	Number of Rough Sleepers in 2024/25	
	Night Before Application	3 Months Prior to Application
Oban, Lorn area	8	10
Mull and Iona	0	0
Coll and Tiree	0	0
OLI Total	**8**	**10**
Argyll & Bute	**18**	**31**

7.0 AFFORDABLE HOUSING SUPPLY

7.1 It continues to be a very challenging period for the construction sector and there is ongoing slippage in the new build programme due to the range of factors identified through the response to the declared housing emergency. The Strategic Housing Investment Plan (SHIP) delivered 6 new affordable homes in Lorn in 2024/25.

RSL	PROJECT	Units	Funding
WHHA	Port Appin	6	**£1,310,535**

7.2 Further sites/projects in the Oban, Lorn and the Isles area which are planned within the most current SHIP document:

ACHA	Bay View Gypsy/ Traveller site (4 units – 2026/27) Isle of Coll (10 units – 2028/29) Ulva and Dervaig (5 units – 2030/31)
LINK	Dunbeg, Phase 4 (269 affordable units – 2030/31 completion)
WHHA	Mull, Shillinghill (10 units – 2026/27) Port Appin phase 2 (6 units – 2026/27) Dalmally phase 1 (8 units – 2027/28) Campbell Street, Oban (4 units – 2027/28) Tobermory site 2 (12 units – 2028/29) Lochawe phase 1 (16 units – 2029/30) Ganavan phase 1 (25 units – 29/30) Salen, Mull (8 units - 2030/31) Dalmally phase 2 (6 units – 2030/31) Bunessan phase 2 (6 units – 2030/31) Craignure (12 units – 2031/32)

7.3 In addition to the projects in the table above the Council has secured planning permission to deliver up to 12 houses for workers in Tobermory, Mull. This project is part of the housing element of the Rural Growth Deal.

RSLs have also identified future opportunities, which they will continue to develop. These projects could be included in the later years of the SHIP. For example, ACHA is exploring options for sites at Ariogan in Oban and WHHA are considering sites in Oban town centre.

7.4 In addition to the new build programme, the RSLs have also acquired 20 properties across Argyll & Bute in 2024/25 as part of the Argyll & Bute Buy Back Initiative. The total number of acquisitions within the OLI area was 2 (1 in Lorn and 1 on Tiree).

8.0 EMPTY HOMES

8.1 In 2024/25 there were **22** private empty homes brought back into use in OLI, with the assistance of the Empty Homes Officer, amounting to **52**% of all the empty homes brought back into use across Argyll and Bute last year (42).

8.2 **Council Tax Information on Empty Homes**

The following table breaks down the numbers of empty homes including those subject to premium Council Tax charge across the OLI area. The table does not include properties which are empty and exempt from Council Tax. The numbers of recorded empty homes can vary from day to day due to natural changes and reported numbers are snapshot from November reports.

OLI **Council tax data as at 01.12.25**	**Number of properties on Council Tax register**	**Empty Homes**	**Properties subject to 200% council tax levy**	**Total EMPTY**
Lorn	9,175	204	228	**432**
Mull & Iona	2,025	47	97	**144**
Coll & Tiree	725	13	44	**57**
OLI TOTAL	**11,925**	**264**	**369**	**633**

Council Tax Exemptions

There are also a number of empty properties which are on the Council Tax register which are exempt from paying council tax. In OLI there are **190** properties which are empty and exempt from Council Tax. The categories for empty properties include:

- Class 4A = Properties recently occupied but now empty and unfurnished (**65**);

- Class 7A = Dwellings Empty Under Statute – Closing or Demolition Order (**12**);
- Class 5A= Living/detained elsewhere (**22**);
- Class 2A= Unoccupied-Renovation **(8)**
- Class 6A= Deceased owner (**83**)

8.3 **Second Homes**

As at 1st November 2025 there were **730** registered second homes in Oban, Lorn and the Isles. This figure represents **29%** of the total number of second homes in Argyll and Bute (2,528).

8.4 **Self-Catering Lets**

As at April 2025 there were **797** self-catering lets on the Rates register in the Oban, Lorn and the Isles area **46%** of the Argyll and Bute total (1,742).

OLI Rates data as at 01.04.25	**Number of self-catering properties**
Lorn	460
Mull & Iona	271
Coll & Tiree	66
OLI TOTAL	**797**

8.5 **Short Term Let Licence**

As at 1st December 2025, there were 1,129 applications for short-term let licences in OLI area. This was 46% total applications (2,451). These can apply to wide range of properties and can include home sharing, home letting, and secondary letting.

There is a public register for all short-term lets on the Council website.

OLI Data as at 01.12.25	**Number of short term let licence applications**
Lorn	663
Mull & Iona	382
Coll & Tiree	84
OLI TOTAL	**1,129**

9.0 PRIVATE SECTOR HOUSING GRANT – ADAPTATIONS

In 2024/25, there were 22 individual adaptations installed across OLI with PSHG aid.

PSHG ADAPTATION COMPLETIONS 2024/25								
HMA	Grant Value	Works Value	ADAPTATION INSTALLED					
			Ramp	Stairlift	Access	Bathroom Adaptation	Hoist	Wash & Dry Unit
Lorn	£138,091.96	£ 166,143.45	1	2	6	8	1	4

10.0 PRIVATE SECTOR HOUSING GRANT – REPAIRS AND IMPROVEMENTS

In 2024/25, there were no PSHG repair and improvement grants completed in OLI, (across Argyll and Bute, the total was 73).

11.0 ENERGY EFFICIENCY (ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES:ABS)

There were 85 individual energy efficiency measures fitted to 57 properties across Oban, Lorn and Islands in 2024/25 via the Scottish Government's Energy Efficient Scotland – Area Based Scheme (EES-ABS), with EES-ABS grants in support of this work amounting to £137,385.28.

Current estimates of Fuel Poverty are based on Home Analytics data (Scottish figure sourced from The Scottish Fuel Poverty Advisory Panel):-

Area	Likelihood of Households in	
	Fuel Poverty	Extreme Fuel Poverty
Lorn	30%	25%
Mull and Iona	30%	25%
Coll and Tiree	38%	49%
Argyll and Bute	30%	25%
Scotland (SHCS)	33%	17%

12.0 LOCAL HOUSING STRATEGY (LHS) 2022-2027

12.1 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.
After finalising the revision of the HNDA and submitting it to the Scottish Government later this year, the Council is going to start work on the new Local Housing Strategy (LHS 2027- 2032). As part of the development of the new LHS, the Council will be consulting with partners and seeking their input.

The Local Housing Strategy is subject to annual updates and the 2025 update can be found in the Housing Strategy pages of the Council website.

13.0 CONCLUSION

13.1 This report provides the detail of the Council Housing Services team activity in the Oban, Lorn and the Isles area and an overview of the progress achieved with the Local Housing Strategy Action Plan. There are a variety of housing issues within the area which are being tackled by Housing Services and partner agencies with the aim of delivering a functioning housing system which meets the needs of the communities we serve. The scale of the challenge is shown in statistical evidence and the declaration of the Housing Emergency and the subsequent Housing Emergency Summit has shown that many concerns are common across agencies and communities.

14.0 IMPLICATIONS

14.1 Policy - Complies with approved SHIP and Local Housing Strategy.
14.2 Financial - none arising from this report.
14.3 Legal - we have a statutory duty to deliver statutory housing functions.
14.4 HR – none.
14.5 Customer Service- none.
14.6 Risk-none.
14.7 Climate Change – the strategy and housing service deliver positive impacts for energy efficiency and climate change.
14.8 Fairer Scotland Duty: positive in terms of delivering affordable housing.
14.9 Equalities - protected characteristics – none.
14.10 Consumer Duty-none.
14.11 Island Communities- positive in terms of delivering affordable housing on the islands.
14.12 Children's Right & Wellbeing – the housing activity described in the report will deliver affordable housing for families with children

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January 2026

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APPENDICES

Appendix 1 – Extract from LHS 2022 - 2027 (data as of 2021) Lorn
Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2021) Mull & Iona
Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2021) Coll & Tiree

Appendix 1 - Extract from LHS 2022 - 2027 (data as of 2021) Lorn

Lorn

Population	16,053
Households	7,648
Dwellings	8,604
Ineffective Stock (%)	8%
RSL Stock	1,649
Waiting List Applicants	737
RSL Lets (2019/20)	139
Pressure Ratio	5:1
Lower Quartile House Price	£120,000
Lower Quartile Income	£17,892
LQ Affordability Ratio	6.7

LORN HMA is centred on Oban and includes a number of the small, inner isles such as Easdale, Luing and Lismore. Despite the influence of in-migration, it is the most self-contained housing market in Argyll & Bute with 64% of house sales going to local residents. There was limited interaction with neighbouring HMAs in the local authority (3%) but over 17% of demand is from the rest of Scotland and over 13% from the UK. Overseas house purchasers have only marginal impact in this area, at just over 1% of sales. Average house prices are comparatively high and affordability remains an issue, with a high price-to-income ratio of 6.7 (lower quartile). There has been significant development activity in recent years, and the total dwelling stock increased by 8% between 2015 and 2020, with significant new builds in development or in the pipeline, particularly at Dunbeg. Lorn has 18% of the total housing stock in Argyll and Bute. However, 8% of the stock comprises second/holiday homes and long-term vacant properties. With 1,649 RSL homes in 2020 the area also has the highest provision of social rented stock – over 19% of the authority total. Nevertheless, this area still has the largest waiting list in Argyll and Bute by far, as well as one of the higher levels of homelessness (30% and 18% respectively of the authority totals). In addition HNDA analysis suggests that this area has the second greatest level of backlog need (21% of total backlog need).

Key issues for Lorn HMA:

Increasing the supply of affordable housing remains a critical priority for this HMA.
The provision of Housing Options advice and information; and targeted Tenancy Support also remains important.
Fuel poverty is an issue and improving energy efficiency will be important too.
Ensuring that sufficient specialist provision (accommodation, adaptations, support services etc.) is available to meet the requirements of the ageing population and those with particular needs will also be key to a well-balanced, effective housing system.

Appendix 2 – Extract from LHS 2022 - 2027 (data as of 2021) Mull & Iona

Mull & Iona

Population	3,054
Households	1,524
Dwellings	1,851
Ineffective Stock (%)	15%
RSL Stock	236
Waiting List Applicants	113
RSL Lets (2019/20)	20
Pressure Ratio	6:1
Lower Quartile House Price	£129,375
Lower Quartile Income	£18,189
LQ Affordability Ratio	7.1

MULL AND IONA are combined for planning purposes as one HMA. As a housing market area, these islands exhibit the lowest level of self-containment in the authority area apart from Coll & Tiree, with less than 45% of house sales going to local purchasers. Around 16% of properties are bought by persons from elsewhere in Scotland; and over a third of all sales (34%) are to purchasers originating elsewhere in the UK, by far the highest proportion of any HMA in Argyll and Bute. Interaction with the rest of the authority is minimal with only 1.4% of sales originating in another local HMA. Mull & Iona have among the highest house prices in Argyll & Bute, well above the average for the authority as a whole and 3 times higher than Bute for example; and along with Islay, Jura & Colonsay; and Coll & Tiree, this is one of the least affordable housing markets for local residents. This area has seen less than 1% rate of growth in total stock, between 2015 to 2020; despite a range of RSL and community-led projects being proposed and progressed in recent years. This still amounts to only 4% of the total dwellings in Argyll & Bute. There is also a high proportion of ineffective stock here, with second/holiday homes and long-term vacant properties making up 15% of the total (albeit this is significantly lower than the last census recorded). The social rented sector totalled 236 homes in 2020, less than 3% of the sector total for Argyll & Bute as a whole and around 13% of the total housing stock on the two islands. There are around 6 applicants for every available let in the area, one of the higher pressure ratios in the authority.

Key issues for Mull & Iona HMA:

A small-scale targeted programme of affordable new build housing will help to sustain remote island communities.
Tackling fuel poverty and improving energy efficiency remain key targets; and ensuring sufficient specialist provision is available to meet the requirements of those with particular needs will also be important.

Appendix 3 – Extract from LHS 2022 - 2027 (data as of 2021) Coll & Tiree

Coll & Tiree

Population	753
Households	452
Dwellings	680
Ineffective Stock (%)	32%
RSL Stock	54
Waiting List Applicants	19
RSL Lets (2019/20)	3
Pressure Ratio	6:1
Lower Quartile House Price	£128,750
Lower Quartile Income	£16,644
LQ Affordability Ratio	7.7

Coll & Tiree constitute the smallest HMA in the authority, and are most affected by house purchasers from out with the area – less than 20% of sales are to local residents, with almost half of purchasers originating elsewhere in Scotland and a further quarter from elsewhere in the UK. More house buyers originate from overseas (5.6%) than from the rest of Argyll & Bute itself (1.4%). Average house prices have been among the highest in Argyll & Bute (albeit the number of sales are very small) and this area has been one of the least affordable to local households with the highest price–to-income affordability ratio of 7.7. Since 2015, the total number of dwellings on the islands increased by almost 8% while the number of households increased by around 12%. Proportionately, this HMA has the highest level of ineffective stock in Argyll & Bute, by far, with almost a third being second/holiday homes or long-term vacant properties. In 2020 there were 54 social rented homes, which amounts only 0.6% of the total RSL sector in the authority. Demand for RSL properties is numerically low but given the limited turnover in existing stock the pressure ratio remains high at 6:1 (i.e. 6 applicants per available let).

Key issues for Coll & Tiree HMA:

There is evidence of unmet need on these islands and minimal new build in recent years. Small-scale development of affordable housing for social rent could help to address the demand.
The requirement for some form of specialist provision, particularly on Tiree, remains a potential gap which could be addressed by joint working between Housing and the Health & Social Care Partnership.
Fuel poverty and energy efficiency also remain priorities for this area.