Arneil Johnston

Argyll & Bute Council

Housing & Depopulation Study

Final Report

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1 Introduction and Project Methodology

In June 2025, Argyll & Bute Council commissioned Arneil Johnston to carry out research into the extent to which housing shortage is a factor in the declining population of young people and working age households in Argyll & Bute. It is intended this research will inform future strategic planning, policy development and investment decisions within the Strategic Housing Investment Plan, Local Development Plan and Local Housing Strategy. The research explores the links between housing and depopulation, including engaging with young, working age households and local employers to better understand the accessibility of housing and employment options.

The housing and depopulation research study was commissioned in response to the outcomes of stakeholder consultation and subsequent action planning arising from the Argyll & Bute Housing Emergency Summit in November 2023. Stakeholders identified the need to better understand housing's role in depopulation in the area, and the extent to which strategic, multi-agency housing responses are required to protect the sustainability of communities and growth of the economy.

The research aims to understand the extent and nature of housing affordability and access pressures that drive workforce housing shortage; engaging with younger households (including those who have left Argyll & Bute) to understand push and pull factors, as well as future housing intentions and aspirations.

Furthermore, the research involves engagement with local employers to assess the extent to which recruitment and retention pressures continue to be problematic, and whether housing shortage is a factor in this. Employer engagement also tests the usefulness of potential workforce housing solutions and the scale of growth projected to take place in the existing Argyll & Bute economy. Finally, the research calculates future workforce housing estimates arising from major infrastructure projects over the next 10 years, including both direct, indirect and induced employment; to inform the next Housing Need & Demand Assessment and associated housing delivery strategies.

1.1 Project Methodology

The project methodology has been designed to deliver credible research evidence on housing and depopulation by meeting the following research objectives:

- to assess and build evidence of workforce housing pressures by housing tenure and Housing Market Area (HMA)
- to engage with younger, working age households (18–35 year-olds), including those who have left Argyll & Bute, to assess push and pull factors, plus future intentions and aspirations
- to assess the extent to which working age households who have left Argyll & Bute would like to return and the extent to which housing availability will impact on future behaviour

- to engage with local employers in Argyll & Bute to assess the extent to which housing related recruitment and retention issues will impact on investment and growth plans, and test the workforce housing interventions that they would be most keen to engage with
- engage with partners and stakeholders to determine the scale of future workforce housing requirements given major infrastructure and investment projects to inform future land-use and housing delivery planning.

To achieve this, the research programme was delivered around the following eight stage methodology:

- analytical modelling of housing affordability across Housing Market Areas (HMAs) relative to local incomes and across housing tenure
- analysis of the extent and nature of housing system pressures in HMAs, using a balanced scorecard of housing system measures
- primary research to deliver insights on the current housing circumstances and future intentions of younger, working age households in Argyll & Bute
- primary research to deliver insights on the housing journeys of younger households who have left Argyll & Bute, including their appetite to return and the role of housing in enabling this
- primary research to deliver insights on the extent and nature of workforce housing shortage in Argyll & Bute and the extent to which local employers are interested in workforce housing solutions
- analysis of future housing need arising from economic growth projects over the next decade, based on major infrastructure and investment projects.

This research report details each aspect of the research, synthesising conclusions and evidencing the links between housing and depopulation in the Argyll & Bute area. It recommends housing interventions which could enable working households to remain in the area and projects forward the impact of growth in the Argyll & Bute economy on future housing requirements.

2 Depopulation in Argyll & Bute

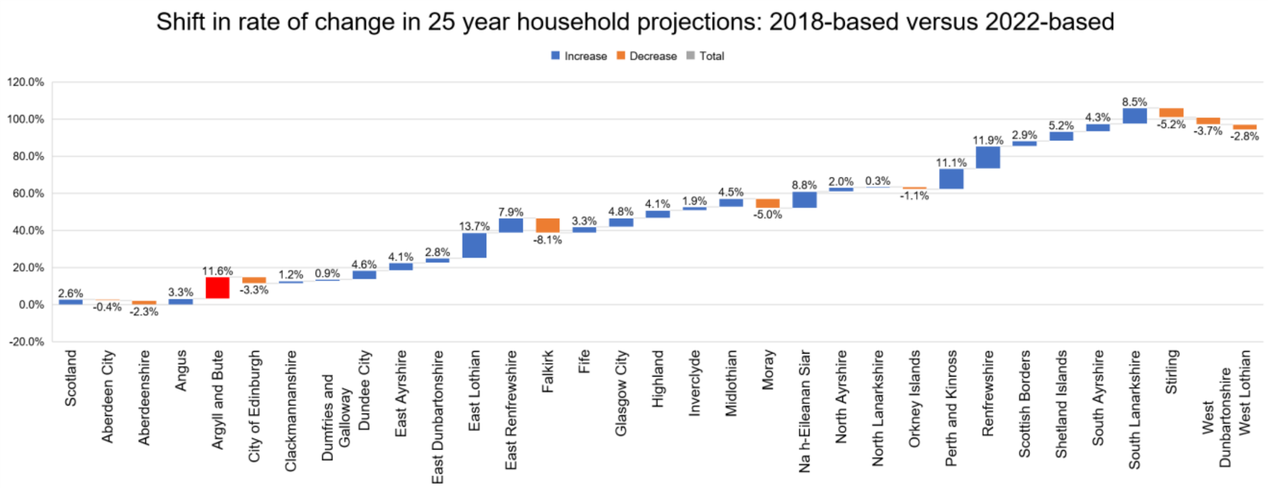
Depopulation in Argyll and Bute is a well-documented issue and forms part of a wider trend affecting rural and island communities across the west-coast of Scotland. Depopulation in Argyll & Bute is driven by both a decline in the number of households and by demographic change. In particular, people and households are ageing at an accelerated rate, with the population of young people declining as a result of both natural change and outward migration. 2024-based population projections from National Registers of Scotland reveal that since 2001, the 0-15 age group in Argyll & Bute has fallen by 28%, with the 75+ population increasing by over 50%.

In Argyll & Bute, population change is largely driven by negative natural change i.e. more deaths than births, which outweighs population gains as a result of migration to the area. Without policy interventions to reverse these trends, demographic imbalances risk long-term population decline in Argyll & Bute, with significant implications for economic growth, the delivery of essential public services and the long-term sustainability of many communities.

Whilst recent household projections for Argyll & Bute show a more positive outlook than previous planning assumptions, retaining and growing the population of younger, working age households in Argyll & Bute is likely to be a continued community planning priority to protect the long-term socio-economic and community well-being of the area.

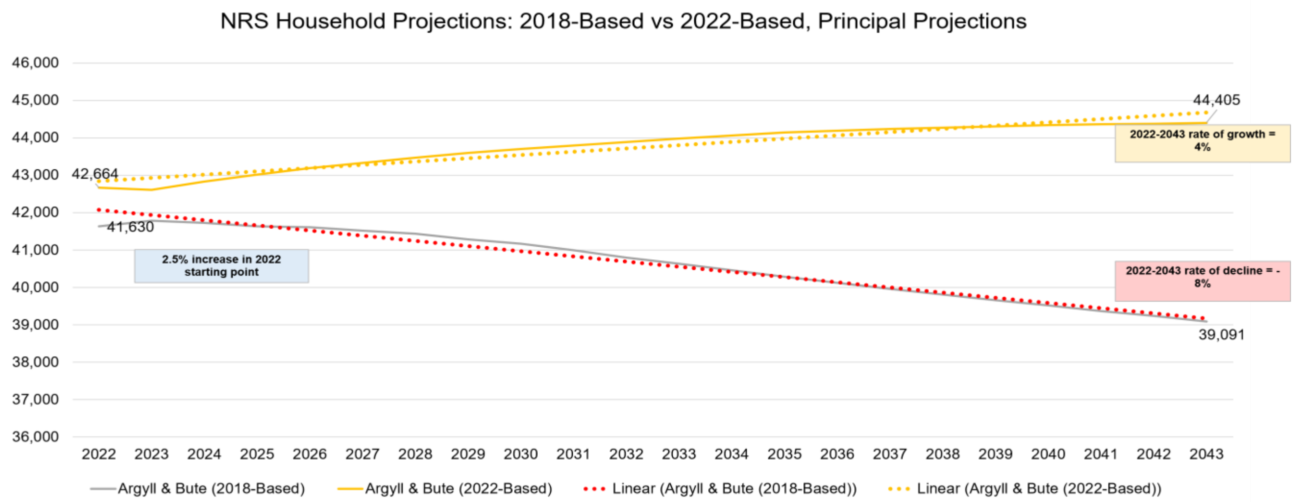
2.1 NRS Household Projections for Argyll & Bute

The publication of new 2022-based household projections from National Registers of Scotland shows a more positive outlook for Argyll & Bute than the previous 2018-based projections. Graph 2.1 details the shift in the rate of change for household numbers over a 25-year projection period. Across Scotland, the 2022-based household projections show an increase in the rate of household growth of 2.6%.



Graph 2.1: NRS 2022-based household projections for Scotland, rate of 25-year change from 2018-based projections

Argyll & Bute shows the third highest increase in growth rate from the 2018-based projections (11.6%), shifting from a projected population decline over the next 25 years, to modest growth in the number of households. Graph 2.2 sets out the scale of this change, including a 2.5% increase in the number of households resident in Argyll & Bute in 2022 as the starting point for projections.

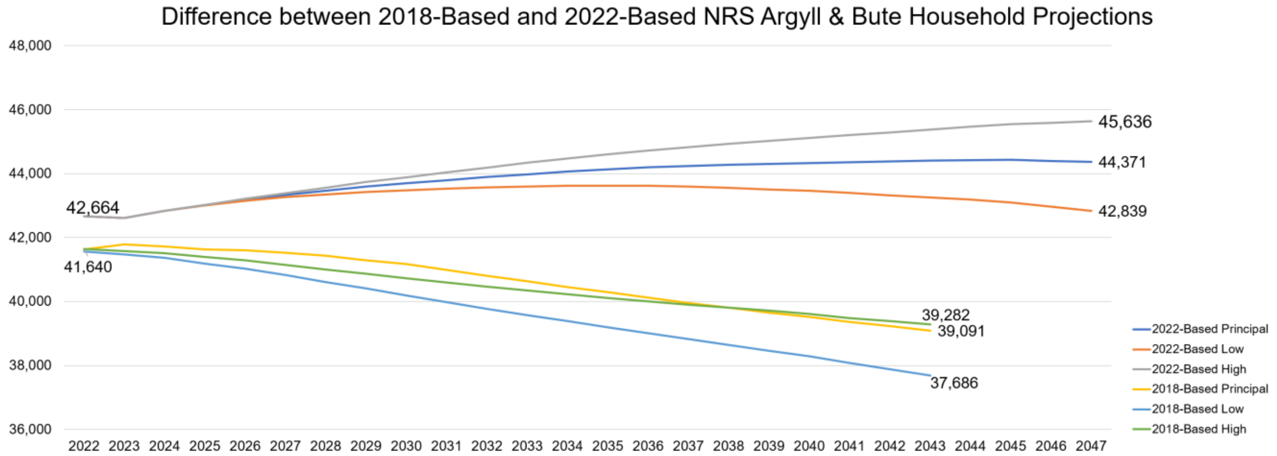


Graph 2.2: Comparison between NRS 2022-based and 2018-based principal household projections for Argyll & Bute

The 2018-based NRS household projections for Scotland projected an 8% decline in the Argyll & Bute household base from 41,630 households in 2022 to 39,091 households in 2043. The 2022-based projections assume a more positive trajectory, predicting a 4% increase in households (from 42,664 to 44,405) over the same 20-year period.

Whilst the projected rate of growth in Argyll & Bute over the next 25 years (4%) is more positive than the 2018 projections (-8%), household growth still falls significantly below the national picture, which projects a 12% growth rate across Scotland over the same period (2022-2047). Interventions to stabilise and grow the Argyll & Bute household base therefore continue to be a strategic community planning priority to maintain the sustainability of communities and the local economy.

A key aspect of this repopulation strategy will include both the retention of households in the area, as well as attracting new households to move to Argyll & Bute. The impact of net migration on household growth is therefore crucial, as detailed in variant NRS household projections in Graph 2.3.



Graph 2.3: 2022-based NRS house projections variants: Low, principal and high migration scenarios

Whilst 2022-based principal projections show a 4% increase in household numbers over the next 25 years, the low migration variant projects a static household base with growth of just 0.4% (175 households).

In contrast, the high migration scenario projects a 7% growth in the household base, an additional 2,972 households, in contrast to 1,707 under the principal scenario. Understanding why households leave are Argyll & Bute, as well as the factors which might encourage movement to the area, is therefore crucial in developing a repopulation strategy which achieves the scale of household growth that could be achieved under a high migration scenario. The role of housing in enabling this is undoubtedly a key consideration.

2.2 Young People and Migration from Rural Areas

Research outcomes show that young people leave rural and island communities for a combination of reasons, with housing consistently identified as one of the most significant factors. While the research evidence considered below is drawn from other rural and island communities in Scotland rather than from Argyll & Bute directly, it offers useful insight given the similarity of housing and demographic pressures faced.

The Young Islanders Network (YIN) Housing Challenge research[1], a Scottish Government-funded initiative delivered by Youth Scotland, gathered the views of young people aged 12-25 across Scotland's Island local authorities between February and September 2024. The research focus was to capture concerns regarding housing in island communities. Further research by the Scottish Government examines migration patterns and mobility among 16-45 year-olds in rural and island Scotland[2], combining analysis of existing migration data with a review of academic literature.

[1] Young Islanders Network Housing Challenge Report 2024, Youth Scotland (2024)
[2] Rural Scotland - Trajectories of Young People and Young Adults, Scottish Government (March 2025)

In the YIN Housing Challenge Survey, which achieved a sample of 223 respondents aged under-25s, 72% said they expect they will have to leave their island when they are older because of a lack of available or suitable housing. This sits alongside the other common drivers of outmigration such as limited local education and employment opportunities, which the Scottish Government research also identifies as one of the most cited factors for those aged 16-24. The same research points to a cultural dimension too: the assumption that "you have to leave to succeed" has long encouraged more qualified young people to leave rural and island areas, while stigmatising those who choose to stay.

Where housing is concerned, both availability and affordability are recurring problems. Over 67% of YIN respondents said there was no affordable housing in their area, with just 6% suggesting that buying a house was affordable in their local area.

'the houses are unaffordable, there are few private rent properties, and you could be waiting over a year to get social housing that may be in an area far away from town. This means a lot of people my age have ended up moving away'.

Housing availability is a distinct issue to cost: 51% of respondents said there were no housing options where they live. A significant driver behind this shortage is the proportion of housing not available to permanent residents: 75% of respondents said there were too many holiday homes in their area, and 56% said there were too many empty homes. Several respondents linked the number of second and holiday homes to unaffordable house prices which are driven up by buyers from outside the local community.

Suitability further compounds the problem: even where housing exists, YIN respondents noted it is not always practical in terms of transport links, proximity to family, shops, school or childcare. More than half of respondents (57%) said more affordable, appropriately sized homes need to be built. The process of accessing what housing is available adds a further barrier: respondents described the *excessive paperwork involved* in applying for social housing and felt that ties to the local community were not sufficiently considered. One in two respondents (52%) said housing allocations should consider how long someone has lived in the area.

Furthermore, the Scottish Government's research on migration patterns and mobility among 16-45 year-olds in rural and island communities identifies a lack of available and affordable housing and public transport as key contributing factors beyond limited educational and employment opportunities, reinforcing that outmigration is shaped by a combination of pressures. It is worth noting that outmigration is not the whole picture: the same research emphasizes that rural youth mobility involves inflows as well as outflows, including children aged 15 and under and adults over 20 moving into these areas, a pattern that receives far less policy attention than outmigration.

Outmigration is heavily concentrated in the late teens, but it is not necessarily permanent. Scottish Government data shows outflows in 2002-06 peaking at ages 18-19, with departures of between 26-28% of the age group in Western Isles, Shetland and Orkney Islands. More recent figures for 2017-19 show lower peak outflows not exceeding 25%. Commitment to staying also strengthens with age: a 2018 Highlands and Islands Enterprise survey found only 28% of school-age respondents identified as "committed stayers", compared with 63% of those aged 25-30. Where young people do return, family formation and a wish to raise children in a rural community are among the most cited reasons, alongside bonds with family, appreciation of local environment and quality of life.

However, the ability to return is shaped by housing. The Scottish government report explicitly lists a lack of availability and affordability of housing as a factor in outmigration, meaning it discourages people from staying independent of job prospects, and can be a practical barrier to those who otherwise wish to return.

The Housing to 2040 Strategy (2021), developed with input from 350 young people across 12 communities, commits to scaling up self-provided housing options to help young people remain in rural areas. Scotland's national housing strategy recognises the considerable role that local housing availability and cost play in youth mobility and the impact this can have on depopulation in rural areas. Additionally, the Rural and Islands Housing Action Plan (2023), developed in consultation with both the Young Islanders Network and the Rural Youth Project, sets out steps aimed at improving the attraction and retention of young people, including £5 million via the Highland City Region Deal for affordable rural housing.

Taken together, this evidence indicates that housing is a central and consistent factor in youth outmigration from rural and island communities and should be treated as a priority in any strategy to address depopulation in Argyll & Bute.

Across the evidence base, there are four key findings from research on the outward migration of young people in rural areas:

- perceived housing insecurity is a leading driver of outmigration
- perceived housing insecurity is driven by both housing affordability and availability pressures
- the loss of local housing stock to second homes, holiday lets, and empty homes is perceived to be a significant contributing factor
- housing does not only push young people away from rural and island areas but constrains their ability to return.

Addressing housing availability and affordability should therefore be treated as integral to any strategy to retain and attract young people in rural and island areas.

3 Assessing Housing Affordability in Argyll & Bute

Evidence of housing shortage in Argyll & Bute is widely known, providing the catalyst for Argyll & Bute Council declaring a Housing Emergency in June 2023, the first of thirteen local authorities across Scotland to do. Argyll & Bute experiences complex housing system dynamics which create housing pressure and drive housing shortage including:

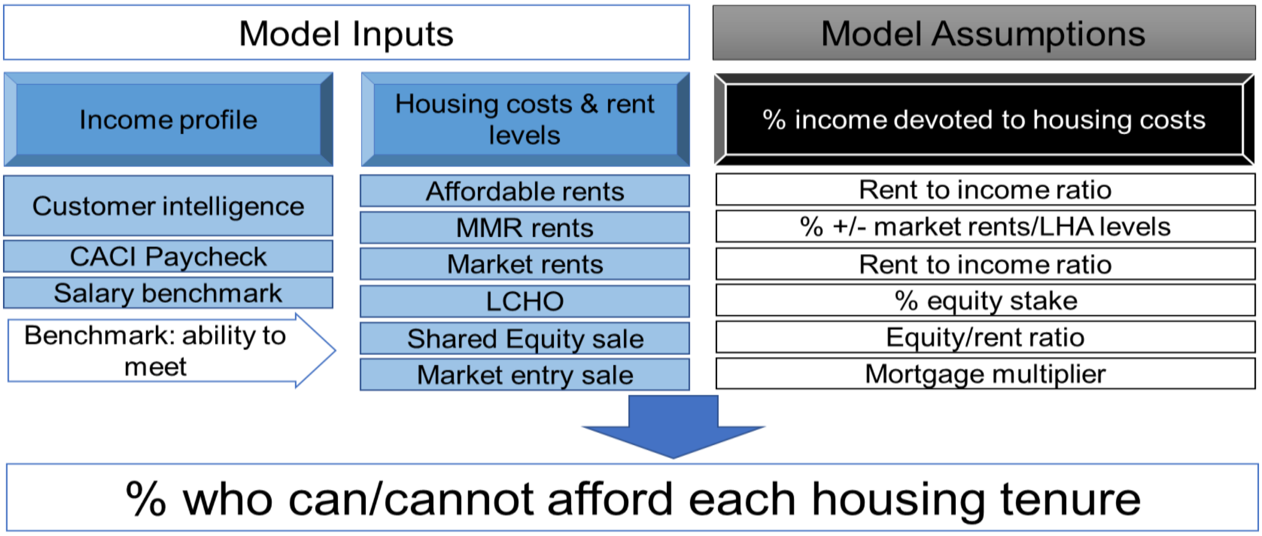
- an evidenced shortfall of social housing relative to expressed need: there are five households on the HomeArgyll waiting list for every tenancy that becomes available
- rapid market housing inflation relative to local incomes including a 45% increase in house prices over the last decade and a 44% increase in private sector rents
- a significant number of dwellings not available as principal homes (14%) including 3% long term empty homes, 5% second homes, 6% short term lets
- one of the lowest new build completion rates in Scotland with just 23 homes delivered per 10,000 households, less than a quarter of the national rate (75 per 10,000).

Understanding the dynamics of housing affordability across Argyll & Bute provides clear evidence of the ability of working households in the area to meet housing need independently in the local housing system. It also signals whether a wider range of affordable housing options is required to meet the needs of working households.

Housing affordability analysis therefore provides important insight on the dynamics between household income and housing costs in each Housing Market Area. As part of the Argyll and Bute Housing and Depopulation research project, Arneil Johnston developed a modelling tool to comprehensively assess housing affordability by benchmarking the profile of local incomes to housing costs across a range of housing tenures and by Housing Market Area. The housing affordability model and summary slide-pack detailing this analysis can be accessed by clicking on the following links:

- Appendix A: 2025 Argyll and Bute Housing Affordability Model
- Appendix B: 2025 Argyll and Bute Housing Affordability Slide-pack

The following diagram illustrates how the model works in practice:



The model is populated with data inputs and insights on the costs associated with various housing options including:

- rent levels for locally operating RSLs
- mid-market rent levels set at benchmarks including 100% of the Local Housing Allowance
- PRS market rent levels
- market entry level house prices
- average house prices.

Housing affordability is assessed by testing a range of income to rent ratios (the proportion of household income which requires to be devoted to housing costs) to assess the risks associated with housing induced poverty in each tenure. The model also tests the housing affordability of low-income households in work such as those earning the Scottish Living Wage. Furthermore, using a banded income profile from CACI PayCheck, the model calculates the proportion of households who can/cannot afford housing costs across a range of housing tenures and Housing Market Areas.

3.1 Housing Cost Comparison

The housing affordability model has been populated with housing cost benchmarks across the full spectrum of housing tenures in Argyll and Bute, from Housing Association rents up to market house prices. Benchmark housing costs for each tenure by property size and Housing Market Area are set out in detail in the following sections.

3.1.1 Social Rent Comparison

Social housing rent levels in Argyll and Bute have been calculated using data submitted by Registered Social Landlords (RSLs) to the Scottish Housing Regulator (SHR) in 2024/25 as part of the Annual Return on the Charter (ARC dataset). This data has then been inflated to reflect the rent increases applied by each landlord in 2025/26, as reported to the SHR. Table 3.1 details social housing rent levels within Argyll and Bute by property size:

No. of Bedrooms	RSLs	Local Housing Allowance	Market Rents
1 Bedroom	£418.01	£448.76	£576.19
2 Bedrooms	£498.41	£598.35	£823.45
3 Bedrooms	£551.68	£693.12	£1,074.76
4+ Bedrooms	£612.07	£1,196.69	£1,662.87
Average	£489.18	£734.23	£1,034.32

No. of Bedrooms	Difference RSL/LHA Rents	%	Difference LHA/Market Rents	%
1 Bedroom	-£30.75	-7%	-£127.43	-28%
2 Bedrooms	-£99.94	-20%	-£225.10	-38%
3 Bedrooms	-£141.43	-26%	-£381.64	-55%
4+ Bedrooms	-£584.62	-96%	-£466.18	-39%
Average	-£245.05	-50%	-£300.09	-41%

Table 3.1: Social housing rent levels and comparison with the LHA rate for Argyll and Bute

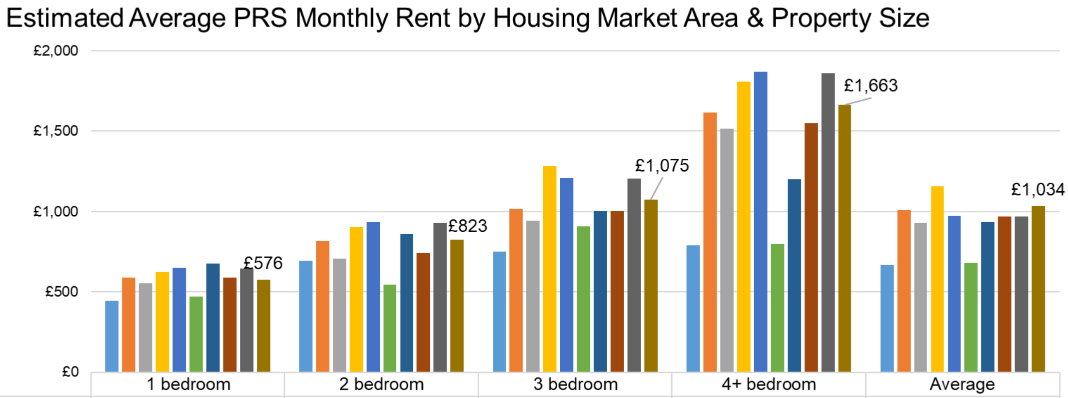
Table 3.1 shows that average monthly RSL rents range from £418 for a 1-bedroom property to £612 for a 4-bedroom property. RSL rents are considerably less than the Local Housing Allowance rate for Argyll and Bute (the rate which subsidy levels are set for the private rented sector), set at an average of £734 per month in Argyll and Bute. The Local Housing Allowance rate is 50% higher than RSL rents (£489). Local Housing Allowance rates also provide a much greater margin between 1-bedroom rent levels (£449 per month) and 4-bedroom (£1,197 per month). The margin between LHA levels and RSL rents is significant across all property sizes but most pronounced for 4-bedroom homes, where LHA rates (at almost £600 more than RSL rents) are 96% higher.

This analysis showcases the extent of cost value between social and market housing costs in Argyll and Bute.

3.1.2 Market Rent Comparison

Average market rent levels by Housing Market Area and property size were derived from proforma analysis of the monitoring dataset sourced from Rent Service Scotland to set Local Housing Allowance rate in Argyll and Bute. The sample provided covered a five-year period from October 2019 to September 2024. The data has been adjusted to manage the impact of low or zero samples in rural and island HMAs. The methodology applied for estimating 2024 market rents by HMA and property size can be sourced in Appendix C: PRS Rent Modelling Methodology.

In 2024, the estimated average market rent across Argyll & Bute is £1,034.32 per month. Monthly rents vary significantly across property size from an average of £576.19 for a 1-bedroom property to an average of £1,662.87 for a 4-bedroom property. There is a high degree of variation in average rental market prices across Housing Market Areas in Argyll and Bute. Helensburgh & Lomond is the Housing Market Area with the highest average rental value at £1,154.68. In contrast, Bute has the lowest average market rental value at £668.17.



	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Average
Bute	£443	£692	£750	£788	£668
Coll & Tiree	£588	£817	£1,018	£1,614	£1,009
Cowal	£553	£707	£943	£1,513	£929
Helensburgh & Lomond	£622	£904	£1,284	£1,809	£1,155
Islay, Jura, Colonsay	£649	£935	£1,211	£1,867	£971
Kintyre	£470	£546	£907	£797	£680
Lorn	£675	£857	£1,003	£1,201	£934
Mid Argyll	£589	£743	£1,002	£1,548	£971
Mull & Iona	£646	£930	£1,206	£1,862	£967
Argyll & Bute	£576	£823	£1,075	£1,663	£1,034

Graph 3.1: Estimated Average PRS rental values in 2024 by Housing Market Area and property size

Table 3.2 shows that market rents are significantly higher than RSL rents in all Housing Market Areas, ranging from 37% higher in Bute, to 136% higher in Helensburgh & Lomond. Overall, average market rents in Argyll and Bute (£1,034.32) exceed average RSL rents (£489.19) by 111%, £545.14 more per month.

Area	Market Rents	RSLs	Difference	% Difference
Bute	£668.17	£489.18	£178.99	37%
Coll & Tiree	£1,009.34	£489.18	£520.16	106%
Cowal	£928.96	£489.18	£439.78	90%
Helensburgh & Lomond	£1,154.68	£489.18	£665.50	136%
Islay, Jura, Colonsay	£971.08	£489.18	£481.90	99%
Kintyre	£679.86	£489.18	£190.68	39%
Lorn	£934.26	£489.18	£445.08	91%
Mid Argyll	£970.50	£489.18	£481.32	98%
Mull & Iona	£966.62	£489.18	£477.44	98%
Argyll & Bute	£1,034.32	£489.18	£545.14	111%

Table 3.2: Market rent levels and comparison with social housing rent levels for Argyll and Bute

To assess the affordability of the private rented sector for tenants who may be reliant on welfare benefits to meet housing costs, the Local Housing Allowance (LHA) has been compared with average HMA market rents. Overall, market rents in Argyll and Bute are 41% higher than Local Housing Allowance levels, with Table 3.3 showing that the average LHA rate is significantly lower than market rents for all property sizes, ranging from 28% in one-bedroom properties to 55% in 3-bedroom properties. Average market rents exceed the LHA in most HMAs ranging from 27% higher in Cowal and Lorn, to 57% in Helensburgh & Lomond. In contrast, in the Bute and Kintyre HMAs, the LHA exceeds the average market rents ranging from 7% in Kintyre to 9% in Bute.

For those relying on welfare subsidies to meet housing costs in Argyll and Bute, shortfalls of between £420.45 per month in Helensburgh & Lomond and £47.94 per month in Mull & Iona are evident and likely to be problematic in the context of housing affordability. This shortfall will make the costs of private renting extremely challenging for lower income households in all HMAs who may have limited alternative housing options available to them.

Property Size	Market Rents	LHA	Difference	% Difference
1 bedroom	£576.19	£448.76	£127.43	28%
2 bedroom	£823.45	£598.35	£225.10	38%
3 bedroom	£1,074.76	£693.12	£381.64	55%
4 bedroom	£1,662.87	£1,196.69	£466.18	39%
Average	£1,034.32	£734.23	£300.09	41%

Area	Market Rents	LHA	Difference	% Difference
Bute	£668.17	£734.23	-£66.06	-9%
Coll & Tiree	£1,009.34	£734.23	£275.12	37%
Cowal	£928.96	£734.23	£194.73	27%
Helensburgh & Lomond	£1,154.68	£734.23	£420.45	57%
Islay, Jura, Colonsay	£971.08	£734.23	£236.85	32%
Kintyre	£679.86	£734.23	-£54.37	-7%
Lorn	£934.26	£734.23	£200.03	27%
Mid Argyll	£970.50	£734.23	£236.27	32%
Mull & Iona	£966.62	£734.23	£232.39	32%
Argyll & Bute	£1,034.32	£734.23	£300.09	41%

Table 3.3: Market rent levels and comparison with LHA rates by HMA and property size for Argyll and Bute

3.1.3 Mid-Market Rent Comparison

In addition to benchmarking to social rents, PRS rent levels have also been assessed against the affordability of rents in intermediate housing tenures. Table 3.4 below shows the differential between market rents in HMAs where Mid-Market Rent levels (MMR) are set at 100% of the Local Housing Allowance rate.

As LHA rates fall short of market rent levels in all property sizes, Table 3.4 shows that MMR makes an important contribution to housing affordability, coming in at, on average, 41% lower than market rental values in Argyll and Bute. Given the broad range of market rents by property size, MMR makes a particularly strong contribution to the affordability of 3-bedroom properties, with 55% lower rental values than the average market rent.

Property Size	Market Rents	MMR 100%	Difference	100% Difference
1 Bedroom	£576.19	£448.76	£127.43	28%
2 Bedroom	£823.45	£598.35	£225.10	38%
3 Bedroom	£1,074.76	£693.12	£381.64	55%
4 Bedroom	£1,662.87	£1,196.69	£466.18	39%
Average	£1,034.32	£734.23	£300.09	41%

Table 3.4: Comparison between PRS rents and MMR rent set at the LHA by property size

3.1.4 House Prices Comparison

In 2024, the average house price in Argyll and Bute was £209,728 which is lower than the Scottish average house price at £217,661 in 2024. Helensburgh & Lomond had the highest average house price at £250,117, whilst Bute offered the lowest price at £120,241. There was a £129,876 difference between the lowest and highest house prices in Argyll and Bute, providing insight into the diverse housing system dynamics across Housing Market Areas.

The market entry level house price in Argyll and Bute in 2024 was £96,000 ranging from £55,000 in Bute to £149,000 in Helensburgh & Lomond. Table 3.5 below provides a summary of all house sale prices by HMA for 2024:

	Average Price 2024	Median Price 2024	Lower Quartile Price 2024
Bute	£120,241	£92,000	£55,000
Coll & Tiree	£245,704	£250,000	£133,000
Cowal	£188,216	£150,000	£85,000
Helensburgh & Lomond	£250,117	£195,000	£110,688
Islay, Jura, Colonsay	£241,780	£200,000	£149,000
Kintyre	£165,654	£120,000	£59,500
Lorn	£242,788	£200,000	£147,500
Mid Argyll	£184,402	£148,000	£90,000
Mull & Iona	£241,050	£196,000	£111,875
Argyll & Bute	£209,728	£163,500	£96,000

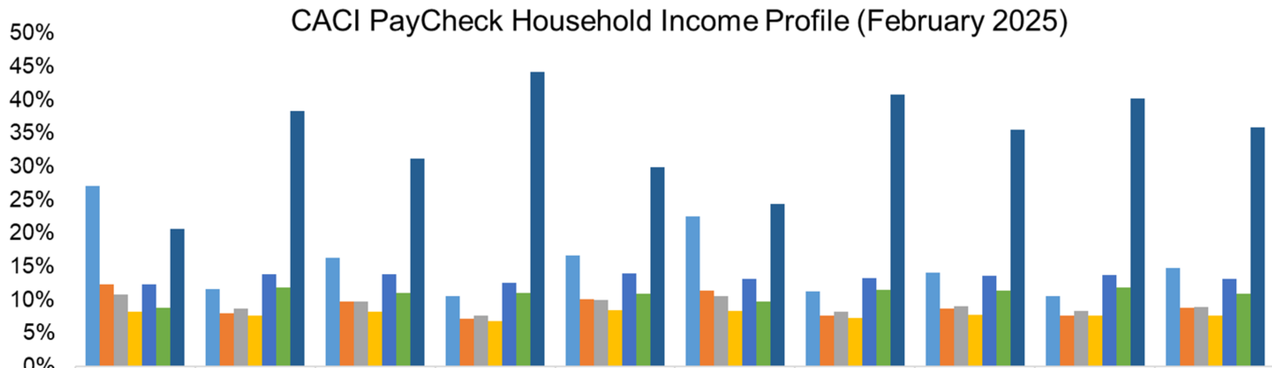
Table 3.5: Average, median and lower quartile house prices by HMA (2024)

3.2 Income Profile: CACI Paycheck Data

Establishing the income profile of local households is an important element of assessing the affordability of each housing tenure across Housing Market Areas. To achieve this, analysis of CACI Paycheck data was performed to profile the value and distribution of local incomes by standard income bandings.

Analysis of Paycheck data reveals that the median income in Argyll and Bute is £37,287, which is 6% lower than the median income for Scotland at £39,386.

CACI Paycheck data also provides lower quartile income levels for Housing Market Areas in Argyll and Bute. The lower quartile income for households living in Argyll and Bute is £20,797, which again is lower than is the case for Scotland (at £21,721). Graph 3.2 below details the profile of incomes across Argyll and Bute by Housing Market Area at banded increments.



	Bute	Coll & Tiree	Cowal	Helensburgh & Lomond	Islay, Jura, Colonsay	Kintyre	Lorn	Mid Argyll	Mull & Iona	Argyll & Bute
0-15K	27%	12%	16%	11%	17%	23%	11%	14%	10%	15%
15-20k	12%	8%	10%	7%	10%	11%	8%	9%	8%	9%
20-25k	11%	9%	10%	8%	10%	11%	8%	9%	8%	9%
25-30k	8%	8%	8%	7%	8%	8%	7%	8%	8%	8%
30-40k	12%	14%	14%	13%	14%	13%	13%	14%	14%	13%
40-50k	9%	12%	11%	11%	11%	10%	12%	11%	12%	11%
50k+	21%	38%	31%	44%	30%	24%	41%	36%	40%	36%

Graph 3.2: Banded income profile by Argyll and Bute Housing Market Areas (CACI Paycheck Data 2025)

In Argyll and Bute, 24% of households earn less than <£20K per annum. There is clear evidence of income inequality locally with almost 2 times the same proportion of households (47%) earning £40k+ annually. In Mull & Iona, just 18% earn less than £20k, whilst in Bute, 39% of households are within this income threshold. Most Housing Market Areas have a similar proportion of middle earners (30%), with limited variation in the proportion of high and low earners.

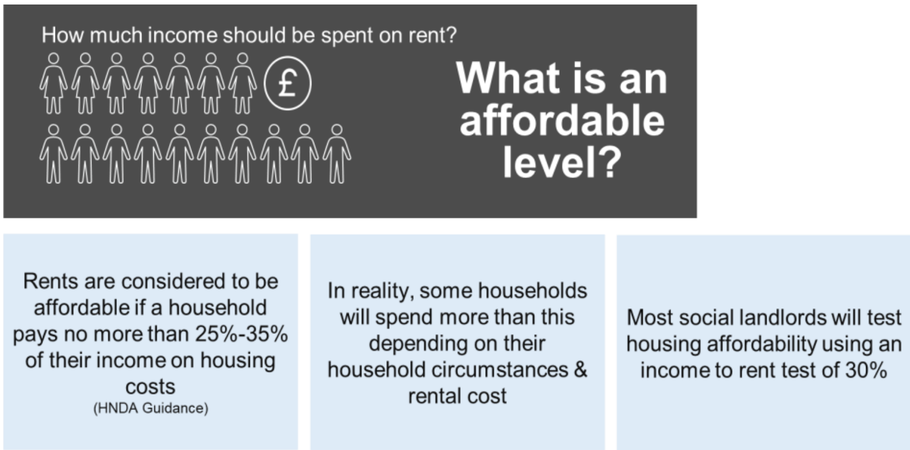
Helensburgh & Lomond, Lorn, and Mull & Iona HMAs also have notably greater proportions of higher-income households (with 55% and 52% earning more than £40k per annum, respectively) than other Housing Market Areas which have on average 41% of earners in this category. In contrast, just 29% of households in Bute earn more than £40k per annum.

3.3 Model Assumptions: Income to Rent Ratios

A key model assumption relates to the proportion of household income that an individual must devote to meeting housing costs. Housing affordability analysis measures a person's ability to pay for housing. It is a complex issue influenced by local housing and labour markets as well as wider economic, environmental and social factors.

The housing affordability model tests the interaction between housing costs, household incomes and the proportion of income that households are typically willing or able to devote to housing payments. When households struggle to meet the costs of housing because they are devoting unsustainable levels of income to meet the costs, they are typically described as experiencing housing induced poverty.

Measures of housing affordability are a topic of debate. UK social policy since the 1980s has typically used a percentage of income spent on housing costs to estimate the number of households experiencing difficulties.

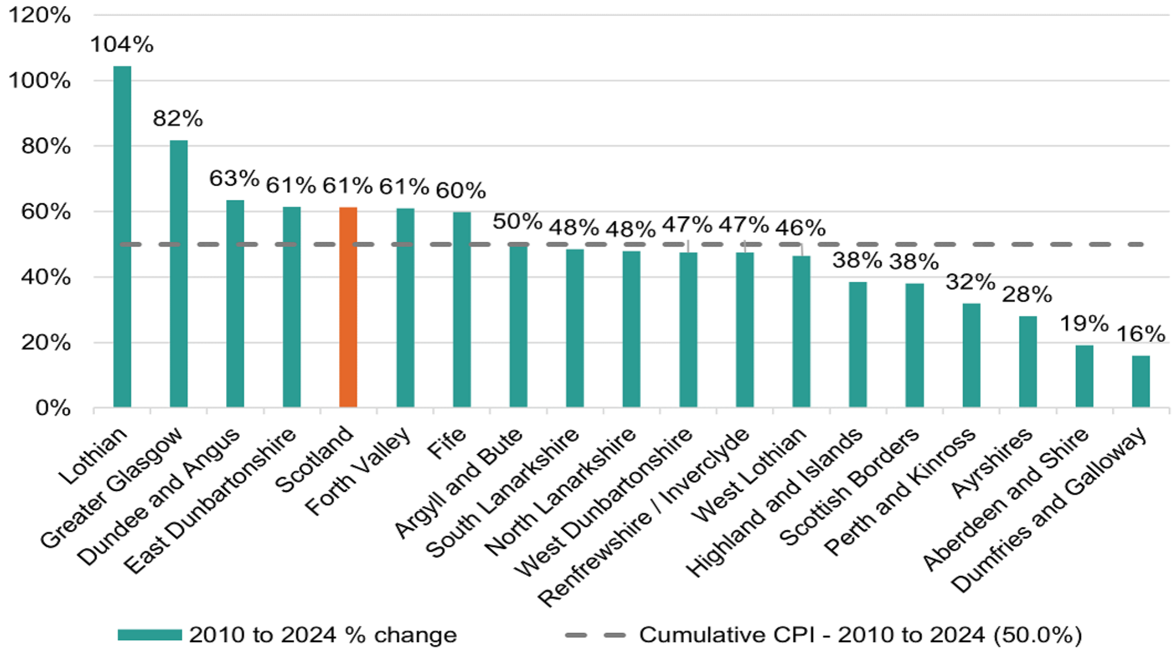


Generally, those who require to spend more than 30-35% of their household income on housing costs are regarded as experiencing affordability difficulties, although in highly pressured Housing Market Areas housing consumers may opt to spend well in excess of this benchmark in order to meet housing needs.

A key aspect of model development has been to scenario test the proportion of household income required to meet market rental costs at a 30% and 35% income to housing cost ratio. The PRS is often a tenure of last resort for working age households who are not eligible for social housing and who cannot access the housing market. For lower income households, the affordability of market rents is a key indicator of housing market pressure particularly where there is evidence of unmet need for social housing.

3.4 How Affordable are Argyll and Bute PRS Rents?

As shown in Graph 3.3, whilst Argyll and Bute PRS rents generally sit below Scottish average rents; this in itself doesn't prove rents to be affordable relative to local incomes.



Graph 3.3: Cumulative changes in 2-bedroom market rents by Broad Rental Market Area 2010-24 (Scottish Government, PRS Statistics 2024)

In order to assess affordability, analysis is performed which benchmarks PRS rents to local income levels and assesses whether those earning minimum income thresholds (without reliance on housing subsidies) could afford market rents and other rental tenures. To test this, analysis was carried out to measure how much a household in Argyll and Bute would have to earn to be able to afford PRS rents if 30% or 35% of their income is devoted to meeting housing costs.

Median income in Argyll & Bute
£37,287

% income devoted to housing costs
30% = £11,186
35% = £13,050

Median income in Scotland
£39,386

% income devoted to housing costs
30% = £11,815
35% = £13,785

£20,797
Lower quartile income in Argyll & Bute

£46,272
Mean income in Argyll & Bute

Argyll & Bute Average Annual Market Rental Values (2024)

1 bed = £6,914
2 bed = £9,881
3 bed = £12,897
4 bed = £19,954

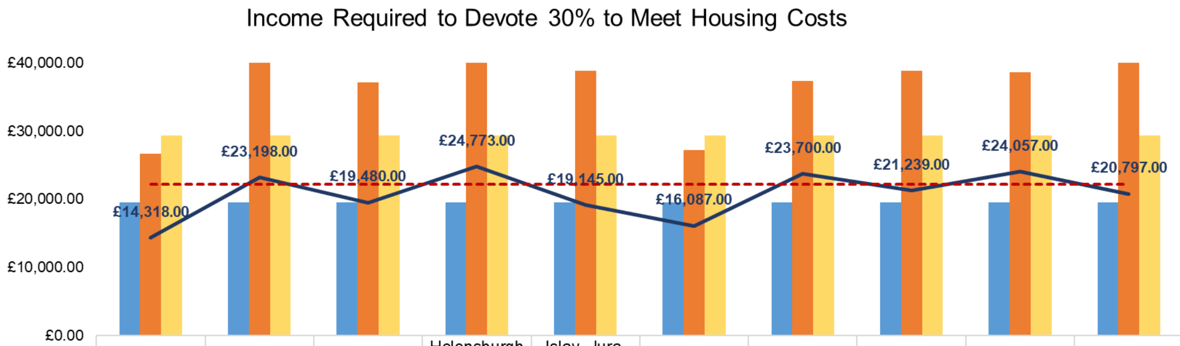
Average = £12,412

Based on the median income, at a 30% income to rent ratio, annual average market rents in Argyll and Bute would require to be no more than £11,186 per annum to be considered affordable at a 30% income to rent ratio. Calculated from the average monthly rent for Argyll and Bute at £1,034.32, the average annual PRS rent equals £12,411.80. It could therefore be concluded that households earning the Argyll and Bute median income cannot afford the cost of market rent (£12,411) when devoting 30% of their household income to housing costs (£11,186) and would need to spend a higher proportion of their income.

However, based on the lower quartile income benchmark in Argyll and Bute (£20,797), at a 30% income to rent ratio, annual average market rents in Argyll and Bute would require to be set at no more than £6,239.10 per annum. As the average annual PRS rent in Argyll and Bute is almost 100% higher than this at £12,411.80, the evidence suggests that PRS rents are generally not affordable to households on lower quartile incomes.

To assess the affordability of PRS rents, the income required to devote no more than 30% of earnings for each rental tenure has been benchmarked to annual earnings under the national living wage (£22,222) and the lower quartile incomes in Argyll and Bute (£20,797). Graph 3.4 illustrates that based on a 30% income to rent ratio, average PRS rents in Argyll and Bute HMAs are not affordable to those earning living wage benchmarks.

Additionally, average PRS rents are also unaffordable based on a 30% income to rent ratio, to those earning lower quartile incomes in all HMAs in Argyll and Bute.



	Bute	Coll & Tiree	Cowal	Helensburgh & Lomond	Islay, Jura, Colonsay	Kintyre	Lorn	Mid Argyll	Mull & Iona	Argyll & Bute
Argyll & Bute RSLs	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19	£19,567.19
Market Rents	£26,726.76	£40,373.79	£37,158.53	£46,187.21	£38,843.08	£27,194.21	£37,370.43	£38,820.05	£38,664.92	£41,372.68
MMR (100% LHA)	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17	£29,369.17
LQ Income (CACI)	£14,318.00	£23,198.00	£19,480.00	£24,773.00	£19,145.00	£16,087.00	£23,700.00	£21,239.00	£24,057.00	£20,797.00
National Living Wage	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20	£22,222.20

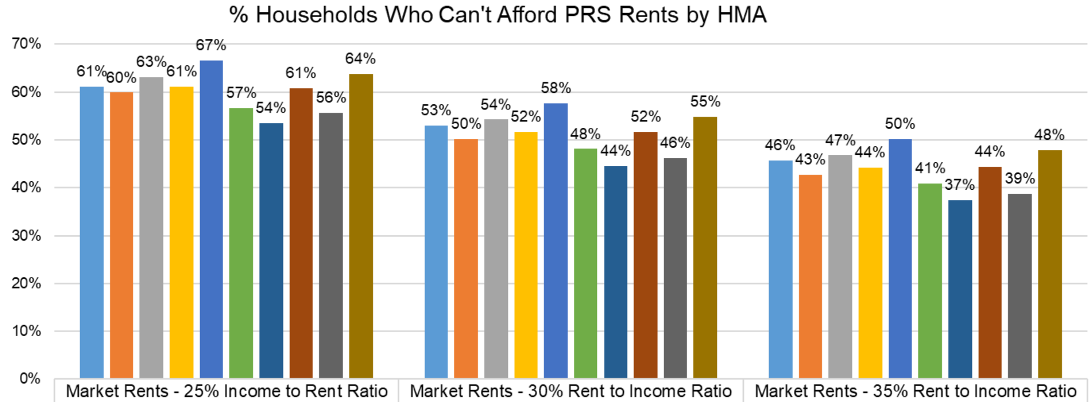
Graph 3.4: Minimum Income Affordability by Rental Tenures in Argyll and Bute 2024

Graph 3.4 shows that for households earning at low-income thresholds (Living Wage), social renting can be achieved at sustainable affordability levels. Households require to earn £19,567 to afford the cost of RSL housing at a 30% income to rent ratio, which is below Living Wage thresholds of £22,222. However, in Bute, Cowal and Islay, Jura, & Colonsay the cost of social renting is beyond the reach of households on lower quartile income levels.

Both mid-market and market rental housing costs are beyond the reach of households on Living Wage or lower quartile incomes levels in all HMAs in Argyll and Bute. At a 30% income to rent, Argyll and Bute households require to earn £41,373 to afford the costs of private renting, which is significantly above both Living Wage (£22,222) and lower quartile incomes (£20,797).

This analysis provides evidence that households relying on minimum incomes will struggle to meet the costs of private renting, without devoting unsustainable proportions of household income to housing costs. This varies significantly across HMAs in Argyll and Bute depending on the value of lower quartile incomes, with households in Bute (£14,318) and Kintyre (£16,087) unable to afford even social housing without devoting more than 30% of their income to rent.

Furthermore, analysis was performed using the CACI 2025 Paycheck data across HMAs to assess the proportion of households across each locality who can/cannot afford average PRS rents in Argyll and Bute based on a 30% and 35% income to rent ratio. Graph 3.5 below illustrates the proportion of households who cannot afford the average market rents per area using these rent to income ratios. This shows that on average, 55% of households living in Argyll and Bute cannot afford the cost of PRS rents when devoting 30% of their income to housing costs. At a 35% income to rent ratio, on average 48% of households in Argyll and Bute cannot afford PRS rents.



	Market Rents - 25% Income to Rent Ratio	Market Rents - 30% Rent to Income Ratio	Market Rents - 35% Rent to Income Ratio
Bute	61%	53%	46%
Coll & Tiree	60%	50%	43%
Cowal	63%	54%	47%
Helensburgh & Lomond	61%	52%	44%
Islay, Jura, Colonsay	67%	58%	50%
Kintyre	57%	48%	41%
Lorn	54%	44%	37%
Mid Argyll	61%	52%	44%
Mull & Iona	56%	46%	39%
Argyll & Bute	64%	55%	48%

Graph 3.5: % Households who CANNOT afford the average market rent per HMA

Housing affordability in the PRS is worst in Islay, Jura & Colonsay where 58% of households cannot afford a PRS rent based on a 30% rent to income ratio, followed by Cowal at 54%. In Islay, Jura, Colonsay and Cowal, this outcome is likely to be driven by the high proportion of households who are earning less than £20k per annum at 27% and 26%, respectively.

In Helensburgh & Lomond and Mid Argyll, 52% of households cannot afford PRS rent based on a 30% rent to income ratio. In Helensburgh & Lomond this outcome is likely to be driven by the higher-than-average market rent levels (£1,155 per month) whereas in Mid Argyll, PRS rents have recently inflated above the value of local incomes as a result of major energy sector infrastructure projects and an influx of temporary workers into the area. This analysis shows that the relationship between household incomes and housing costs is dynamic, with housing affordability more complex than simply benchmarking the value of housing costs.

3.5 How Affordable is the Argyll and Bute Housing Market?

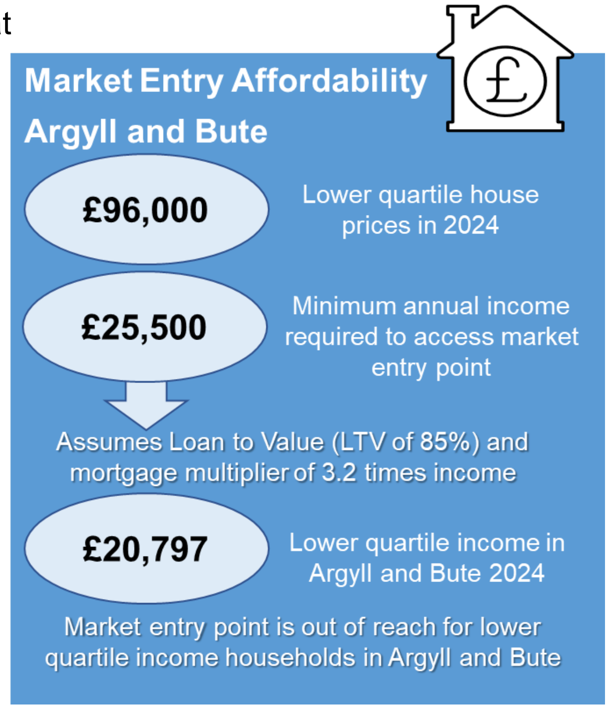
Accessing the housing market is clearly challenging in some HMAs across Argyll and Bute. Market accessibility analysis reveals that households must spend up to 4.6 times the average local income to afford the average house price. Using the Scottish Government's methodology to test market entry (benchmarking lower quartile incomes to lower quartile house prices), reveals that households must spend over 6 times their income to purchase a home in Islay, Jura & Colonsay and Lorn.

This is significantly in excess of the typical 3.2 X's multiplier used for mortgage purposes. As well as evidencing accessibility barriers from a loan to value perspective (LTV), this analysis assumes that households will have at least a 15% deposit in place before income benchmarking takes place. This is likely to be a further barrier to home ownership for many households seeking to access the housing market in Argyll and Bute.

	Income - LQ	House prices (2024) - LQ	House price to income ratio - LQ	Income - Average	House prices (2024) - Average	House price to income ratio - Average
Bute	£14,318	£55,000	3.84	£33,526	£120,241	3.59
Coll & Tiree	£23,198	£133,000	5.73	£47,922	£245,704	5.13
Cowal	£19,480	£85,000	4.36	£42,376	£188,216	4.44
Helensburgh & Lomond	£24,773	£110,688	4.47	£53,635	£250,117	4.66
Islay, Jura, Colonsay	£19,145	£149,000	7.78	£41,371	£241,780	5.84
Kintyre	£16,087	£59,500	3.70	£36,764	£165,654	4.51
Lorn	£23,700	£147,500	6.22	£50,125	£242,788	4.84
Mid Argyll	£21,239	£90,000	4.24	£45,706	£184,402	4.03
Mull & Iona	£24,057	£111,875	4.65	£49,475	£241,050	4.87
Argyll & Bute	£20,797	£96,000	4.62	£46,272	£209,728	4.53

Table 1.6: House price to income ratios for market entry and average house prices by HMA

In terms of the affordability of home ownership at market entry point, further analysis evidences the challenges for lower income households. Using the Scottish Government's methodology to test the affordability of the market entry point to low-income households, the lower quartile house price in Argyll and Bute (£96,000) has been benchmarked across lower quartile incomes (£20,797). Assuming a loan to value ratio of 85% (based on bank of England statistics for First Time Buyers in Q4 2023), and a mortgage multiplier of 3.2 times income; a household would require earnings of £25,500 per annum to be able to afford the cost of market entry home ownership. This is well in excess of Argyll and Bute lower quartile incomes of £20,797.

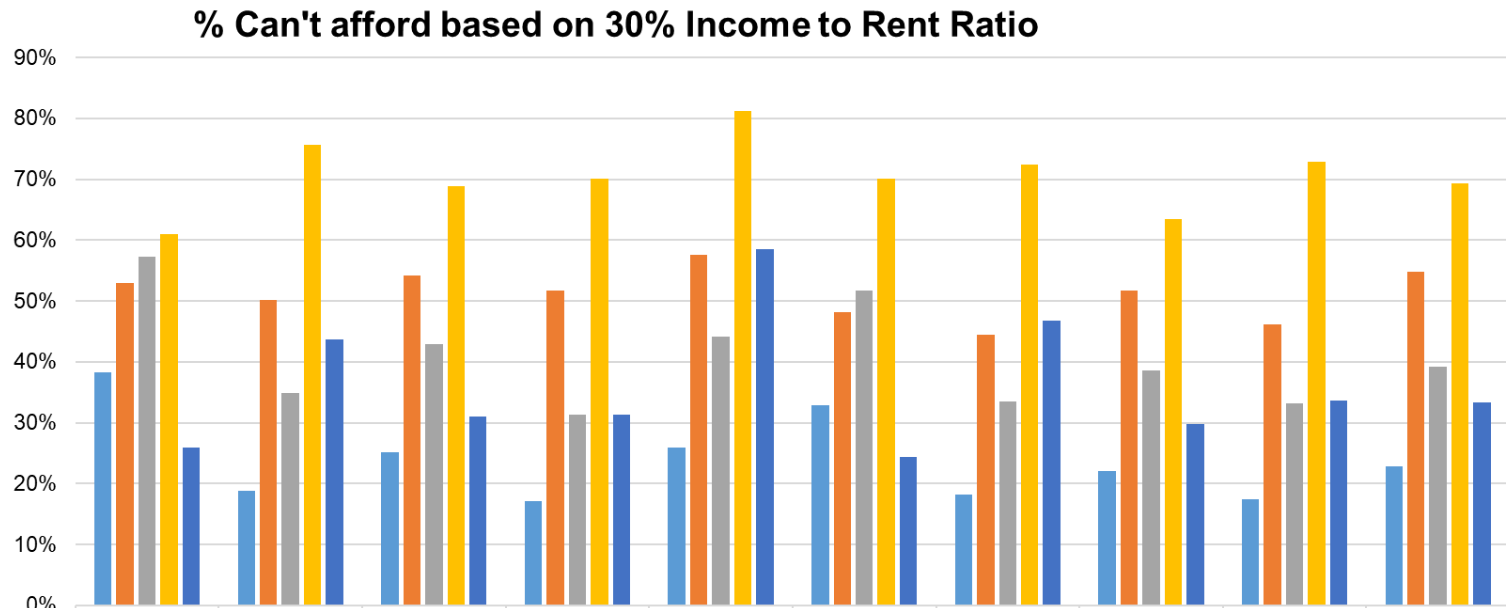


This analysis suggests that home ownership is therefore out with the reach of local households on lower incomes, which is challenging given the tenure dominance of home ownership in Argyll and Bute.

A more diverse range of rental tenures and new housing options is therefore likely to improve the ability of households to meet housing needs.

3.6 Housing Affordability Outcomes by Tenure

Graph 3.6 details the proportion of households per Housing Market Area who cannot afford each tenure when devoting 30% of their income to benchmark costs. RSL rents are affordable to 77% households across Argyll and Bute, with just 23% unable to afford rental costs without subsidy support, in comparison to 55% of households who cannot afford market rents.



	Bute	Coll & Tiree	Cowal	Helensburgh & Lomond	Islay, Jura, Colonsay	Kintyre	Lorn	Mid Argyll	Mull & Iona	Argyll & Bute
Argyll & Bute RSLs	38%	19%	25%	17%	26%	33%	18%	22%	17%	23%
Market Rents	53%	50%	54%	52%	58%	48%	44%	52%	46%	55%
MMR (100%) LHA	57%	35%	43%	31%	44%	52%	34%	39%	33%	39%
Average House Price	61%	76%	69%	70%	81%	70%	72%	63%	73%	69%
Lower Quartile House Price	26%	44%	31%	31%	59%	24%	47%	30%	34%	33%

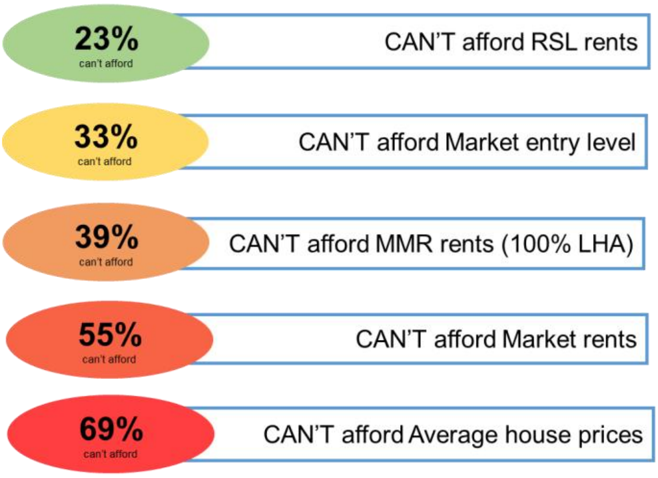
Graph 3.6: % households who CAN/CANNOT afford housing tenures by Housing Market Area

The analysis of Mid-Market rental values is interesting, as in some areas, this tenure clearly improves PRS affordability outcomes. Whilst 55% of households can't afford PRS rents across Argyll and Bute, this drops to 39% if MMR rents are set using the Local Housing Allowance, an improvement in affordability for 16% of households.

However, this pattern is not consistent across all Housing Market Areas, and whilst MMR significantly improves affordability outcomes for households in Coll & Tiree (15%), Cowal (11%), Helensburgh & Lomond (20%), Islay, Jura, & Colonsay (14%), Lorn (11%), Mid Argyll and Mull & Iona (13%). MMR actually worsens affordability in the Bute and Kintyre areas given the comparatively lower value of market rents.

Across Argyll and Bute, 69% of households cannot meet the average cost of purchasing a home in the private housing market. This is challenging given the dominance of home ownership as a housing tenure and will undoubtedly restrict the range of accessible housing options available to those in housing need. This is true for all HMAs in Argyll and Bute, where the proportion of households who can't afford the average house price range from 61% in Bute to 81% in Islay, Jura & Colonsay.

In summary, the outcomes of housing affordability modelling across Argyll and Bute show that:



Argyll & Bute Housing Affordability Outcomes

- Without subsidy, 62-83% of households can afford social renting in Argyll & Bute HMAs
- To afford social housing, households must earn at least £19,567, just below lower quartile incomes at £20,797
- Households require to earn £41,373 to afford the average cost of market rents, with 45% able to afford
- Households require to earn £55,709 to afford the average house price (£209,728) with just 31% able to afford
- 33% can't afford to access market entry level housing, ranging from 59% in the Islay, Jura, & Colonsay HMA, to 24% in Kintyre

3.7 Key Findings: Argyll and Bute Housing Affordability Analysis

Average monthly Argyll and Bute RSL rents range from £418.01 for a 1-bedroom property to £612.07 for a 4-bedroom property. Overall, average monthly RSL rents (£489) are considerably less than the Local Housing Allowance rate for Argyll and Bute (the rate for which subsidy levels are set for the private rented sector). Set at £734 per month in Argyll and Bute, the Local Housing Allowance rate is 50% higher than Argyll and Bute RSL rent levels.

The average market rent in Argyll and Bute is £1,034 per month. Across Argyll and Bute, market rents are 111% higher than RSL rents. Furthermore, average market rents exceed local housing allowance rates in most HMAs, ranging from 27% higher in Cowal and Lorn and 57% higher in Helensburgh & Lomond, to 7% lower in Kintyre and 9% lower in Bute. For those relying on welfare subsidies to meet housing costs, this extent of shortfall is highly likely to make the costs of private renting very challenging for lower income households who have limited housing options available to them.

The median income in Argyll and Bute is £37,287, which is 6% lower than the median income for Scotland at £39,386. Equally, the lower quartile income for households living in Argyll and Bute is £20,797, again lower than is the case for Scotland (at £21,721). In Argyll and Bute, 24% of households earn less than <£20K per annum. There is clear evidence of income inequality between the HMAs with 55% earning £40K+ in Helensburgh & Lomond, compared to Bute with only 29% of households earning at this level.

To afford average market rents in Argyll and Bute, a household would need to earn £41,373. Overall, 45% of all households in Argyll and Bute earn up to this value and findings suggest that 55% of all households are unable to afford the average market rents at a 30% income to rent ratio.

Whilst 55% of households can't afford PRS rents across Argyll and Bute, this drops to 39% if MMR rents are set using the Local Housing Allowance, an improvement in affordability for 16% of households. However, at a local level, whilst MMR significantly improves affordability for 20% households in Helensburgh & Lomond to 11% in Cowal and Lorn, it worsens affordability in Bute and Kintyre.

The need for a wider range of intermediate tenures is also worth considering in relation to the proportion of households in Argyll and Bute who cannot meet the average cost of purchasing a home (69%). The lack of affordable market purchase opportunities is clearly challenging given the dominance of home ownership as a housing tenure in Argyll and Bute, which restricts the range of accessible housing options available to working households in housing need.

4 Assessing Housing Pressure and the impact on Working Households

Informed by housing affordability analysis, housing system pressure analysis, evidences where working households in housing need may face limiting housing options across Argyll and Bute. This analysis focuses on identifying signals of housing system pressure which may indicate the need for housing interventions for younger, working age households, including:

- tenure balance by HMA and dwellings
- housing market operation including sale volumes, prices and containment/migration patterns
- housing stock, turnover and waiting list information from locally operating social landlords
- ratios of housing applicants to turnover
- the outcomes of the disaggregated housing affordability model
- homeless presentations and outcomes
- non-effective housing stock including empty homes, second homes and short term lets.

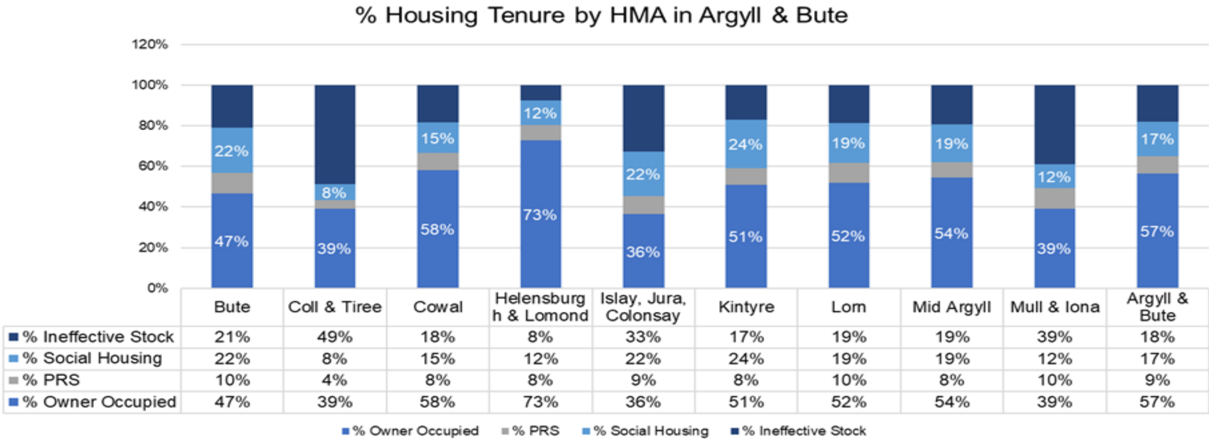
To produce a holistic assessment of housing market pressure across each HMA, a range of housing pressure indicators were developed and synthesised into an interactive data book and scoring model, producing a housing pressure dashboard for Argyll and Bute. The dashboard produces HMA level outcomes to determine evidence of housing system imbalances, where workforce housing delivery or planning policy interventions could be considered to relieve housing pressures. The interactive dashboard and summary slide-pack detailing this analysis can be accessed by clicking on the following links:

- Appendix D: Argyll and Bute Housing Pressures Dashboard
- Appendix E: Argyll and Bute Housing Pressures Briefing.

Chapter 4 details the evidence of each housing system pressure indicator.

4.1 Housing Tenure and Dwelling Pressures

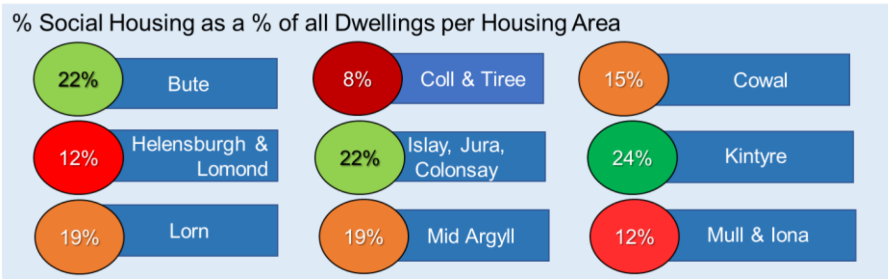
According to the Council Tax Register (at April 2025) there are 49,854 dwellings across the Argyll and Bute area. Graph 4.1 below shows that homeownership dominates the tenure profile across Argyll and Bute, providing 57% (28,189) homes, with 17% of all dwellings (8,484) offering social tenancies. The Private Rented Sector (PRS) provides the smallest proportion of housing options at 9%, accommodating 4,268 households in Argyll and Bute.



Graph 4.1: % of Housing Tenure by Housing Market Area

Graph 4.1 also highlights the diversity of housing options across the Argyll and Bute HMAs. More densely populated areas generally have higher proportions of social housing and PRS options. Alternatives to home ownership are particularly limited in Helensburgh & Lomond area where owner occupation accounts for 73% of all homes. The reverse is true in Bute which has the lowest proportion of home ownership across HMAs (47%) and a much higher proportion of rental tenures (43%).

Whilst the scale of the private rented sector ranges from 10% in Bute, Lorn, and Mull & Iona to 4% in Coll & Tiree; across Argyll and Bute the private rented sector is notably smaller (9%) than elsewhere in Scotland (13%, Census 2022).



The proportion of homes in the social housing sector varies across HMAs with Coll & Tiree and Mull & Iona HMAs offering the smallest proportion of affordable homes at 8% and 12% respectively. By contrast, Kintyre has the highest proportion of social housing stock at 24%.

Housing Market Area	Housing Tenure						
	% Owner Occupied	**% PRS**	**% Social Housing**	**% Ineffective Stock**	**Rank % PRS**	**Rank % Social Housing**	**Rank % Ineffective Stock**
Bute	47%	10%	22%	21%	1	2	6
Coll & Tiree	39%	4%	8%	49%	9	9	9
Cowal	58%	8%	15%	18%	5	6	3
Helensburgh & Lomond	73%	8%	12%	8%	7	7	1
Islay, Jura, Colonsay	36%	9%	22%	33%	4	3	7
Kintyre	51%	8%	24%	17%	6	1	2
Lorn	52%	10%	19%	19%	3	4	4
Mid Argyll	54%	8%	19%	19%	8	5	5
Mull & Iona	39%	10%	12%	39%	2	8	8
Argyll & Bute	57%	9%	17%	18%			

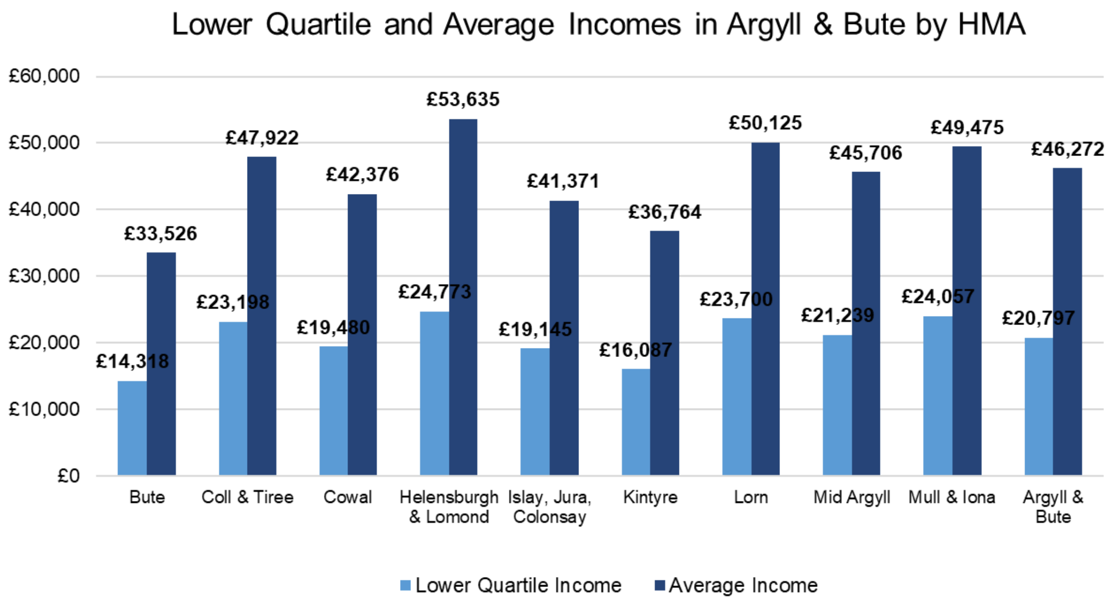
Ineffective housing stock (including second homes, empty homes and short term lets) is substantial in Coll & Tiree at a notable 49%. This therefore reduces the availability of principal homes to local households, with all housing options significantly below the Argyll and Bute average including a 39% rate of owner occupation and a social housing sector (8%) less than half the size of Argyll & Bute (17%).

The outcome of the scoring dashboard for housing tenure and dwelling pressures across Argyll and Bute identifies that for those households on lower incomes who cannot afford homeownership, there are limited accessible housing options in island communities, largely because of non-effective housing stock. This is particularly pronounced in Coll & Tiree, which score top marks for housing pressure (9) of all HMAs when considering the size of the PRS and social housing sectors, plus the proportion of homes deemed to be ineffective housing stock.

4.2 Household Income Pressures

Analysis of CACI Paycheck data, which provides a profile of annual household incomes across Argyll and Bute, was performed to determine the extent to which households may be able to meet housing needs independently in the Argyll & Bute housing system. Across Argyll and Bute, the average annual income in 2025 was £46,272, which is 5% below the average income for Scotland (at £48,657). Average incomes across Argyll and Bute range from £53,635 (10% above average) in Helensburgh & Lomond to £33,526 (31% below average) in Bute.

Graph 4.2 below shows income benchmarks for annual average and lower quartile incomes across Argyll and Bute Housing Market Areas. Annual average incomes vary considerably across each area with lowest average incomes evident in Bute (£33,526) followed by Kintyre (£36,764). The highest average income in HMAs is to be found in Helensburgh & Lomond at £53,635.



Graph 4.2: 2025 Average and Lower Quartile Household Income by HMA (CACI PayCheck)

Lower quartile incomes also vary and follow similar patterns across HMAs, ranging from just £14,318 in Bute, and peaking at £24,773 per annum in Helensburgh & Lomond.

Housing Market Area	Income Profiles			
	Lower Quartile Income	**Rank**	**Average Income**	**Rank**
Bute	£14,318	9	£33,526	9
Coll & Tiree	£23,198	4	£47,922	4
Cowal	£19,480	6	£42,376	6
Helensburgh & Lomond	£24,773	1	£53,635	1
Islay, Jura, Colonsay	£19,145	7	£41,371	7
Kintyre	£16,087	8	£36,764	8
Lorn	£23,700	3	£50,125	2
Mid Argyll	£21,239	5	£45,706	5
Mull & Iona	£24,057	2	£49,475	3
Argyll & Bute	£20,797		£46,272	

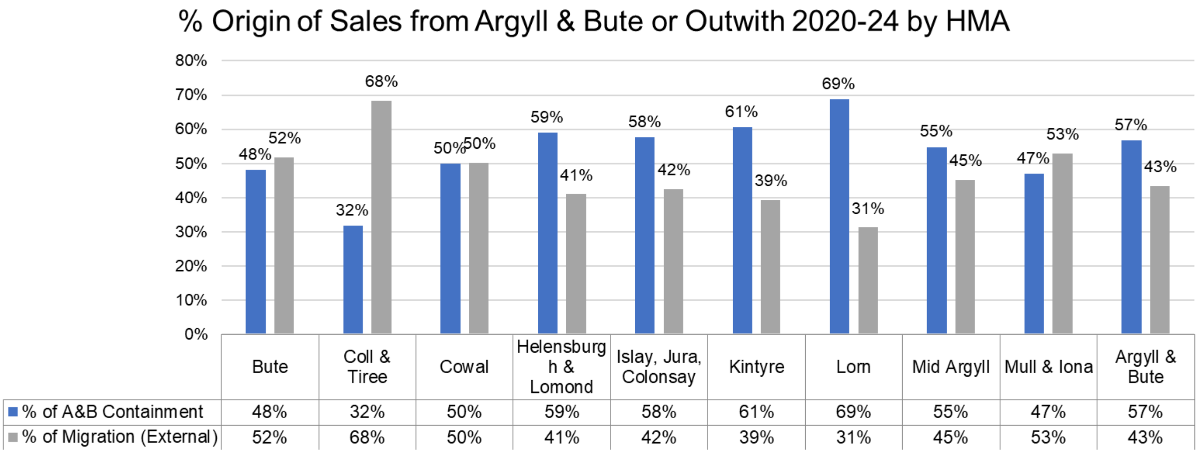
The outcome of the scoring dashboard for income pressure across HMAs identifies that Bute ranks the highest levels of pressures given the low value of household incomes. The Helensburgh & Lomond HMA has the lowest level of household income pressures given the compratively higher income levels.

Analysis of the scoring outcomes demonstrates that a larger proportion of households in the Bute HMA face limitations in accessing housing options as a direct result of low annual incomes.

4.3 Housing Market Pressures

Housing market pressures across Argyll and Bute can be measured by analysing the volume and turnover of house sales in each HMA as well as the extent of pressure associated with in-migration into the housing market. Between 2020-2024, there was on average 2,551 house sales completed each year across Argyll and Bute overall, providing a market turnover rate of 9%.

At an overall level, containment (i.e. the number of sales made to local households) is higher than in-ward migration with 57% of sales made to Argyll & Bute residents and 43% of transactions made to households out with the area. However, looking individually at Housing Market Areas portrays important differences. Graph 4.3 below illustrates significant diversity in the level of market containment across each housing area. The area with the highest number of sales made to local households is Lorn at 69%, followed by Kintyre at (61%). In contrast, containment is lowest in Coll & Tiree with only 32% of sales made to people currently living in the area.



Graph 4.3: Housing Market Profile % Containment and Migration in Argyll and Bute

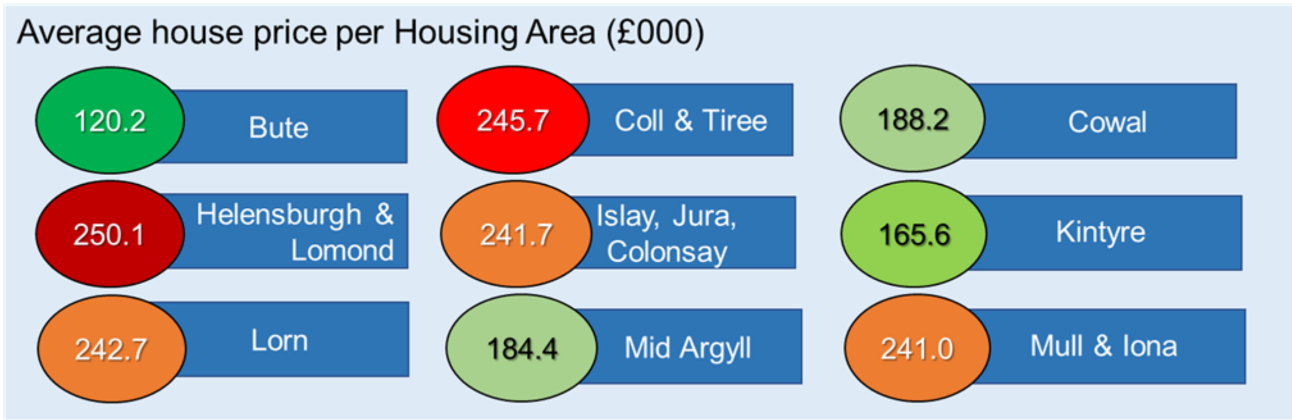
Using the scoring dashboard, housing market pressure outcomes were ranked for house sale turnover and market containment levels for each area.

Housing Market Area	Housing Market Profile			Housing Market Profile			
	Volume of House Sales	**Turnover of house sales (%)**	**Rank**	**% of A&B Containment**	**Rank**	**% of Migration (External)**	**Rank**
Bute	241	12%	3	48%	7	52%	7
Coll & Tiree	37	13%	1	32%	9	68%	9
Cowal	508	10%	4	50%	6	50%	6
Helensburgh & Lomond	647	7%	9	59%	3	41%	3
Islay, Jura, Colonsay	74	9%	8	58%	4	42%	4
Kintyre	206	10%	6	61%	2	39%	2
Lorn	463	10%	5	69%	1	31%	1
Mid Argyll	277	9%	7	55%	5	45%	5
Mull & Iona	100	13%	2	47%	8	53%	8
Argyll & Bute	2551	9%		57%		43%	

Whilst Helensburgh & Lomond recorded the lowest ranking turnover rate (7%), housing market pressures may be reduced due to higher levels of containment, with 59% of purchases made to households already living within the area. The inverse is true for Coll & Tiree, which ranked bottom for turnover rate and top for inward migration, indicating potential pressure arising demand from out with the area.

The final indicator to consider when assessing market pressures across housing areas is average house prices. Using transactions data from the Registers of Scotland, the average house price across Argyll & Bute over the last four years (2020/21-2023/24) was £209.7k, below the Scottish average price for the same time frame at (£212.6k).

Average house prices vary considerably when comparing each Housing Market Area, a key indicator of unmet housing need and housing system pressure:

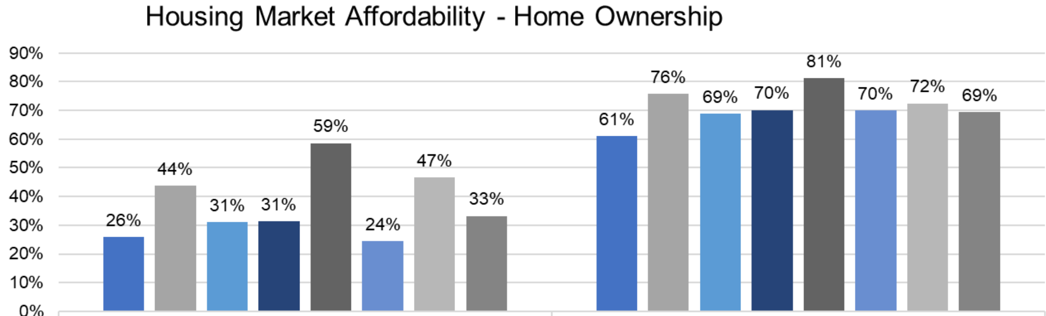


Bute has the lowest average price at £120.2k, which is 52% lower than the highest average house price in Helensburgh & Lomond at £250.1k. However, it is worth noting that higher average house prices in Helensburgh & Lomond do not make it the least affordable area, as incomes in this area are also considerably higher than the average. More detailed analysis of housing affordability dynamics outlined in Section 4.4 below.

4.4 Housing Affordability Pressures

To understand the extent to which housing affordability pressures may enable or limit access to the housing market in each area, analysis was undertaken of the proportion of households who can afford lower quartile house prices (market entry housing), as well as average house prices, at a 30% income to rent ratio.

Across Argyll and Bute, 33% of households cannot afford market entry housing and 69% cannot afford average house prices. Graph 1.4 below highlights variations across housing areas, with Islay, Jura & Colonsay HMA having the highest proportion of households who cannot afford market entry housing at 59%, followed by the Lorn HMA at 47%.



	% Households who cannot afford LQ Price (30%)	% Households who cannot afford Average Price (30%)
Bute	26%	61%
Coll & Tiree	44%	76%
Cowal	31%	69%
Helensburgh & Lomond	31%	70%
Islay, Jura, Colonsay	59%	81%
Kintyre	24%	70%
Lorn	47%	72%
Argyll & Bute	33%	69%

Graph 4.4: % Housing Market Affordability Home Ownership

Lower quartile house prices range from £55,000 in Bute to £149,000 in Islay, Jura & Colonsay. Using the scoring dashboard, housing affordability pressures were ranked for each area based on house price to income ratios and housing affordability benchmarks using a 30% income to rent ratio. Islay, Jura & Colonsay has the highest affordability pressures with 59% of households unable to afford market entry house prices. Kintyre households face lower affordability pressures at market entry, with 24% of households unable to afford. Bute is similarly low at 26%, with 31% of households in Cowal and Helensburgh & Lomond unable to afford.

For average house price affordability, Islay, Jura & Colonsay has the highest affordability pressure at 81% unable to afford. Coll & Tiree is ranked second worst at 76%, slightly higher than Mull & Iona and Lorn, at 73% and 72%, respectively.

Further analysis of house price to income ratios provides more detailed understanding of barriers to housing market access in each area. Using the Scottish Government's methodology to test market entry (benchmarking lower quartile incomes to lower quartile house prices), reveals that households must spend almost 8 times their income to purchase a home on average in Islay, Jura & Colonsay area. This is well in excess of the typical 3.2 X's multiplier used for mortgage purposes. Overall, in Argyll and Bute, households must spend over 4.6 times lower quartile incomes to reach market entry point, rendering it largely inaccessible to those on limited household incomes.

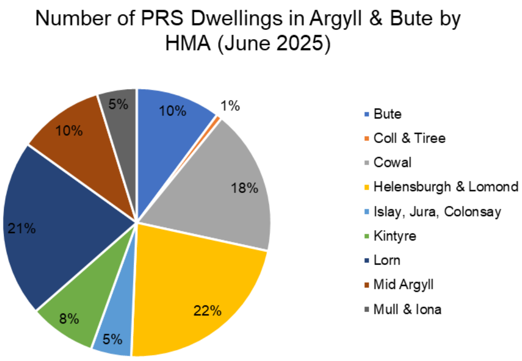
Housing Market Area	Housing Market Access & Affordability				Housing Market Access & Affordability			
	Ratio: LQ House Price to LQ Income	Rank	Ratio: Average House Price to Average Income	Rank	% who can't afford LQ house price (30%)	Rank	% who cannot afford Average house price (30%)	Rank
Bute	3.84	2	3.59	1	26%	2	61%	1
Coll & Tiree	5.73	7	5.13	8	44%	7	76%	8
Cowal	4.36	4	4.44	3	31%	4	69%	3
Helensburgh & Lomond	4.47	5	4.66	5	31%	5	70%	5
Islay, Jura, Colonsay	7.78	9	5.84	9	59%	9	81%	9
Kintyre	3.70	1	4.51	4	24%	1	70%	4
Lorn	6.22	8	4.84	6	47%	8	72%	6
Mid Argyll	4.24	3	4.03	2	30%	3	63%	2
Mull & Iona	4.65	6	4.87	7	34%	6	73%	7
Argyll & Bute	4.62		4.53		33%		69%	

Bute experiences lower levels of pressure both in terms of market access and housing affordability than other HMAs, despite lower than average household incomes in this area, as a result of below average housing costs. In contrast, the analysis suggests that Islay, Jura & Colonsay experience the greatest pressures in relation to both market affordability and access. Households in these areas are therefore likely to be spending higher proportions of their income to meet housing costs.

4.5 Private Rented Sector Pressures

Private rented sector housing can frequently be the default tenure for working households who cannot afford to access home ownership, but who also do not have eligibility to access social housing. Dashboard analysis reveals that the proportion of PRS stock varies in each HMA and PRS rental values also vary considerably on an area basis.

There are 4,268 private rented dwellings in Argyll and Bute accounting for 9% of properties. The PRS in Argyll & Bute is therefore notably smaller than is the case for Scotland at 13.2%. This ranges from 10% of all properties in Bute, Lorn and Mull & Iona, to 4% of properties in Coll & Tiree.



The average Local Housing Allowance rate (£734.23) is £300.09 lower than average market rent, which creates a sizable shortfall for households reliant on welfare benefits to meet their housing costs. However, there is significant variation across HMAs.

Average PRS rents are higher than the LHA rate in most HMAs with exception of Bute and Kintyre. The largest subsidy shortfall (£420.45 per month) is evident in the Helensburgh & Lomond HMA. The greatest surplus (£66.06 per month) in terms of the margin between the LHA rate and PRS rents can be found in Bute HMA which has the lowest market rents in Argyll & Bute (£668.17).

Area	LHA Rate	Ave PRS Rents	LHA/PRS Margin
Bute	£ 734.23	£ 668.17	£ 66.06
Coll & Tiree	£ 734.23	£ 1,009.34	-£ 275.12
Cowal	£ 734.23	£ 928.96	-£ 194.73
Helensburgh & Lomond	£ 734.23	£ 1,154.68	-£ 420.45
Islay, Jura, Colonsay	£ 734.23	£ 971.08	-£ 236.85
Kintyre	£ 734.23	£ 679.86	£ 54.37
Lorn	£ 734.23	£ 934.26	-£ 200.03
Mid Argyll	£ 734.23	£ 970.50	-£ 236.27
Mull & Iona	£ 734.23	£ 966.62	-£ 232.39
Argyll & Bute	£ 734.23	£ 1,034.32	-£ 300.09

Table 4.1: Margin between PRS average rent values and the Local Housing Allowance rate by Area

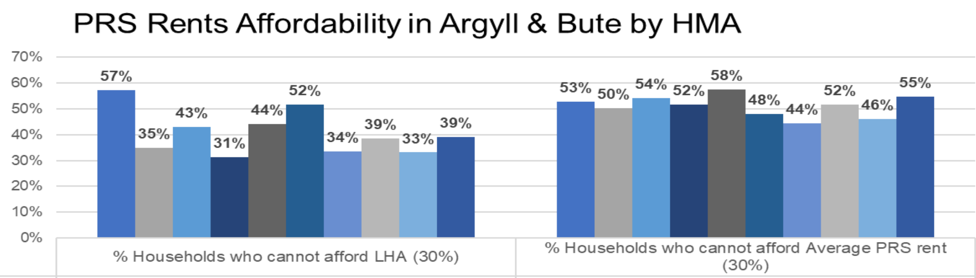
Housing affordability in the private rented sector is assessed by testing a range of income to rent ratios (the proportion of household income to be devoted to housing costs) to assess the risks associated with housing induced poverty. At a 30% income to rent ratio, across Argyll and Bute, 55% of households cannot afford the costs of market rents. Graph 4.5 below shows PRS rental affordability using both the LHA rate and the average PRS rental value in each HMA.

Bute has the largest proportion of households who cannot afford average rents at the LHA rate unless subsidy is provided (57%). In contrast, just 31% of households are unable to afford at the LHA rate in Helensburgh & Lomond HMA.

Graph 4.5 PRS Market Rent Affordability in Housing Market Areas

Differing affordability pressures are evident when analysing the affordability of average PRS rents across HMAs, ranging from 58% who cannot afford in the Islay, Jura, Colonsay HMA to 44% in Lorn. PRS affordability pressures were ranked for each HMA in terms of (i) average PRS rental values, (ii) households who cannot afford the Local Housing Allowance rate and (iii) households who cannot afford average market rents at a 30% income to rent ratio.

PRS Market Rents Affordability							
Housing Market Area	Average PRS Rents	Rank	Housing Market Area	% Households who cannot afford LHA (30%)	Rank	% Households who cannot afford Average PRS rent (30%)	Rank
Bute	£668	1	Bute	57%	9	53%	7
Coll & Tiree	£1,009	8	Coll & Tiree	35%	4	50%	4
Cowal	£929	3	Cowal	43%	6	54%	8
Helensburgh & Lomond	£1,155	9	Helensburgh & Lomond	31%	1	52%	5
Islay, Jura, Colonsay	£971	7	Islay, Jura, Colonsay	44%	7	58%	9
Kintyre	£680	2	Kintyre	52%	8	48%	3
Lorn	£934	4	Lorn	34%	3	44%	1
Mid Argyll	£971	6	Mid Argyll	39%	5	52%	6
Mull & Iona	£967	5	Mull & Iona	33%	2	46%	2
Argyll & Bute	£1,034		Argyll & Bute	39%		55%	



	% Households who cannot afford LHA (30%)	% Households who cannot afford Average PRS rent (30%)
Bute	57%	53%
Coll & Tiree	35%	50%
Cowal	43%	54%
Helensburgh & Lomond	31%	52%
Islay, Jura, Colonsay	44%	58%
Kintyre	52%	48%
Lorn	34%	44%
Mid Argyll	39%	52%
Mull & Iona	33%	46%
Argyll & Bute	39%	55%

Despite having the lowest market rents across HMAs, Bute HMA experiences the third highest PRS affordability pressures, with 47% of households able to afford the market rent benchmarks. This is likely to be driven by the low value of local incomes in Bute, not the high value of rents. Islay, Jura, Colonsay HMA experiences the highest affordability pressures in relation to market rents, with lower income levels combined with comparatively higher rental values.

4.6 Social Housing Pressures

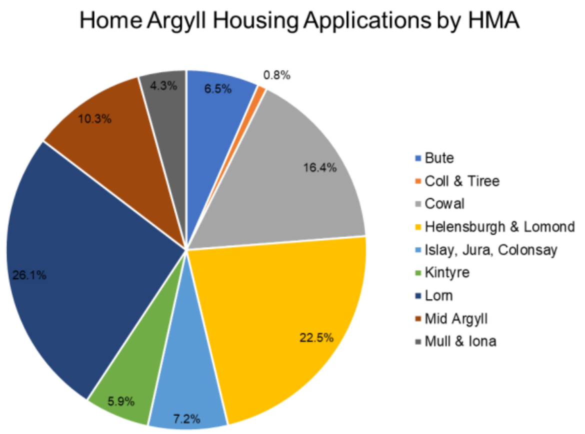
Analysis of social housing pressures across Argyll & Bute HMAs considers stock availability, demand, as well as the turnover of properties. There are 8,484 homes in the social rented sector in Argyll and Bute, accounting for 17% of dwellings. This is below the national average at 22% (Census 2022).

Table 4.2 details the concentration of social housing stock as a housing tenure, ranging from 21% in Lorn to just 1% in Coll & Tiree.

Social Housing Stock	Total RSL dwellings	Total % of Social Housing Stock	Total Dwellings (CTR)	Social Housing Dwellings % of all Homes
Bute	961	11.3%	4312	22.3%
Coll & Tiree	58	0.7%	721	8.0%
Cowal	1317	15.5%	8855	14.9%
Helensburgh & Lomond	1499	17.7%	12442	12.0%
Islay, Jura, Colonsay	523	6.2%	2355	22.2%
Kintyre	1014	12.0%	4192	24.2%
Lorn	1779	21.0%	9139	19.5%
Mid Argyll	1090	12.8%	5806	18.8%
Mull & Iona	243	2.9%	2032	12.0%
Argyll & Bute	8484	100.0%	49854	17.0%

Table 4.2: Social Housing Stock Profile by Council and RSL dwellings

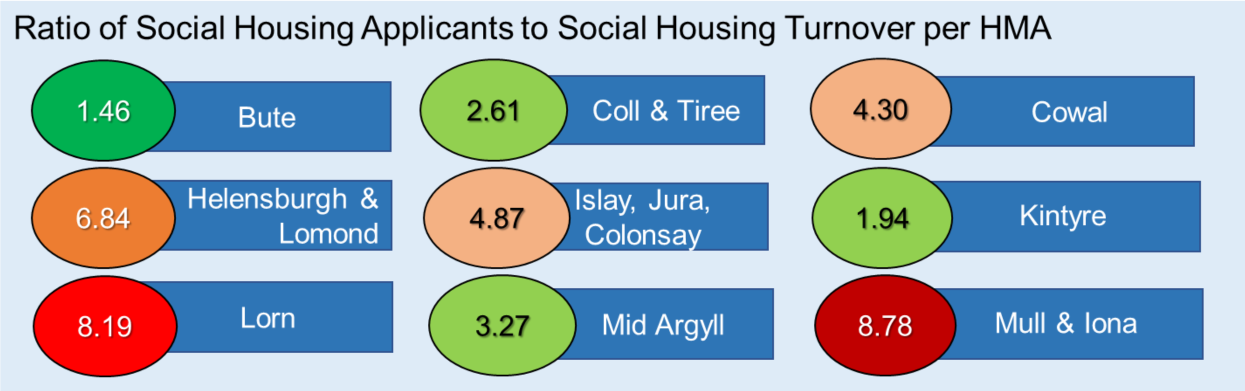
As of June 2025, the HomeArgyll housing list reveals that 2,855 applicants have expressed demand for social housing across Argyll & Bute. Graph 4.6 shows that Lorn (26%) accounts for just over a quarter of all applicants, with lowest expressed demand in Coll & Tiree, at under 1%.



In comparative terms, the turnover of social housing to meet expressed demand is relatively low. In 2024/25[3], 663 tenancies became available for letting which accounts for 8% of the total social housing stock in Argyll and Bute per annum.

Using data on the number of Home Argyll applicants relative to annual turnover, the ratio of applicants to available social tenancies can be calculated as follows:

[3] 3-year average re-let figures were not truly representative of normal trends in Argyll & Bute, due to a spike in affordable housing completions which skewed the averages. This analysis therefore utilises a snapshot of the year 2024/25, as this is considered to be more reflective of future trends.

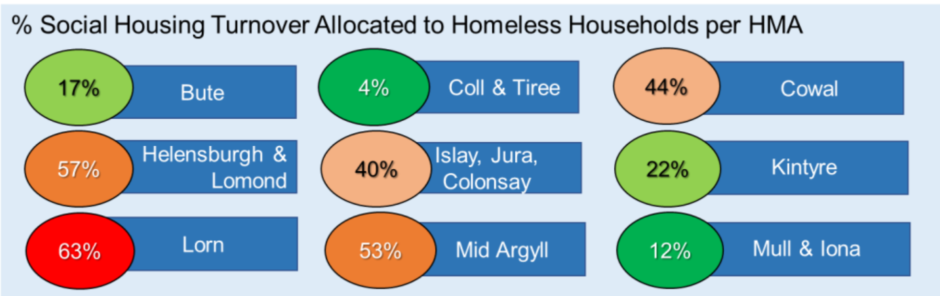


Across Argyll & Bute, there are 4.31 applicants for every available social tenancy. Pressure ratios across HMAs range from 8.78 applicants per let in Mull & Iona to 1.46 applicants per let in Bute.

Social housing demand pressures vary substantially from eight applicants waiting for every available tenancy in Lorn and Mull & Iona, to a balanced 1:1 ratio in Bute and Kintyre. Helensburgh & Lomond also experiences notable social housing pressure with 6 applicants waiting for every tenancy.

4.7 Homelessness Pressures

Analysis of the extent of pressure placed on social housing as a result of homelessness was also assessed. On average, over the last 3 years (2022/23 to 2024/25), 509 homeless households presented for assistance in Argyll and Bute under the homeless legislation. Most households who presented as homeless were located in the Cowal and Lorn HMAs at 22%, followed by 21% in Helensburgh & Lomond HMA. The percentage of social housing tenancies allocated to homeless households illustrates the extent of homelessness pressures across Argyll & Bute HMAs relative to other groups in housing need. Of the closed cases in Argyll and Bute, an annual average of 268 (88% of all households assessed as homeless) achieved a housing outcome in the social housing sector.



Across Argyll & Bute, the proportion of lets allocated to homeless households, on average, was 40% annually. The lowest percentage of lets to homeless households was evident in Coll & Tiree at (4%) followed by Mull & Iona at 12%. The highest proportion of available social tenancies let to homeless households was evident in the Lorn HMA at 63%, followed by Helensburgh & Lomond (57%) and Mid Argyll (53%).

4.8 Empty Homes and Ineffective Stock Pressures

Analysis of the ineffective housing stock in Argyll and Bute includes empty (unoccupied exemptions and long-term empty homes), short term lets and second homes property types. Ineffective housing stock in Argyll & Bute accounts for 8,913 properties, accounting for 18% of all homes.

Table 4.3 shows the extent of ineffective stock across Argyll & Bute HMAs. The highest level of ineffective stock is to be found in Coll & Tiree where one in two properties is not used as a principal home (49%), whilst the lowest proportion is found in Helensburgh & Lomond at 8%.

	Bute	Coll & Tiree	Cowal	Helensburgh & Lomond	Islay, Jura, Colonsay	Kintyre	Lorn	Mid Argyll	Mull & Iona	Argyll & Bute
Empty Homes - Unoccupied Exemptions	131	13	340	166	48	115	186	143	45	1187
Exempt and Empty Homes	132	26	182	183	34	127	115	80	31	910
Long-term Empty Homes	107	30	233	147	141	126	211	160	107	1262
Total Second Homes	397	185	501	142	262	176	376	385	181	2605
Total Short Term Lets	139	97	374	307	282	162	817	345	426	2949
Total ineffective housing stock	906	351	1630	945	767	706	1705	1113	790	8913
% Unoccupied Exemptions	3%	2%	4%	1%	2%	3%	2%	2%	2%	2%
% Long-term Empty	2%	4%	3%	1%	6%	3%	2%	3%	5%	3%
% Second Homes	9%	26%	6%	1%	11%	4%	4%	7%	9%	5%
% Short term lets	3%	13%	4%	2%	12%	4%	9%	6%	21%	6%
% Ineffective stock	21%	49%	18%	8%	33%	17%	19%	19%	39%	18%

Table 4.3: Ineffective Housing Stock by Area

Unoccupied exemptions for empty homes typically provide a snapshot of properties which are empty on a temporary basis, often as a result of a change in ownership or due to major building works. As it is likely unoccupied exemptions will return to the residential housing stock, if these dwellings are discounted from the calculation, the proportion of homes which are ineffective drops to 15% (7,726 dwellings).

Second homes and short term lets in Coll & Tiree account for 39% of all homes in the area. This is over three times higher than the average proportion (11%) found across Argyll & Bute. In contrast, just 3% of properties in the Helensburgh & Lomond HMA are second homes and short-term lets.

Housing Market Area	Ineffective Stock							
	% Second homes	**Rank**	**% Short-term lets**	**Rank**	**% Long-term empty**	**Rank**	**% Ineffective stock**	**Rank**
Bute	9%	7	3%	2	2%	3	21%	6
Coll & Tiree	26%	9	13%	8	4%	7	49%	9
Cowal	6%	4	4%	4	3%	4	18%	3
Helensburgh & Lomond	1%	1	2%	1	1%	1	8%	1
Islay, Jura, Colonsay	11%	8	12%	7	6%	9	33%	7
Kintyre	4%	3	4%	3	3%	6	17%	2
Lorn	4%	2	9%	6	2%	2	19%	4
Mid Argyll	7%	5	6%	5	3%	5	19%	5
Mull & Iona	9%	6	21%	9	5%	8	39%	8
Argyll & Bute	5%		6%		3%		18%	

The overall highest ranking HMA for second homes is Coll & Tiree where 26% of dwellings are second homes, followed by Islay, Jura & Colonsay at 11%. For short term lets, Mull & Iona HMA has the highest ranking at 21%, followed by Coll & Tiree at 13%. The highest ranking for long term empty properties is found in Islay, Jura & Colonsay at 6%, followed closely by Mull & Iona (5%).

Overall, the highest ranking HMA for ineffective stock is Coll & Tiree HMA (43%) where 26% of dwellings are second homes, 13% short term lets and 4% long term empty. In contrast, Helensburgh & Lomond has the lowest proportion of ineffective housing stock with 1% second homes, 2% short term lets and 1% long term empty properties.

Whilst the high proportion of ineffective stock in Coll & Tiree has been evidenced, this HMA is not facing the highest overall housing pressures across a range of pressure indicators. Conversely, the low levels of ineffective stock in Helensburgh & Lomond are not an indication of the overall pressures the area faces. It is undoubtable however, that ineffective housing stock reduces the availability of principal homes for working households driving workforce housing shortage.

4.9 Overall Housing Pressures by Housing Market Area

The housing pressures dashboard has been assembled to profile and align a range of indicators in each HMA to demonstrate whether housing system imbalances and pressures are evident. Assembling a range of indicators from market operation, to poor housing affordability, to unmet need for social housing; allows evidence of the extent and nature of housing system pressures across HMAs to be considered on a comparative basis. To achieve a scorecard assessment of housing pressure by HMA, seven dashboard indicators were selected, with weightings applied to the indicators seen as the greatest drivers of housing pressure. The housing pressure indicators selected were as follows:

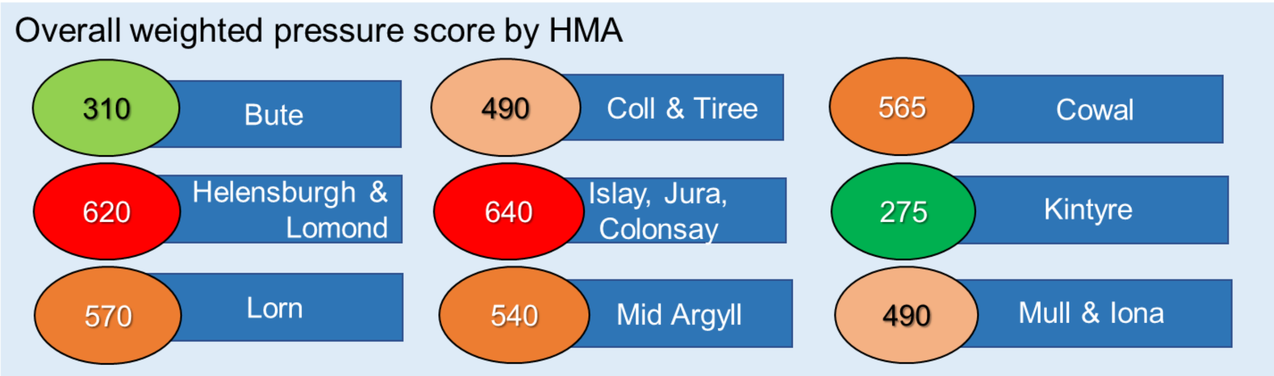
1. social housing as a % of all dwellings
2. ratio of social housing waiting list applicants to available lets
3. % of total ineffective housing stock
4. % PRS homes
5. % who cannot afford PRS
6. % who cannot afford market entry house prices
7. % turnover to homeless outcomes

A maximum weight of 20 was applied to the ratio of waiting list applicants to available lets, % who cannot afford PRS, and % turnover to homeless outcomes as these indicators were considered to offer the most direct measures of housing pressure. Indicator 6 received a weighting of 15 to reflect housing affordability barriers, with social housing as a % of all dwellings and % PRS homes set at 10, and % of total ineffective housing stock set at 5.

For each indicator, dashboard rankings were used to score pressure on a scale of 1 to 9, with 9 suggesting high pressure and a score of 1, low pressure. Without applying a weighting, overall housing market pressure is ranked the highest in Islay, Jura, Colonsay HMA, scoring a total of 43 points; followed by Helensburgh & Lomond with 40 points. Without weighting, Kintyre ranks as experiencing the lowest level of housing pressure with a score of just 19.

			Bute	Coll & Tiree	Cowal	Helensburgh & Lomond	Islay, Jura, Colonsay	Kintyre	Lorn	Mid Argyll	Mull & Iona
		Weighting	**Mark**	**Mark**	**Mark**	**Mark**	**Mark**	**Mark**	**Mark**	**Mark**	**Mark**
1	Social Housing as % all Dwellings	**10**	2	9	6	7	3	1	4	5	8
2	ratio of waiting list applicants to available lets	**20**	1	3	5	7	6	2	8	4	9
3	% of total ineffective housing stock	**5**	6	9	3	1	7	2	4	5	8
4	% PRS homes	**10**	1	9	5	7	4	6	3	8	2
5	% who cannot afford PRS	**20**	7	4	8	5	9	3	1	6	2
6	% who cannot afford market entry house prices	**15**	2	7	4	5	9	1	8	3	6
7	% turnover to homeless outcomes	**20**	3	1	6	8	5	4	9	7	2
	TOTAL		22	42	37	40	43	19	37	38	37

However, with pressure weightings applied to reflect the main barriers to meeting housing need, weighted housing pressure scores are shown as follows:



Final weighted housing pressures analysis reveals that Islay, Jura & Colonsay is the most pressured Housing Market Area in Argyll and Bute with a score of 640, followed by the Helensburgh & Lomond HMA with a score of 620 and Lorn with a score of 570. In Islay, Jura & Colonsay, the scale of housing demand and affordability of local housing options fuel housing pressure, driven by:

- high levels of ineffective housing stock (33%)
- highest proportion of households (58%) who cannot afford the cost of private renting
- highest proportion of households that cannot afford entry level house prices (81%)

Kintyre is the Housing Market Area where least housing pressure is evident (lowest pressure score). This is driven by:

- lower levels of those who cannot afford PRS (48%)
- lower levels of those that cannot afford entry level house prices (24%)
- second lowest ratio of applicants to available lets (1.41).

Despite the clear impact of housing shortage on the operation of the housing system in Argyll & Bute, evidencing the relative housing pressure experienced in each Housing Market Area, not only signals where younger, working age households may struggle to meet their housing needs; it is also likely to signal where housing related recruitment and retention issues may be most challenging. Understanding relative housing pressure is both an important aspect of targeting workforce housing interventions to address depopulation, and to ensure that long-term housing supply plans are well aligned to future economic growth projects.

Housing pressure in Argyll & Bute is most acute in the Islay, Jura, Colonsay and Helensburgh & Lomond Housing Market Areas.

5 Primary Research Outcomes – Housing & Depopulation Survey

A key action point in the Housing Emergency Action Plan focused on improving understanding of the factors driving depopulation across Argyll and Bute. Stakeholder engagement in building the action plan identified the decline in younger and working-age households as a critical issue, with housing recognised as an influential factor in both outward and inward migration.

To achieve this, Argyll & Bute Council commissioned a Housing and Depopulation research survey to provide current and reliable insight into the extent to which housing availability, suitability, and affordability are contributing to younger households leaving the area and failing to return. Chapter 5 presents the research findings focusing specifically on understanding the role that limited housing options play in migration and depopulation trends. The market research commissioned was funded through the Scottish Government's Addressing Population Fund.

The primary research methodology aimed to directly engage with younger and working-age households, including both current and former residents of Argyll & Bute. This approach enables a balanced understanding of both the push and pull factors shaping migration patterns, alongside housing need, demand and affordability across Argyll and Bute. Arneil Johnston commissioned Research Resource (a professional market research agency) to deliver the depopulation survey, with fieldwork taking place between September and November 2025.

A full technical report detailing the survey methodology, sampling, questionnaire design and data accuracy is available in Appendix F: Argyll and Bute Depopulation Research Technical Report.

5.1 Primary Research Methodology

A non-probability methodology was adopted for this research, with the survey primarily delivered through an online approach. The survey link was shared widely via partner organisations and established networks, both within and out with Argyll and Bute in order to maximise engagement across the target population.

The online survey was supplemented by a targeted recontact exercise drawing on the wider Argyll and Bute Housing Need and Demand Assessment (HNDA) survey. Respondents to the HNDA survey who indicated that they knew someone who had left the area in the past 10 years to pursue employment or study opportunities, and who may consider returning under the right housing and employment conditions, were invited to participate. A total of 239 individuals had previously agreed to be recontacted. Where email details were available, online survey links were issued directly, and where only telephone contact details were provided, respondents were contacted, and the survey was administered by phone. This mixed-method approach helped to broaden participation and capture a wider range of perspectives.

The survey also specifically targeted younger, working-aged individuals, defined for the purposes of the research as those aged under 45 who are economically active or have the potential to be economically active. Initial screening questions were included to ensure respondents met these criteria, with follow-up questions tailored to explore their individual circumstances, experiences and future housing aspirations.

The questionnaire was developed in consultation with Argyll & Bute Council to ensure it fully met the information requirements of the study, and a final version was agreed following testing. Fieldwork was undertaken over an eight-week period, commencing on 25th September 2025 and concluding on 16th November 2025.

5.1.1 Questionnaire Design

The survey questionnaire was developed by Arneil Johnston in collaboration with Research Resource and Argyll & Bute Council to ensure it fully met information requirements and the research objectives of the study. Input from Research Resource ensured the questionnaire was practical to administer from an operational perspective with a clear structure, logical flow and user-friendly completion format.

A single survey questionnaire was developed and administered through both online and telephone approaches. The questionnaire was designed to explore motivations, intentions, and circumstances of younger, working age households with a connection to Argyll and Bute, including those considering returning to the area. It covered a range of key themes, including:

- previous connections to Argyll and Bute and reasons for leaving (where applicable)
- motivations and barriers to returning or moving within the area
- housing preferences, needs, and affordability constraints
- employment circumstances and requirements
- household composition and future intentions.

The aim of this research was to develop a robust understanding of the factors influencing working age population retention and return, with a particular focus on the role of housing in shaping these decisions. The survey findings therefore provide a detailed, place-based understanding of the challenges and opportunities associated with attracting and retaining working-age households in Argyll and Bute.

5.1.2 Sample Size and Data Confidence

The aim of the Argyll & Bute housing and depopulation survey was to engage directly with younger and working-age households to develop a clearer understanding of the factors influencing migration patterns, with a particular focus on the role of housing. The survey specifically targeted the views of those aged under 45 who are economically active, or who have the potential to be economically active. A target of 500 responses was set to ensure a strong and credible evidence base.

A total of 551 responses were received. Of these, 521 respondents met the screening criteria and progressed through the full questionnaire. The age profile of respondents was broadly aligned with the target group, with 12% aged 16-24, 33% aged 25-34 and 51% aged 35-44. A small proportion (5%) were aged 45 or over and were therefore excluded from survey reporting.

In terms of economic status, the majority of respondents were in employment, with 69% in full-time work and a further 17% in part-time employment. Smaller proportions were in education (6%), actively seeking work (5%), or looking after family (3%). Only one respondent indicated that they were unable to work long-term due to illness or disability and therefore did not meet the survey criteria. This profile indicates that the survey successfully captured the views of individuals who are, or could be, active participants in the Argyll & Bute labour market.

In terms of geography, 82% of respondents currently live in the area, while 9% previously lived in Argyll & Bute and would like to return. A further 5% previously lived in the area but do not wish to return, with 4% specifying no previous connection but an interest in moving to the area. Respondents were then asked a tailored set of questions based on their current circumstances, allowing for a more specific understanding of their experiences, intentions and housing-related needs.

5.2 2025 Depopulation Research Survey: Topline Results

The survey results provide valuable insight into the factors which contribute to depopulation in Argyll and Bute amongst younger and working-age households, including the role that housing plays in influencing decisions to remain, leave, or return to the area.

The headline findings for each sub sample are set out below:

5.3 Current Working Age Households Currently Living in Argyll and Bute

Across younger, working-age residents in Argyll & Bute (429), over two thirds (68%) are satisfied with their current housing circumstances. This compares to 94% of the wider Argyll & Bute population surveyed as part of the Housing Need & Demand research in 2025, and who stated they were satisfied with their current home. This evidences significantly lower housing satisfaction rates in younger, working-age households than the general household population in Argyll & Bute.

Satisfaction varies significantly by housing tenure with lower satisfaction rates in respondents that are privately renting (49%) or staying with family/friends (52%) compared to those that own their property outright (83%). This indicates that security of tenure is a key driver in housing satisfaction, with younger, working aged households less likely to have achieved long-term housing security.

Almost a third of younger, working-aged households are dissatisfied with their current housing circumstances. The key drivers of satisfaction include housing unsuitability issues including housing affordability (40%) and overcrowding (24%). However, limited housing choice and insecurity of tenure feature strongly as key drivers of dissatisfaction with 36%

attributing a lack of housing availability as a factor, 17% living in temporary housing including care of friends and family and 14% citing too many short-term as reducing supply.

There is a notable proportion of younger, working-age households who express a desire to move home (72%) with 43% stating they would like or need to move home in the next 1-2 years. This compares to just 13% of households in the general household population who state they would like or need to move. These finds suggest that younger, working aged households are seven times more likely to want to move house than the average Argyll & Bute household.

The majority of households (58%) looking to move would like to remain within Argyll & Bute. Around 1 in 5 respondents (19%) indicated that they are considering moving out with the area.

For those who wish to remain within Argyll and Bute, the most common reasons relate to existing ties, including staying close to family and friends (63%), remaining within their current community (59%) or for lifestyle reasons (35%). Among the smaller proportion of respondents considering moving out with Argyll and Bute (19%), the findings indicate that the most commonly cited reasons relate to accessing employment and education opportunities, closely followed by the impact of limited housing options as shown below:

29% Cannot pursue the further education or training I want

27% Cannot find suitable employment

25% Cannot afford to get on the property ladder in the area I want to live

Three quarters of younger, working age housholds looking to move in Argyll & Bute, would like to buy a house (75%), with lower proportions (14%) opting for rental tenures as their preference including 14% who would prefer social housing and 5% the private rented sector.

26% of respondents who want to move said that they would prefer to spend up to £499 per month on housing costs. At this expenditure level, the only tenure that could be afforded is social housing (£489 monthly cost).

In Argyll & Bute, to afford lower quartile house prices, a household would require to earn £25,500, which results in affordable monthly housing expenditure of £637.50. 54% of respondents who want to move would be willing to spend up to this level and could therefore afford lower quartile house prices in Argyll & Bute, if a deposit and access to mortgage finance could be achieved. In Argyll & Bute, to afford median house prices, a household would require to earn £43,430, which results in affordable monthly housing expenditure of £1,086. 11% of current residents said '£1000 or more' would be their prefered monthly outlay and could therefore afford median house prices in Argyll & Bute.

Whilst this analysis should the needs for effective housing options advice for low income working age households, one in two could secure access to the housing market, if entry level options could be made available to them (subject to an appropriate deposit being available)

The most popular measures to support younger, working aged people to remain in Argyll & Bute include a good supply of homes available to buy (61%), improving access to services, public transport and amenities (49%), and providing low-cost home ownership options (48%). Despite the stated preferences for home ownership, 37% stated that a good supply of homes in the private rented sector would be helpful in supporting them to remain in the area. Other popular forms of support to enable younger households to remain in Argyll & Bute include included financial assistance to help with accommodation costs (24%), as well as targeted measures such as housing allocation schemes for key or relocating workers (23%).

All younger, working age respondents living in Argyll & Bute, were asked to describe their perspective on housing availability in the area. Over 4 in 10 respondents (43%) said they were concerned about finding suitable housing options, 15% said housing was limited but available, and 2% said they hadn't started looking into housing. Just 3% felt optimistic about finding the right housing locally with 26% stating they did not require to move from their current housing.

Current residents were also asked if they had any general feedback on meeting housing need and demand in Argyll & Bute. Analysis of this open question suggests strong support for more affordable and accessible housing options, with easier routes to build, buy or renovate existing homes identified as popular interventions. In particular, respondents frequently referenced the prevalence of second and holiday homes as limiting the availability of housing for local people.

"We have a huge need for more affordable accommodation for workers in Argyll and Bute rather than tourists and holiday homeowners. Without locals, you can't provide services for tourists anyway"

There was also a strong emphasis on the need to improve existing housing stock, including support for upgrades, energy efficiency improvements and ensuring homes are suitable for families. Alongside this, respondents noted the importance of wider enabling factors, particularly the availability of quality local employment opportunities, to support people to remain living within the area. Wider improvements in infrastructure including improved roads, buses, ferries, broadband, schools, childcare facilities and everyday amenities; were also identified as key enablers in encouraging younger, working aged people to remain in the area.

Housing depopulation survey outcomes suggest that younger households are 50% less likely to be satisfied with their housing circumstances than the wider household population and seven times more likely to want to move home. These research findings evidence that younger, working aged households are less likely to have achieved settled and sustainable housing outcomes in Argyll & Bute than is the case more generally. This may in part explain the propensity of younger households to leave the area if suitable housing options cannot be sourced.

Overall, survey findings indicate that whilst the majority (72%) of current younger, working age residents would like or need to move home, most would prefer to remain within Argyll and Bute (58%), with strong community ties and proximity to family and friends acting as key motivations for staying.

Among those who are considering leaving the area (19%), the evidence suggests that this is commonly driven by the need to access employment and education opportunities, with housing an important secondary factor (1 in 4 can't get on the property ladder).

Home ownership is the housing tenure of choice with a good supply of homes in the open market (61%) and low-cost home ownership options (49%) identified as preferred options in supporting younger, working age households to remain in the area.

5.4 Former Residents who would like to move back to Argyll and Bute

The research methododlogy successfully identified a total of 47 younger, working age households who have previously lived in Argyll & Bute and indicated that they would like to return.

Three quarters of respondents left Argyll & Bute to pursue employment (43%) or further education (32%). Whilst a lower number (19%) stated that a lack of suitable housing was the main factor in their decision making to leave, more than half (53%) identified housing as a factor. Of these respondents (25), this was most likely to be because there was no suitable housing to buy (56%) or that they could not afford to get on the property ladder in the area they wanted to live (52%).

Notably, over 40% of respondents currently reside in relatively close proximity to Argyll & Bute, with over a quarter living in Glasgow City (26%), followed by Renfrewshire (11%) and Inverclyde (6%). In addition, the majority (40%) of respondents are currently living in the private rented sector.

There remains a clear intention among this group to return, with 44% indicating that they would like to move back to Argyll and Bute within the next 2 years. Among these, 60% are already actively looking at properties to buy online.

The key motivation for returning relates to social and community ties, including being closer to family and friends (70%), returning to the place I grew up (61%), or to give/receive support from family members (41%). Almost two thirds (63%) of respondents who wish to return expressed a preference for living in the owner-occupied sector, suggesting a desire to return to Argyll & Bute on a permanent, long-term basis.

Perspectives on housing availability

The majority of respondents (70%) expressed concerns about their ability to find a suitable housing option when asked about their perspectives on housing avaliability in Argyll & Bute. Respondents identified a number of challenges when considering a moving back, with key barriers identified as

- difficulty finding a suitable home to buy (57%)
- difficulty finding a suitable home to rent (43%)
- challenges in securing suitable employement (40%).

When asked what support options would enable respondents to return to Argyll and Bute, they identified that increasing the supply of homes avaliable to buy (62%) and improving access to low-cost home ownership options (40%) would be most beneficial. Financial support to assist with accommodation costs was supported by 40% of respondents, alongside increasing the supply of homes avaliable to rent (38%).

Former residents who wish to return to the area, were also asked if they had any general feedback on meeting housing need and demand in Argyll & Bute. This open-ended question provided consistent feedback there are very few homes avaliable that meet the size, quality and affordability requirements of returning families. Respondents also frequently expressed the view that housing avaliability is constrained by second homes, short-term lets and competition from cash-buyers.

In addition to housing-related issues many respondents identified wider structural barriers. In particular, there was a strong emphasis on the need for increasing employment opportunities and investment in infrastructure and essential services. Wider concerns were raised around the avaliability of childcare, healthcare and transport, with some respondents indicating that these factors present a greater barrier to living in or returning to Argyll & Bute than housing alone.

Key Findings: Former Residents who want to return

Overall, the findings indicate that while housing plays an important role it is not the primary driver of outward migration from Argyll & Bute, with employment and education opportunities providing the main reasons for leaving. However, housing remains a key enabling factor for return. Many previous residents have stayed relatively close to the area (40%), mostly live in the private rented sector (40%), and have a clear preference to return to Argyll and Bute to enter the owner-occupied sector (63%). Higher numbers express a preference for social housing (24%) than current residents who wish to move (14%).

While increasing the supply of affordable market homes was identified as a key requirement to support a return to Argyll and Bute (62%), general responses also highlight that housing accessibility is constrained by factors including second homes, short term lets and competition from cash buyers. Wider structural challenges including limited employment opportunities and access to childcare, healthcare, and transport, are seen as significant barriers reinforcing that both housing, infrastructure and broader economic development interventions are need to support population return.

5.5 Former Residents that do not want to return to Argyll and Bute

The research methododlogy successfully identified a total of 24 younger, working age households who have previously lived in Argyll & Bute, who indicated that they would NOT like to return.

Reason for leaving Argyll & Bute

The main reasons for leaving the area were to pursue employment opportunities (39%), to attend further or higher education (26%), and due to personal circumstances.

Housing was identified as a contributing factor by one third of respondents in their decision to leave Argyll & Bute (33%). Among those who identified housing as a factor in their decision to leave, a lack of suitable housing available to rent in the area they wished to live (50%) and affordability constraints within the private rented sector (38%) were defined as key housing barriers. In contrast to households who wish to return to Argyll & Bute, limited rental options are a key motivating factor not access to the housing market.

Respondents were asked whether relocation support options would make them reconsider returning to Argyll & Bute, with 29% indicating that they have no current intention of returning.

Of those who considered potential relocation support, the most popular response was improved access to services, public transport and amenities (46%), followed by an increased supply of homes available to buy (42%). Other options included better communication/sign posting for job opportunities (38%) and employer-linked housing support (33%). For those who do not wish to return to Argyll & Bute, infrastructure and employment factors are prioritised as key relocation supports, in contrast to households who do wish to return who are more likely to prioritise housing related support measures.

Former residents who do NOT wish to return to the area were also asked if they had any general feedback on meeting housing need and demand in Argyll & Bute. Generally, respondents highlighted a lack of suitable and affordable housing options in the area, with many noting that there are very few homes available that meet the size, quality and affordability requirements of their household. Respondents also noted that there were limited job opportunities and poor local services, infrastructure and amenities to support working-age households living in Argyll and Bute.

Key Findings: Former Residents who don't want to return

Overall, there is evidence to suggest that for those who have left Argyll & Bute and do not intend to return, employment and education opportunities are the primary drivers of outward migration with housing acting as a secondary important factor. Around one third identified housing as a contributing to their decision to leave, with particular focus on the lack of suitable and affordable rental options and broader challenges accessing appropriate homes in the right location. There is feedback to suggest that while improvements to services, transport and better access to the housing market could encourage some to reconsider returning, a proportion of respondents (29%) would not reconsider moving back to Argyll and Bute. A greater focus on infrastructure improvement and employment opportunies was evident in this group than those who would consider moving back to the area.

5.6 Respondents that have never lived in Argyll and Bute but would like to move

A total of 21 respondents indicated that they had not previously lived in Argyll & Bute but would like to move to the area. Just under 4 in 10 respondents (38%) stated that they were currently trying to move, with a further 33% indicating they would like to move within the next 1-2 years. The main reasons for moving to Argyll & Bute were lifestyle-related (71%), alongside opportunities to start a business (24%) or access employment (19%). Two thirds of respondents who wish to move to Argyll & Bute (67%) expressed a preference for living in the owner-occupied sector, indicating a desire to move to Argyll & Bute on a permanent, long-term basis.

Respondents identified a number of challenges they encountered when trying to move to Argyll & Bute. The most common challenge is difficulties in finding a suitable home to buy (60%), or suitable home to rent (53%). In addition, 33% of respondents reported challenges in managing moving or living costs. A quarter of respondents (24%) indicated that they had concerns about finding a suitable housing option in the area.

When asked which options would support a move to Argyll and Bute, the majority of respondents stated that increasing the supply of homes avaliable to buy (62%) and improving access to low-cost home ownership options (43%) would be most beneficial. Financial support to assist with accommodation costs was also selelcted by 38% of respondents, alongside help to find somewhere to live including contacts with local letting or estate agents (38%).

Households who wish to move to the area were also asked if they had any general feedback on meeting housing need and demand in Argyll & Bute. Respondents consistently highlighted a lack of suitable and affordable housing options, with very limited rental properties available and high levels of competition for those available. With open-ended responses, a general theme relates to house price inflation and feeling priced out of home ownership. Feedback also suggests that family-sized and social options are particularly limited, especially within high-demand locations. Wider structural challenges were also identified, with limited and unreliable transport links reducing access to some areas and further constraining viable housing choices.

Overall, there is evidence to suggest that Argyll & Bute continues to attract interest from households with no prior connection to the area, with motivations largely driven by lifestyle factors and a clear preference for owner-occupation. However, this potential inward migration is being constrained by limited housing options and barriers to the housing market. Respondents consistently identify difficulties in accessing suitable homes to buy or rent, alongside affordability pressures and wider cost challenges.

Whilst many are actively seeking to move or plan to do so in the short term, these housing system constraints appear to be limiting their ability to do so. Taken together, these findings suggest that although there is demand from potential inward migration, this will depend on improving the availability, affordability and accessibility of housing, alongside addressing wider place-based challenges such as transport and access to services.

5.7 Key Findings – Housing and Depopulation Survey

The 2025 Argyll and Bute Depopulation Survey has provided a robust and credible evidence base to improve understanding of the factors which influence population change across the area, among younger and working-age households. The survey delivers crucial insight into the role of housing and employment in shaping decisions to remain, leave, or return to Argyll and Bute. These findings will help to inform policy development and the design of targeted interventions aimed at addressing depopulation. In particular, the survey provides valuable contextual evidence on migration drivers, housing availability and affordability pressures.

Overall, findings suggest that across all groups, current residents, former residents and those who have never previously lived in Argyll & Bute; there is a clear and consistent demand to live within the area, with strong preferences for home ownership (73%) and settlement in locations such as Oban, Helensburgh and Mid Argyll. Respondents who indicated that they would like to move are most commonly seeking three-bedroom properties (42%), followed by two-bedroom homes (31%), reflecting demand largely driven by family households and those looking to establish longer-term roots.

However, the research confirms that the housing outcomes achieved by younger, working age households in Argyll & Bute are less suitable and sustainable than the wider population.

Younger households living in Argyll & Bute are 50% less likely to be satisfied with their housing circumstances and seven times more likely to want to move home. Whilst almost three-quarters of current younger working age residents would like or need to move home, most would prefer to remain within Argyll and Bute (58%) if it's possible to do so. Strong community ties and proximity to family and friends are the key motivations for staying. Among those who are considering leaving the area (19%), the evidence suggests that this is driven primarily by the need to access employment or education opportunities, with housing an important secondary factor (1 in 4 can't get on the property ladder).

Younger households who have left Argyll & Bute but are keen to return also confirm the main catalyst for leaving the area was employment or education opportunities. Access to housing is a key factor in enabling households to return to the area, with almost two thirds (63%) seeking to enter owner occupation. Increasing the supply of affordable market homes was identified as a key intervention to support returning to Argyll and Bute (62%), as well as access to jobs, childcare and transport.

For those who have left Argyll & Bute and do not intend to return, employment and education opportunities are again the primary drivers of outward migration with housing acting as a secondary important factor. A greater focus on infrastructure improvement and employment opportunies than housing options was expressed by this group, when questioned about reconsidering a move back to the area.

Based on these findings, there is strong evidence to suggest that outward migration from Argyll and Bute is not primarily driven by housing, with employment and education opportunities identified as the main reasons for leaving. However, housing plays a more significant role as a barrier to return and inward migration. Respondents consistently identified challenges in accessing suitable homes to buy or rent, alongside affordability pressures, high levels of housing market competition and concerns around the impact of second homes and short-term lets on local supply.

Taken together, these findings suggest that whilst Argyll and Bute remains an attractive place to live, with strong community ties supporting retention and relocation, and lifestyle factors driving in-migration; housing is a key factor in addressing depopulation. Increasing the supply of family-sized housing in high-demand locations and improving access to lower-cost home ownership options will be critical to the future retention of younger, working age households, as well as enabling returning and new working age households to make Argyll & Bute their home. Wider structural factors, including access to employment, services and transport, also must play a key role, reinforcing that a joint approach is required to support both population retention and growth.

6 Engagement with Employers – Workforce Housing Survey

Depopulation survey findings suggest that employment opportunities are a key push and pull factor that underpins the migration of younger, working aged people to and from Argyll & Bute. Equally survey findings suggest a strong relationship between the role that employment and housing availability play in attracting and retaining younger households in the area.

Equally, previous research in Argyll & Bute to inform the development of the Housing Emergency Action Plan in 2024, indicated that employers in Argyll & Bute are struggling to recruit and/or retain staff due to a lack of housing. The research has therefore focused on improving understanding whether housing shortage is a barrier to growing the economy in Argyll & Bute, as a consequence, a factor in depopulation.

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

A statistical results workbook and summary slide-pack detailing analysis of the workforce housing survey can be accessed by clicking on the following links:

- Appendix G: Argyll and Bute Workforce Employers Survey Databook
- Appendix H: Argyll and Bute Workforce Employers Survey Briefing.

Chapter 6 details the evidence of each housing system pressure indicator.

6.1 Argyll & Bute Workforce Housing Survey 2025

The Argyll & Bute Workforce Housing Survey was open for a 6-week period, closing on 22nd December 2025. A total of 114 responses were received from local employers.

The aim of the survey was to gather evidence on the extent to which housing availability is impacting business growth, workforce recruitment, and employee retention. Survey questions explored a range of topics including employee profiles, recruitment and retention trends, future employment plans, workforce housing needs, and the workforce housing solutions in Argyll & Bute that would have most impact. The findings of the survey are detailed in the following Chapter.

The survey results offer valuable insights into the evolving housing needs of Shetland's workforce and the challenges these pose for local employers. They provide a clear understanding of how much the availability of suitable housing is impacting recruitment and retention for businesses operating in the region. The key findings are summarised below.

In total, 114 employers responded to the survey representing an overall workforce of 2,828 across Argyll & Bute. The majority of respondents came from the Hospitality sector (19) (17%), Retail (14) and Tourism (12). In terms of estimated workforce size, Fishing & Agriculture (1,039) accounted for the highest share, followed by the Hospitality (271) and Construction (222) sectors.

The majority of respondents confirmed that their workforce is based in the Argyll & Bute, with 97% operating solely in the local area. The respondent workforce is concentrated in Mid Argyll (15%), followed by Lorn (14%) and then Cowal and Kintyre at 11% respectively. Hospitality (17%) and Construction (14%) are the largest sectors of the respondent population in Mid Argyll.

The total gross annual revenue of the 114 respondent employers is estimated at £178M, with a median gross annual revenue of £4M.

The majority of employees in respondent businesses are in full-time permanent roles (83%). Apart from the Retail sector where 76% of staff were in part time roles, public and third sector employment is also characterised by part-time employment, including Social Work (51%), Human Health Activities (48%), Third Sector (46%) and Education (47%).

Specific one to one engagement activity was carried out with major public sector organisations including the Argyll & Bute Health and Social Care Partnership. This engagement revealed that 168 vacant health and social care posts required to be filled in January 2026, with particular recruitment pressures noted in key areas of the NHS. Over a third (34%) of vacancies related to registered nurses with a further 10%, Allied Health Professionals, including fully qualified GPs. Outstanding vacancies were evident across all areas of Argyll & Bute include 27% of vacant post in Bute and Cowal, 26% in Mid Argyll, Kintyre and the islands and 26% in Oban, Lorn and the isles. This evidence shows the scale of public sector workforce pressure in Argyll & Bute, which without specific workforce interventions could impact on the delivery of essential public services. Ongoing workforce pressure in the NHS has resulted in innovative partnership projects including the HSCP Empty Homes Project, which seeks to bring empty property back into use specifically for health and social care workers, and the appointment of a Resettlement Officer by Argyll & Bute Council to enable relocating or returning workers to source appropriate housing options.

The average number of posts recruited by respondents in Argyll & Bute over the last 3 years is 522.Recruitment activity across Argyll & Bute has increased between 2022 and 2024, with respondents reporting an estimated 8% rise in total new hires over the three-year period.

Almost equal proportions of employers experienced a growth in recruitment since 2022 (29%), as those who experienced a decline (28%). The majority (43%) have experienced no changes in the rate of recruitment. Sectors experiencing the largest growth in recruitment include Fishing and Aquaculture (26 new posts) and Human Health Activities (11 new posts)

Despite largely stable recruitment levels, recruitment and retention remains a key challenge. 88 respondents (78%) stated that they have had problems recruiting/retaining existing staff in the last 3 years, with 38% reporting that it was a major problem for their business.

Almost half of all respondent businesses (45%) have made a job offer in the last 3 years which was declined by the applicant. High decline rates are evident in the Arts, Entertainment & Recreation sector where 45% of job offers were declined, followed by Public Sector & Defense (40%), Business Services (33%), Fishing & Aquaculture (31%) and Tourism (27%).

There is clear evidence that housing shortage is factor in recruitment declines. The top three reasons cited by applicants for turning down job offers were:

- lack of affordable accommodation options (66%)
- lack of accommodation options to buy/rent privately (64%)
- poor transport connections (50%)

These findings underscore the significant influence of housing availability on recruitment outcomes, particularly in sectors struggling to fill roles. Notably, more than half of businesses that had offers declined cited housing as a key factor, highlighting the need for sustainable workforce housing solutions across Argyll & Bute.

Notably, 53% of businesses that had offers declined cited that housing had a ‘major impact’ on recruiting/retaining existing staff, highlighting the need for sustainable workforce housing solutions across Argyll & Bute.

Difficulties in recruitment and retention would appear to be relatively challenging across the Board, with 50% of employers stating that ‘no particular household group’ was problematic. Almost one in five stated the young people (18%) and families with young children (18%) were difficult to recruit or retain. Furthermore, over a third (37%) of employers reported that skilled workers are the most difficult posts to recruit/retain, followed by semi-skilled workers (17%) and team leaders or supervisors (14%).

In total, 76% of employers stated that they expect future difficulties with recruitment and retention in Argyll & Bute, with 32% describing it as a ‘major problem’. This pessimistic view is consistent across all respondent employment sectors.

Just 18% stated they don’t expect any future issues in recruiting or retaining staff. Respondents were also asked whether they expect future recruitment or retention problems to be as a result of accommodation issues. Overall, almost three quarters (74%) stated that housing availability will play a role in future recruitment and retention challenges with 37% expecting it to play a major role.

Employers see social housing as the tenure most needed to address housing related recruitment and retention pressures (67%), followed by owner occupation (55%) and low-cost home ownership (50%).

Despite, recognition that social housing is a workforce housing solution that would relieve recruitment and retention pressures, just 36% of employers had heard of the HOMEArgyll housing register prior to completing the survey. Of those who had heard of HOMEArgyll, 41% of employers actively signposted employees into the service. Of those employers that do not currently signpost staff to HOMEArgyll, 69% said they would consider it.

Q29 Housing options needed:
- Top 3 tenures of accommodation/ housing most needed to help reduce the difficulties are:
  - Social housing (65%)
  - Owner occupied (55%)
  - Low-cost home ownership (51%)

Q30 Property sizes needed:
- Top 3 sizes of accommodation/ housing most needed to help reduce the difficulties are:
  - 2-Bed (65%)
  - 3-Bed (62%)
  - 1-Bed (44%)

Q32 HMA housing profile:
- Top 3 locations where accommodation/ housing are most needed to help reduce difficulties are:
  - Lorn (36%)
  - Mid Argyll (27%)
  - Mull & Iona (21%)

In assessing the future workforce housing options that would have most impact on relieving recruitment and retention problems, employers in Argyll & Bute expressed a clear preference for permananet housing over shorter term or temporary options. Less than a quarter (23%) supported the provision of *workforce pods, tiny homes, converted containers or other temporary conversions,* with just 11% supporting the provision of chalets or caravans as workforce housing options.

The property sizes most needed to reduce recruitment and retention difficulties include 2-bedroom homes (655), closely followed by 3-bedroom properties. Accommodation is most needed in the Lorn HMA (36%), followed by Mid Argyll (27%) and Mull & Iona (21%).

These findings indicate that housing availability is a constraint on the ability of employers in Argyll & Bute to recruit and retain staff, particularly in areas central to the local economy and public service delivery.

In terms of future recruitment, respondent employers confirm that a total of 839 roles will require to be filled by their businesses in the next 12-18 months, including 534 permanent roles and 305 temporary positions. The hospitality (131), fishing (97) and tourism (90) sectors have the highest projected number of roles to be filled over this period.

Employers also shared their expectations for workforce growth over the next 12-18 months. Of the estimated 839 roles expected to be filled, 421 (50%) are anticipated to be new positions. This represents a significant 15% increase in the current estimated total respondent workforce (2,828).

Sectors expecting the highest numbers of new permanent roles include Hospitality (72), Fishing & Aquaculture (59) and Tourism (48). Across all new positions, 67% are expected to be permanent. Most sectors anticipate hiring a majority of new roles on a permanent basis, though Arts, Entertainment and Recreation, Food and Drink Manufacturing and Third Sector expect a lower share of permanent hires.

Average expected salaries for the top five growth sectors range from £25,000 - £32,500. Based on the findings of the affordability chapter we know that to afford average market rents in Argyll and Bute, a household would need to earn £41,373. This shows that, even on the high end of the average salaries for the top five growth sectors, market housing is unaffordable, and new jobs would likely rely on social housing.

Survey outcomes provide clear evidence that housing shortage is impacting on plans to grow the Argyll & Bute economy, with 65% of businesses stating that ongoing housing system constraints will influence their plans to invest in Argyll & Bute.

Preferred Workforce Housing Interventions

To inform future workforce housing strategies in Argyll & Bute, the final survey question asked employers to consider and then rank a number of workforce housing interventions based on the capability to reduce recruitment and retention difficulties.

Echoing earlier findings on the housing tenures most needed to relive workforce housing pressure, the most popular workforce housing intervention was low-cost home ownership options. Interestingly, this response mirrors the feedback from younger working age households who wish to remain in Argyll & Bute to live and work, or those who wish to return to the area.

The top workforce housing interventions preferred by are Argyll & Bute employers are as follows:

- **41%** Low-cost home ownership options
- **39%** Social housing allocation scheme for key or relocating workers
- **31%** Mid-market rented accommodation
- **28%** Employer partnerships to bring empty homes back into use
- **27%** Funding & partnerships in building conversion or reuse
- **26%** More innovation in developing temporary housing options e.g. workforce pods

As well as support for low-cost home ownership, employers are interested in options which enable key or relocating workers to access social housing on a priority basis. Just under a third of employers (31%) also recognise the role of Mid-Market Rent in meeting workforce housing needs, a tenure that is specifically targeted to households in work. Innovative mechanisms to support landlords to bring empty homes back into use, to deliver building conversion or reuse or develop temporary accommodation options to cope with peaks in employment were also identified as beneficial ideas.

At the other end of the scale, support for landlords to purchase accommodation to use as workforce housing was low (17%), as was encourage flat or house sharing arrangements in areas of greatest workforce housing pressure (15%). Employers were slightly more interested in options where support (funding and partnership) was available to allow them to build homes (25%) or rent/mortgage discounts for new or relocating employees.

6.2 Workforce Housing Survey: Key Findings

The workforce housing survey provides clear insight into the challenges faced by employers in Argyll & Bute in recruiting and retaining a sustainable workforce, as well as the role that housing shortage plays in workforce management and business growth.

Whilst recruitment levels have remained reasonably steady in Argyll & Bute (43% of employers have experienced no change in the last 3 years), 29% report increased recruitment needs since 2022, and 51% expect the number of roles they need to fill to increase in the next 12-18 months.

There is clear evidence that housing shortage is creating recruitment and retention problems in the Argyll & Bute economy. Almost half of employers (45%) have had job offers declined in the past three years, with 66% linking these refusals due to the lack of affordable accommodation options in Argyll & Bute. It would appear that housing shortage is now a critical barrier to filling available posts, with 65% of employers suggesting a lack of affordable accommodation as the top factor underpinning recruitment and retention difficulties. Furthermore, two thirds (65%) state that ongoing housing system constraints will influence their plans to invest in Argyll & Bute.

Accommodation pressures are defined in key employment centres, with 36% of employers identifying Lorn, and especially Oban, as priority areas for additional housing. Employers suggest that the provision of more social rented homes (67%) and especially 2-bedroom properties (65%), would be beneficial in relieving recruitment pressures.

Projected workforce demand in the Argyll & Bute economy is positive with an estimated 839 posts to be filled in the next 12-18 months. Highest recruitment demand will arise in the Hospitality (131), Fishing & Aquaculture (97), and Tourism (90) sectors. Of this demand 51% relates to new employment positions (421) which suggests an overall growth rate of 16% across these sectors.

This evidence suggests strong potential for growth within the Argyll & Bute economy if workforce housing barriers can be addressed. These research outcomes confirm the strong relationship between housing delivery and economic development, that is key to addressing depopulation risks particularly when the two greatest drivers of negative migration in Argyll & Bute is housing and jobs[4].The workforce housing interventions which prove to be most popular with local employers include low-cost home ownership options, workforce housing allocation schemes and mid-market rent.

Key headline on the workforce housing survey can be summarised as follows:

[4] Argyll & Bute Housing & Depopulation Survey 2025 Key Findings

- **45%** of employers have made a job offer in the last year which was declined by the applicant
- **66%** say lack of accommodation is a factor contributing to recruitment and retention problems
- **64%** employers had **not** heard of the HOME Argyll housing register
- **37%** Said skilled workers are the most difficult to recruit or retain, followed by semi-skilled (17%)
- **65%** state housing shortage will influence their plans to invest in Argyll & Bute
- **839** roles to be recruited in the next 12-18 months, with 42% of recruitment taking place in tourism and hospitality
- **50%** roles to be recruited are new roles (421), with 67% permanent and 33% temporary
- **57%** expect moderate or major problems with future recruitment, with 19% expecting minor problems
- **421** new roles are most anticipated in hospitality (26%), tourism (20%), and fishing & aqua culture (15%)
- **42%** of employers see low costs home ownership as the most beneficial workforce housing solution

7 Calculating Workforce Housing Estimates in Argyll & Bute

As well as understanding the extent to which housing shortage is driving depopulation in Argyll & Bute and impacting on the operation of the local economy, a key aspect of the research study involves calculating workforce housing estimates over the next 10 years. Outcomes from both the depopulation and employers surveys confirm the key relationship between housing, job creation and retaining a working age population. Developing a workforce housing calculation therefore enables both housing and economic development planning to be better aligned, ensuring the delivery of new jobs and new homes supports the attraction and retention of working age people.

The research study was commissioned at a time when a number of major economic development opportunities have been identified in the area, creating the potential to deliver a significant number of jobs over the next 10-15 years. Estimating the number of new homes that may be required for a growing Argyll & Bute workforce is therefore not only essential in realising these economic opportunities but also in repopulating the area. Chapter 7 therefore details future workforce housing estimates arising from major infrastructure projects over the next 10 years, including both direct, indirect and induced employment; providing crucial evidence to inform future land-use planning and associated housing delivery strategies.

The workforce housing calculation and summary slide-pack detailing calculation inputs and assumptions can be accessed by clicking on the following links:

- Appendix I: Argyll & Bute Workforce Housing Calculation Model
- Appendix J: Argyll & Bute Workforce Housing Calculation Slide-pack.

7.1 Developing an Argyll & Bute Workforce Housing Calculation

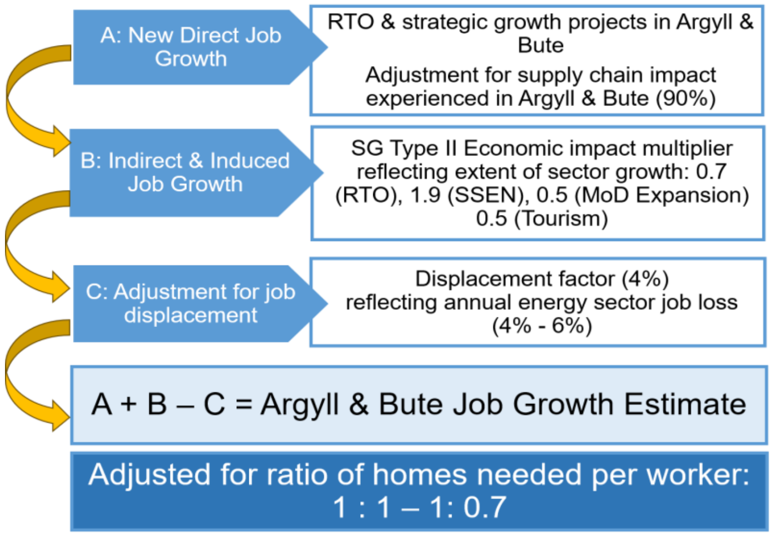
Building a 10-year workforce housing calculation in Argyll & Bute has involved engaging with stakeholders from across the Argyll & Bute economy including economic development agencies at a local and regional level. This engagement has enabled key investment and economic development opportunities to be identified and calculation inputs and assumptions to be informed by credible planning sources.

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

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

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

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



Workforce housing calculation inputs and assumptions are set out in detail in the sections below.

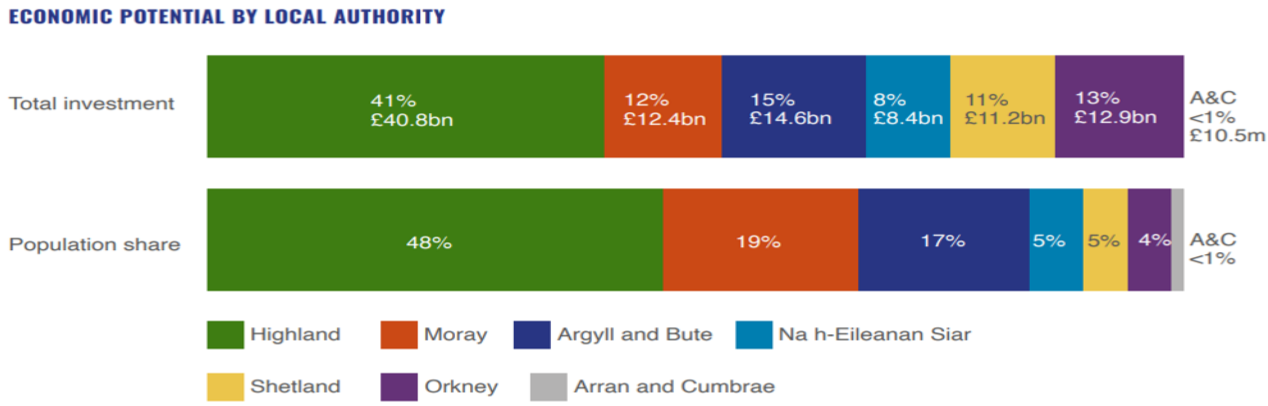
7.1.1 Estimating the Scale of Direct Job Growth

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

The study sought to identify and quantify (where possible) strategic projects and investments planned or proposed for the region over the period 2025 to 2040. RTOs covered within the study included:

- Offshore wind
- Onshore wind
- Hydro pumped storage
- Green hydrogen
- Marine energy
- Space
- Marine biotechnology and processing
- Life sciences, digital health and social care
- Natural capital
- Critical infrastructure developments

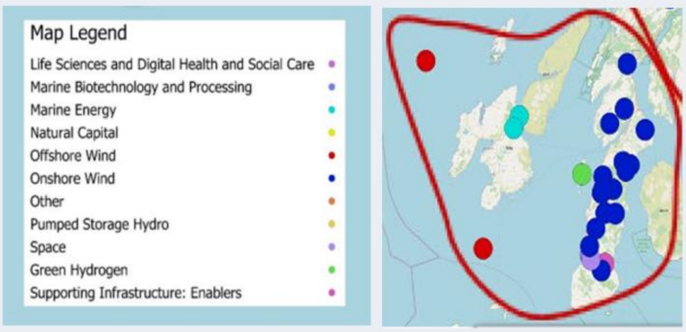
Overall, the research confirmed that the share of economic investment potential in Argyll & Bute is £14.6B, 15% of the total estimated economic opportunity across the Highlands & Islands region.



Key economic transformation opportunities in Argyll & Bute focus primarily on the delivery of renewable energy including marine energy, onshore wind, offshore wind, green hydrogen, life sciences/digital health and supporting infrastructure.

In total, 49 economic transformation projects were identified in Argyll & Bute with likely investment potential of £10.4Bn (a status adjusted estimate to reflect current progress and likelihood of project delivery). It estimated that across these 49 projects, 1,150 long-term operational jobs could be created beyond the construction phase to deliver each project.

RTOs in Argyll & Bute include:
- Marine Energy
- Onshore and Offshore wind
- Green Hydrogen
- Life Sciences & Digital Health
- Supporting Infrastructure



49 RTO projects in Argyll & Bute

£10.4B Total investment potential of RTOs (2025-2040)
Status adjusted estimate to reflect current progress and likelihood of delivery

9,680 FTE job year
Measure of employment equivalent to one person being employed for a full year to equivalise temporary roles/contracts e.g. construction sector

1,150 Long term, direct, additional operational employment

As well as assessing job growth associated with RTOs in Argyll & Bute, partners also identified major job growth opportunities associated with other economic sectors which had not been included in the HIE research programme including tourism growth, jobs arising from the SSEN Pathway to 2030 programme and an expansion of the Ministry of Defense naval base and wider operations.

Working with agencies to derive data to inform job estimates, the following assumptions were made regarding job growth in wider sectors:

- 123 jobs arising from tourism growth (based on planning applications for the Machrihanish Dunes golf resort)[5]
- 55 operational and maintenance jobs associated with SSEN's major infrastructure upgrade to the electricity transmissions network in Argyll & Bute
- 272 jobs associated with Ministry of Defense expansion in Argyll & Bute (based on projected service family accommodation requirements).[6]

In total, combining these direct employment opportunities with RTO job requirements estimates a total of 1,600 long-term, direct additional jobs in the Argyll & Bute economy over the next 10 years.

It should be noted that a prudent approach has been taken to estimating future job growth with a specific focus on major infrastructure projects only. The project team acknowledge wider sectors actively developing proposals on economic expansion including planning applications for significant distillery growth in Ardrishaig, Isla and Campbeltown, as well as plans to grow the fish-farming industry. On this basis, the methodology for creating direct job growth estimates in Argyll & Bute should be considered a defensible and credible approach.

7.1.2 Assessing Indirect and Induced Job Growth

The calculation acknowledges that as well as housing requirements arising from direct job growth, indirect and induced employment impacts arising from major infrastructure projects will also have an impact on demand for housing in Argyll & Bute.

To assess indirect and induced job growth arising from direct job growth estimates, Scottish Government Type II Employment Impact Multipliers were applied to economic growth sectors in Argyll & Bute.

Scottish Government Type II Employment Impact Multipliers measure the total effect of a change in employment on an area's economy, including direct, indirect, and induced effects. A Type II employment multiplier shows how many total jobs are created in the wider economy for every direct job created in a sector. To assess the indirect and induced employment impacts associated with direct job growth in Argyll & Bute, the following multipliers were applied:

Projected direct employment growth (RTOs + major projects)	Estimated Direct Jobs	Scottish Government Type II Employment Impact Multiplier		Projected Indirect and Induced Jobs
RTO projects	1,150		1.7	805
SSEN Transmission	55		2.9	105

[5] At the time of writing no planning application details were available to confirm employment impacts associated with the proposed Saulmore Marina resort

6 Note this does not include the planned on-site accommodation provision at the Faslane naval base but focuses on the requirements of the service family accommodation model which will necessitate appropriate housing options to be sourced in the housing system surrounding the base.

Tourism: Machrihanish Dunes	123		1.5	61
MOD Expansion	272		1.8	218
Total	1,600			1,188

Table 7.1: Projected Indirect and Induced Jobs arising from major Infrastructure Projects in Argyll & Bute

The following Type II Employment Impact Multipliers were used for each sector and applied to the number of direct jobs to provide an estimate of indirect and induced employment:

- RTO projects: Multiplier for repair and maintenance (0.7) = 805
- SSEN Transmission projects: Multiplier for electricity (1.9) = 105
- Tourism projects: Multiplier for travel and related services (0.5) = 61
- MOD Expansion: Multiplier for public administration and defense (0.8) = 218.

In total, applying Scottish Government Type II Employment Impact Multipliers to projected long-term direct jobs to be delivered in Argyll & Bute, provides an overall estimate of indirect and induced employment of 1,188 jobs in the Argyll & Bute economy.

The Argyll & Bute workforce housing calculation also acknowledges that whilst the location of direct jobs can be determined by tracking back to the location of specific investment projects, indirect and induced employment may include supply chain benefits that could reach beyond the Argyll & Bute boundary. To estimate the impact of this, NRS Census analysis on travel to work[7] was used to assess the potential proportion of jobs which could be delivered by employees remote working or living in surrounding areas. The data suggests that up to 10% of all jobs in Argyll & Bute are delivered by households not living in the area, as detailed in Table 7.2:

Argyll & Bute workforce working in Argyll & Bute		
Resident in Argyll & Bute	Travels within LA	17,436
Resident in Argyll & Bute	WFH/No fixed place	18,925
	Total	**36,361**
Argyll & Bute workforce working out with Argyll & Bute		
Resident in Argyll & Bute	Travels outside the UK	208
Resident in Argyll & Bute	Offshore installation	289
Resident in Argyll & Bute	Travels to rest of UK	330
Resident in Argyll & Bute	Travels to another LA	2,840
	Total	**3,667**
	Total workforce	40,028
	% of total workforce living and/or working in Argyll & Bute	**91%**

Table 7.2: % of total workforce living and/or working in Argyll & Bute (NRS, Travel to Work Analysis, 2025)

[7] Location of usual residence and place of work by age by sex, 2022, council areas in Scotland, NRS Scotland 2025

Informed by this evidence, the calculation assumes that 90% of supply chain impact employment impacts will remain in Argyll & Bute. This proportion is then applied to the estimate of indirect and induced employment to provide the following measures:

Projected indirect and induced employment arising from direct job growth	1,188
Adjusted for 10% supply chain impacts delivered elsewhere	118
Estimated indirect and induced employment in Argyll & Bute	1,070

Table 7.3: Projected indirect and induced employment arising from direct job growth adjusted for wider supply chain impact

Adding total direct (1,600), indirect and induced employment estimates (1,070) for Argyll & Bute, therefore provides a total estimated projected job growth of 2,669.

7.1.3 Adjusting for Employment Displacement

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

Given the proportion of new jobs estimated to arise in the energy sector as a result of RTO projects (73%) and given the likely displacement that could take place in the energy sector given the switch to renewable energy, a displacement rate for this sector has been calculated and applied to the workforce housing calculation. According to the World Energy Employment Report[8], annual job displacement rates for the renewable energy sector can typically range from 4-6%, with a high demand for new skills evident in the transition to renewable sources.

Employment forecasts by key sectors provided by Skills Development Scotland[9], estimate that the size of the energy workforce in Argyll & Bute in 2025 was 800 people. It has therefore been assumed that annually, as well as job creation, 32 jobs (4%) will be displaced in the Argyll & Bute energy sector. Over the 10-year calculation period, this equals 320 jobs that will be lost in the Argyll & Bute economy.

Applying the impact of this displacement rate (320) to projected direct, indirect and induced job growth in Argyll & Bute (2,669), estimates a workforce increase of 2,349.

Despite workforce housing survey evidence of sub-optimal economic performance as a result of workforce housing shortage, the workforce calculation does not assume a direct relationship between the number of new jobs projected and the number of new homes that may be required.

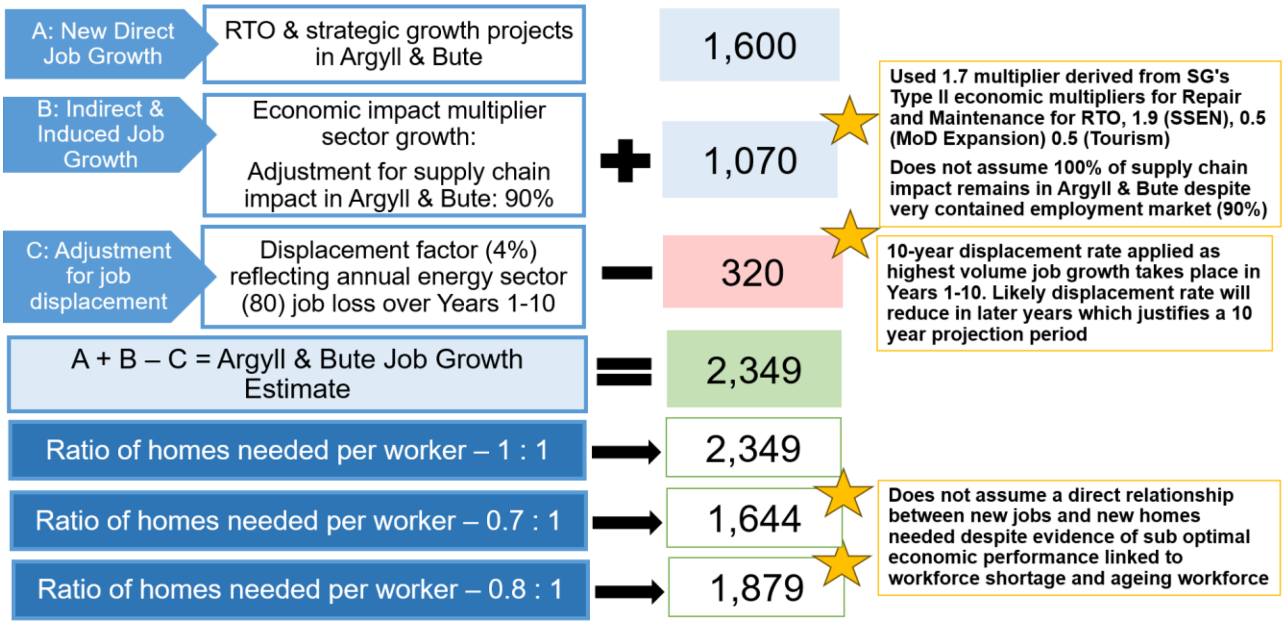
The Regional Transformation Opportunities research report published by Highlands & Islands Enterprise, assumes that 0.7 homes will be needed for every job that is created, based on research carried out by Orkney Islands Council in 2024. A further scenario which uses a 0.8 ratio of homes to jobs has also been prepared. This reflects the assumption

8 World Energy Employment Report, International Energy Agency 2025

9 Employment Forecast by Industry 2025, Skills Development Scotland Data Matrix

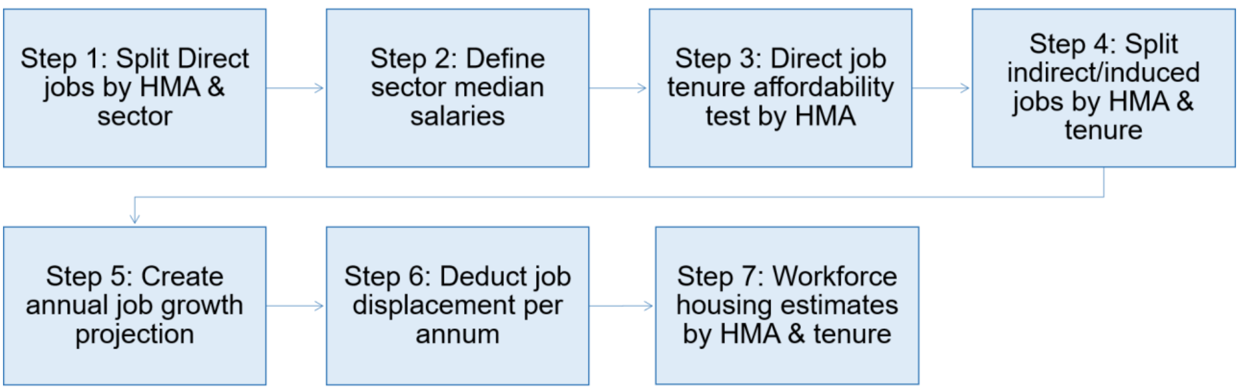
that given the tightness of the Argyll & Bute labour market, where jobs are filled by existing residents, this will in turn create replacement demand which will necessitate population attraction and associated housing need.

Applying these ratios assumes that the number of homes associated with projected employment growth in Argyll & Bute ranges from 1,644 - 1,879, as detailed in the diagram below:



7.2 Disaggregating Workforce Housing Estimates by HMA and Tenure

To inform both housing delivery and land-use planning, and to create a credible economic impact scenario that will inform the 2026 Housing Need & Demand Assessment in Argyll & Bute, analysis was carried out to disaggregate the baseline workforce housing calculation by tenure and Housing Market Area. To achieve this, a seven-step methodology was applied as follows:



The assumptions and analysis which underpin each stage in the analysis are detailed in the following sections.

Step 1: Split Direct Jobs by Housing Market Area and Industry Sector

A key aspect of future housing delivery planning is to determine where workforce housing should be developed in Argyll & Bute and the housing tenure required. To achieve this, direct jobs were split by Housing Market Area and industry sector using the following data and research:

- RTO jobs (1,150) were split by (i) Argyll and Bute electoral ward and (ii) industry sector by the HIE research team responsible for delivering the RTO study. Industry sector split by HMA was then established using AI and validated by further research and local knowledge. The following profile was created:

HMA	Onshore Wind	Marine Energy	Pumped Storage Hydro	Offshore Wind	Green Hydrogen	Life Sciences & Digital Health	Space	Total
Kintyre	234	28	10	6	35	0	14	327
Islay, Jura & Colonsay	66	12	0	0	9	0	6	93
Mid Argyll	110	0	38	0	2	0	0	150
Lorn	245	44	29	0	0	25	7	350
Helensburgh & Lomond	133	0	7	0	10	0	0	150
Cowal	25	0	0	0	0	4	1	30
Offshore / Unassigned	0	0	0	50	0	0	0	50
Total	813	84	84	56	56	29	28	1,150

Table 7.4: Profile of RTO jobs by HMA and Industry Sector (HIE)

- SSEN jobs (55) were assumed to be located within the Standard Industry Classification (SIC) codes for electricity[10], with the location determined by analysing the geographies of committed Pathway to 2040 projects as follows:

HMA	Committed Pathway to 2030 Infrastructure Projects	% share of jobs	Number of jobs
Mid Argyll	Largest cluster of committed transmission / substation infrastructure around Inveraray / Crarae / Creag Dhubh	55%	30
Kintyre	Crossaig + Carradale operational/transmission infrastructure	27%	15
Cowal	Sloy/Windyhill + Dunoon reinforcement works	18%	10

[10] Standard Industry Classification codes are produced by the Office for National Statistics as part of the suite of data provided for the Annual Survey of Hours and Earnings

Table 7.4: Profile of SSEN jobs by HMA (Pathway to 2040)

- Tourism jobs associated with the Machrihanish Dunes resort are located in the Kintyre HMA and are assumed to fall within the Standard Industry Classification (SIC) codes for tourism
- MoD expansion jobs are located in the Helensburgh & Lomond HMA and are assumed to fall within the Standard Industry Classification (SIC) codes for defense activities.

Step 2: Define Sector Median Salaries

In order to assess the housing tenure profile associated with direct job growth, the median salary associated with each employment sector was derived using ONS Standard Industry Classification codes, with the exception of SSEN jobs where a median salary of £55k was provided by the employer. Median salaries by sector were established as follows:

Direct jobs	Sector	ONS SIC Code	Median Salary
RTO jobs	Marine energy, onshore/ offshore wind, pumped storage hydro	SIC 3511, Production of electricity	£63,424
	Green hydrogen	SIC 352, Manufacture of gas; distribution of gaseous fuels	£50,726
	Life sciences & digital health	SIC 7211, Research and experimental development on biotechnology	£51,235
	Space	SIC 3030, Manufacture of air and spacecraft	£52,488
SSEN	Electricity	Based on SSEN median salary benchmark	£55,000
Tourism	Tourism	ONS SIC Codes for tourism:85% operational / 15% managerial	Operational = £17,024, Managerial codes = £32,992
MOD Expansion	Defence	ONS SIC Code Defence Activities	£40,258

Table 7.5: Profile of Direct Jobs by SIC Classification and Median Salary

Step 3: Direct Job Tenure Affordability Test by HMA

Profiling direct jobs by median salary allows analysis of the extent of household income that could be devoted to housing costs by employment sector, assuming a 30% housing cost to income affordability threshold. Housing income benchmarks by employment sector were then benchmarked to housing costs in each Housing Market Area and across the full range of tenures, using the housing affordability model (detailed in Chapter 2).

Based on the income required for each tenure by HMA, the percentage of jobs required by tenure was calculated as follows:

Direct jobs	Cowal	Helensburgh & Lomond	Islay, Jura & Colonsay	Kintyre	Lorn	Mid Argyll	Argyll & Bute
% jobs which require social housing	0%	0%	0%	23%	0%	0%	**7%**
% jobs which require below market rents	0%	64%	0%	0%	0%	0%	**17%**
% jobs which require market rents	0%	2%	16%	0%	9%	0%	**4%**
% jobs which require market housing	100%	33%	84%	77%	91%	100%	**73%**
Affordable Tenures	**0%**	**64%**	**0%**	**23%**	**0%**	**0%**	**24%**

Market Tenures	**100%**	**36%**	**100%**	**77%**	**100%**	**100%**	**76%**

Table 7.6: Tenure Profile of Direct Jobs by HMA

This analysis confirms that three quarters of projected direct job growth in Argyll & Bute will require a market housing solution and in the main, market housing for sale (73%). Social housing requirements are associated with tourism growth and concentrated in Kintyre, with MOD expansion driving the need for Mid-Market Rent (17%) in the Helensburgh and Lomond HMA.

Step 4: Split Indirect/Induced Jobs by HMA & tenure

Whilst the median salaries of direct jobs are possible to estimate by industry sector, the nature of indirect and induced employment and therefore the likely income profile, is less clear and predictable.

In line with the approach utilised by the Scottish Government in the Housing Need & Demand Assessment toolkit, the workforce calculation therefore assumes that tenure requirements associated with indirect and induced employment growth will be split according to the housing affordability profile established for each HMA (chapter 2). The housing affordability model, which assesses the structure of households incomes and housing costs across each HMA has been used to create this projected tenure profile.

Indirect and induced employment has been profiled by Housing Market Area mirroring the geographic assumptions used for direct jobs. Percentage tenure requirements by HMA, derived from housing affordability modelling, have then been applied to indirect and induced job growth by HMA to create the following profile:

Direct jobs	Cowal	Helensburgh & Lomond	Islay, Jura & Colonsay	Kintyre	Lorn	Mid Argyll	Argyll & Bute
% jobs which require social housing	25%	17%	26%	33%	18%	22%	23%
% jobs which require below market rents	18%	21%	20%	11%	20%	16%	19%
% jobs which require market rents	15%	20%	27%	12%	25%	15%	16%
% jobs which require market housing	42%	42%	27%	44%	38%	48%	43%
Affordable Tenures	**43%**	**38%**	**46%**	**44%**	**38%**	**38%**	**42%**
Market Tenures	**57%**	**62%**	**54%**	**56%**	**62%**	**62%**	**58%**

Table 7.7: Tenure Profile of Indirect and Induced Jobs by HMA

The profile of indirect and induced employment is more balanced by housing tenure with 58% of housing requirements focused on market housing delivery, 43% in market housing for sale and 16% in market rents. Almost a quarter of indirect and induced workforce housing requirements focus on social housing (23%), with a 19% requirement for Mid-Market Rent (MMR).

Step 5: Create Annual Job Growth Projection

In order to create a 10-year profile to guide workforce housing policy development and housing delivery plans, further research was carried out to determine the construction phase of each infrastructure project and the likely delivery timescales for operational and maintenance jobs coming into employment. The following assumptions have been applied to establish a 10-year projection period:

Direct jobs	Assumed project delivery timescales
RTO jobs	Figure 3.4 of the HIE RTO report details 'Investment over time by sector' showing a 10-year delivery plan for key sectors in Argyll & Bute. Job growth is split equally per annum over a 10-year period
SSEN jobs	Assumes all new direct jobs to be allocated between 2026 – 2031 based on delivery of main SSEN projects in Argyll & Bute
Tourism jobs	Limited information on timescales of project is currently available. Assumes new direct jobs are going to be split over a 5-year period from 2026-2031 and will be split equally between the 5-year period
MoD Expansion jobs	Based on MoD *'Demand & Supply Calculator – Population',* projections schedule steady incremental growth from 2023 until 'job growth stabilises in 2035'. Job growth is split equally per annum over a 10-year period

Table 7.8: Assumed Project Delivery Timescales for Direct Jobs by HMA and Industry

The workforce housing calculation also assumes that the delivery timescale profile for direct jobs is mirrored by indirect and induced jobs to create total number of jobs by HMA and tenure per annum over a 10-year projection period.

Step 6: Deduct job displacement per annum

The proportion of new direct jobs by HMA has been used to profile the assumed job displacement rate over the next 10 years (320). This displacement profile is calculated by applying an annual displacement reduction of 4% to 10-year workforce housing projections.

A further adjustment to estimate the number of new homes associated with employment growth is calculated by applying 0.7:1 ratio of new homes to jobs and a further scenario using a 0.8 ratio.

Step 7: Workforce Housing Estimates by HMA & Tenure

Applying steps 1-6, creates 10-year workforce housing projections by HMA and tenure as follows:

	% who can afford social housing	% who can afford below market rent housing	% who can afford market rent	% who can afford market housing	Total	% by HMA
Cowal	6	4	4	33	48	**3%**
Helensburgh & Lomond	35	195	45	165	440	**27%**
Islay, Jura & Colonsay	11	8	20	55	93	**6%**
Kintyre	125	22	24	291	461	**28%**
Lorn	28	30	56	236	350	**21%**
Mid Argyll	22	16	15	149	203	**12%**
Unknown- offshore winds	7	9	4	30	50	**3%**
Argyll & Bute	**234**	**284**	**167**	**959**	**1644**	**100%**
% Total by tenure	**14%**	**17%**	**10%**	**58%**	**100%**	

Table 7.9: 10-year Workforce Housing Projections by HMA and Tenure at 0.7 Homes per Worker

	% who can afford social housing	% who can afford below market rent housing	% who can afford market rent	% who can afford market housing	Total	% by HMA
Cowal	7	5	4	38	54	**3%**
Helensburgh & Lomond	40	223	52	188	502	**27%**
Islay, Jura & Colonsay	12	9	22	63	106	**6%**
Kintyre	143	25	27	333	527	**28%**
Lorn	32	35	64	270	400	**21%**
Mid Argyll	26	18	17	171	232	**12%**
Unknown- offshore winds	8	10	5	34	57	**3%**
Argyll & Bute	**267**	**325**	**191**	**1096**	**1879**	**100%**
% Total by tenure	**14%**	**17%**	**10%**	**58%**	**100%**	

Table 7.10: 10-year Workforce Housing Projections by HMA and Tenure at 0.8 Homes per Worker

7.3 Workforce Housing Calculation Outcomes

The Argyll & Bute workforce housing calculation creates a 10-year projection on housing requirements by Housing Market Area and area, which reflects the economic growth programmed in the area associated with major infrastructure projects. Aligning the delivery planning of new homes and new jobs will enable economic growth opportunities to be realised and ensure that housing growth supports workforce attraction, retention and development. Maintaining and growing the working age population in Argyll & Bute is key to repopulating the area and developing a sustainable economy.

Workforce housing estimates range from 1,644 homes using a 0.7 ratio of units to jobs, and 1,879 homes using an 0.8 ratio. Based on the projected salary structure of employment growth, over two thirds of all homes required (68%) are located in market housing tenures, with 57% delivery in market housing for sale. This requirement reflects the findings of both the depopulation and employer surveys which conclude that low-cost home ownership is key to attracting working age households to the area and to tackling housing related recruitment and retention pressures. This research evidence should be used to inform engagement with housing developers and the new national housing agency (More Homes Scotland) to test commercial appetite and viable delivery models in an attempt to overcome the barriers to speculative housebuilding in Argyll & Bute.

Affordable housing tenures account for roughly a third of all requirements (32%), with an equal role for both social housing (15%) and Mid-Market Rent (17%). This research insight provides crucial planning evidence to inform the future development and delivery of the Strategic Housing Investment Programme and to enhance RSL confidence in the potential for MMR as a housing tenure important to the growth of the Argyll & Bute economy.

Workforce housing requirements are concentrated in the Kintyre (28%), Helensburgh & Lomond (27%) and Lorn (21%) Housing Market Areas. Whilst Helensburgh & Lomond and Lorn HMAs reflect areas of existing housing pressure, Kintyre is currently the least pressured area HMA in Argyll & Bute. This analysis therefore shows how workforce housing development will play a key role in transforming not just the structure of the Kintyre economy but the operation of the housing system in this area. It provides crucial evidence of future housing need that may not be picked up in the new Housing Need & Demand Assessment which focuses on existing housing need and demographic change.

The workforce housing calculation which aligns projected economic and housing growth requirements therefore enables targeted housing delivery interventions that may otherwise have been missed but are crucial to the development of the Argyll & Bute economy.

8 Housing and Depopulation in Argyll & Bute: Research Conclusions

In June 2025, Argyll & Bute Council commissioned Arneil Johnston to carry out research into the extent to which housing shortage is a factor in the population decline of young and working aged people in the area. In Argyll & Bute, population change is largely driven by negative natural change (i.e. more deaths than births) which outweighs population gains as a result of migration to the area. Understanding why households leave Argyll & Bute, as well as the factors which might encourage greater migration to the area, is crucial in addressing the risks of long-term population decline, including sub-optimal economic growth and the sustainability of many communities

To achieve this, the research methodology explores the links between housing and depopulation, including engaging with young, working age households and local employers in Argyll & Bute to better understand the accessibility of housing and employment options. In a research first, the study also engages younger households who have left Argyll & Bute to understand migration push and pull factors (and the extent to which housing was/is a factor), as well as future housing intentions and aspirations.

Crucially, the research study engages local employers to assess the extent to which recruitment and retention pressures are problematic in Argyll & Bute, and if housing shortage is a factor in this. This engagement also tested the usefulness of potential workforce housing solutions and the scale of growth projected to take place in the existing Argyll & Bute economy. Based on this, future workforce housing estimates (arising from major infrastructure projects over the next 10 years) are calculated. These estimates will inform the next Housing Need & Demand Assessment and associated development planning and housing delivery strategies.

Research outcomes therefore offer evidence of housing's role in depopulation in Argyll & Bute and the extent to which strategic, multi-agency housing responses are required to protect the sustainability of communities and growth of the economy. Chapter 8 sets out the research conclusions and recommendations for strategic planning and delivery.

8.1 Evidence of Housing Pressure in Argyll & Bute

National research evidence indicates that housing is a central and consistent factor in youth outmigration from rural and island communities in Scotland and should be treated as a priority in any strategy to address depopulation in Argyll & Bute. Net migration of outflows of late teens show departures of up to 25% in rural and island areas with perceived housing insecurity a leading driver of outmigration. Housing affordability pressures are proven to be a major influencing factor in housing insecurity perceptions, as well as real and practical barrier to those who wish to return in their 20's and 30's.

Housing affordability modelling offers clear insight into where affordability pressures are most influential in Argyll & Bute both in terms of housing tenure and Housing Market Area. The diversity of household incomes across Argyll & Bute is without question driving affordability outcomes and influencing the nature of the housing market at a sub-area level. The median income in Argyll and Bute is £37,287, which is 6% lower than the median income for Scotland (£39,386), with lower quartile incomes (£20,797) also lower than is the case for Scotland. To afford social housing, households must earn at least

£19,567, which is below the average lower quartile incomes in Argyll & Bute. Given the values of local incomes, over 1 in 3 households in Bute (38%), 1 in 3 in Kintyre (33%), and 1 in 4 households in Islay, Jura, & Colonsay (26%) cannot afford the costs of social rents without subsidy.

Generally, average PRS rents are unaffordable for those on lower quartile household incomes. This is most notable in Helensburgh & Lomond where lower quartile income (£24,773) is £21,414 less than income required for private rents (£46,187). To afford average market rents in Argyll and Bute, a household needs to earn £41,373. This is higher than median salaries with 55% of households unable to afford this tenure.

However, the proportion of households who can't afford market rents drops to 39%, if Mid-Market Rents are set using the Local Housing Allowance, an improvement in affordability for 16% of households. Whilst this varies across Housing Market Areas e.g. MMR improves affordability for 20% households in Helensburgh & Lomond; it does not work in every area; worsening affordability for 4% of households in Bute and Kintyre HMAs. Targeted delivery of MMR, a housing tenure specifically designed for those in work, could therefore play a very positive role in relieving housing affordability pressures. The need for a wider range of intermediate tenures is also worth considering in relation to the proportion of households who cannot meet the average cost of purchasing a home (69%) in Argyll and Bute. The lack of affordable market purchase opportunities is clearly challenging given the dominance of home ownership as a housing tenure in the area, which restricts the range of accessible housing options available to working households in housing need.

Assessing housing affordability is instrumental in understanding the relative influence of housing insecurity and pressure on the migration of younger and working age households in Argyll & Bute. To produce an assessment of housing pressure across Housing Market Areas, a range of housing system pressure indicators were developed and synthesised into an interactive data book and scorecard. Assembling a range of indicators from tenure diversity to market operation, and from poor housing affordability outcomes to unmet need for social housing; allows evidence of the extent and nature of relative housing system pressures across Argyll & Bute.

Housing pressure scorecard analysis reveals that Islay, Jura & Colonsay is the most pressured Housing Market Area in Argyll and Bute with a score of 640, followed by the Helensburgh & Lomond HMA with a score of 620 and Lorn with a score of 570. In Islay, Jura & Colonsay, the scale of housing demand and affordability of local housing options fuel housing pressure, driven by high levels of non-effective housing stock (33%), high proportions of households (58%) who cannot afford the cost of private renting and high proportions of households that cannot afford entry level house prices (81%). The impact of non-effective housing stock in driving housing pressure reflects national research findings which suggest young people feel they are being priced out of the market by those purchasing second and short term lets.

In contrast, Kintyre is the Housing Market Area where least housing pressure is evident driven by lower levels of households that cannot afford entry level house prices (24%) and lower social housing pressures (Kintyre has second lowest ratio of applicants to available lets at 1.41: 1).

Evidencing the relative housing pressure experienced in each Housing Market Area, not only signals where younger, working aged households may struggle to meet their housing needs; it is also likely to signal where housing related recruitment and retention issues may be most challenging. Understanding relative housing pressure is an important aspect of targeting workforce housing interventions to address depopulation, and to ensuring that long-term housing supply plans are well aligned to future economic growth projects.

8.2 Housing & Depopulation Household Survey

The 2025 Argyll and Bute Depopulation Survey provides a compelling evidence base to better understand the factors which influence the migration and retention of younger and working-age households. The survey delivers crucial insight into the role of housing and employment in shaping decisions to remain, leave, or return to Argyll and Bute. Survey findings can therefore influence policy development and targeted housing interventions aimed at addressing depopulation.

Overall, findings suggest that there is a clear and consistent demand to live within the area, with strong preferences for home ownership (73%) and settlement in locations such as Oban, Helensburgh and Mid Argyll. This is case for all respondent segments including current residents, former residents and those who have never previously lived in Argyll & Bute.

However, the research confirms that the housing outcomes achieved by younger, working age households in Argyll & Bute are less suitable and sustainable than the wider resident population. Younger households living in Argyll & Bute are 50% less likely to be satisfied with their housing circumstances and seven times more likely to want to move home. Whilst almost three-quarters of current younger working age residents would like or need to move home, most would prefer to remain within Argyll and Bute (58%) if it's possible to do so. Strong community ties and proximity to family and friends are the key motivations for staying. These findings reflect the outcomes of Scottish Government research which suggests that housing insecurity is a main driver in the outward migration of younger people form rural and island areas.

Among those who are considering leaving the area (19%), the evidence suggests that this is driven primarily by the need to access employment or education opportunities, with housing an important secondary factor (1 in 4 can't get on the property ladder).

The experiences of former residents who wish to return to Argyll and Bute tell a similar story. Employment and education opportunities are frequently cited as the reasons they originally left, but access to suitable housing is often the determining factor in whether a return move is feasible. Nearly two-thirds (63%) of prospective returners are seeking owner-occupied housing. Respondents identified an increase in the supply of affordable homes for sale as one of the most effective measures to support return migration (62%), alongside improvements in employment opportunities, childcare provision and transport connectivity. This is particularly important within a local housing market where affordability pressures remain significant, and owner occupation is the predominant tenure.

Based on these findings, there is strong evidence to suggest that outward migration from Argyll & Bute is not primarily driven by housing, with employment and education opportunities identified as the main reasons for leaving. However, housing insecurity plays an influential role in outward migration and is a major barrier to return and inward migration. Returning households consistently identify challenges in accessing suitable homes to buy or rent, with affordability pressures, high levels of housing market competition and concerns around the impact of second homes and short-term lets key factors.

Taken as a whole, the findings indicate that Argyll and Bute retains many of the qualities that make it an attractive destination, with community connections supporting population retention and lifestyle considerations drawing people to the area. However, improving housing opportunities will be central to efforts to address depopulation. Expanding the supply of family-sized homes in the locations where demand is strongest, alongside increasing access to affordable routes into home ownership, will be important both for retaining younger working-age households and for enabling new and returning residents to settle in the area. At the same time, housing interventions must be accompanied by improvements in wider enabling factors such as employment, services and transport, highlighting the need for a coordinated and multi-faceted approach to supporting population growth and retention.

8.3 Workforce Housing Employers Survey

The Workforce Housing Survey provides valuable insight into the challenges employers in Argyll and Bute face in recruiting and retaining staff and highlights the growing influence of housing insecurity shortage on workforce sustainability and business growth.

While recruitment activity has remained relatively stable for many employers, with 43% reporting no change over the past three years, almost a third (29%) have experienced increased recruitment needs since 2022. Looking ahead, over half (51%) expect the number of vacancies they need to fill to rise over the next 12 to 18 months.

The findings demonstrate a clear link between housing shortages and workforce challenges. Almost half of employers (45%) have had job offers declined in the last three years, with two-thirds (66%) attributing this to a lack of affordable housing. Housing availability has become a major constraint on recruitment and retention, with 65% identifying it as the primary factor affecting their ability to attract and retain staff. In addition, 65% of employers report that ongoing housing pressures will influence future investment decisions in Argyll and Bute.

Housing pressures are particularly evident in key employment centres. Over a third of employers (36%) identified Lorn, particularly Oban, as priority locations for additional housing provision. Employers highlighted increased delivery of social rented housing (67%) and two-bedroom homes (65%) as the interventions most likely to ease workforce pressures.

Employment prospects across the local economy are extremely positive, with an estimated 839 posts expected to be filled over the next 12 to 18 months. The greatest recruitment demand is anticipated in Hospitality (131 posts), Fishing and Aquaculture (97 posts), and Tourism (90 posts). More than half of this demand (421 posts) relates to new roles, indicating projected employment growth of around 16% across these sectors.

Overall, the evidence points to significant economic growth potential if workforce housing barriers can be addressed. The findings reinforce the strong connection between housing delivery, economic development and population retention. Given that both housing and employment are key drivers of migration patterns within Argyll and Bute, addressing housing shortages will be critical to supporting business growth and reducing depopulation risks.

Among employers, the most widely supported workforce housing interventions include low-cost home ownership products, workforce housing allocation schemes and mid-market rented housing.

8.4 Estimating Future Workforce Housing Requirements

The Argyll & Bute Workforce Housing Calculation provides a 10-year assessment of housing requirements by Housing Market Area, reflecting the economic growth associated with major planned infrastructure investment. Aligning housing delivery with projected employment growth will be essential to maximising economic opportunities and ensuring that housing supports workforce attraction, retention and expansion. Sustaining and increasing the working-age population is critical to both repopulation and long-term economic sustainability.

The analysis identifies a requirement for between 1,644 and 1,879 homes over the next decade, depending on the ratio applied between jobs and housing. Based on the projected salary profile of employment growth, over two-thirds (68%) of the requirement is for market housing, with 57% relating specifically to homes for sale. This reflects findings from both the depopulation and employer surveys, which highlight low-cost home ownership as a key factor in attracting and retaining working-age households and supporting workforce recruitment. The evidence should inform engagement with developers and More Homes Scotland to explore viable delivery models capable of overcoming barriers to speculative housebuilding in Argyll & Bute.

Affordable housing accounts for around one-third (32%) of the projected requirement, split broadly evenly between social rented housing (15%) and mid-market rent (17%). These findings provide important evidence to support future Strategic Housing Investment Programme priorities and strengthen confidence in the role of mid-market rent in supporting economic growth.

Workforce housing demand is concentrated within the Kintyre (28%), Helensburgh & Lomond (27%) and Lorn (21%) Housing Market Areas. While Helensburgh & Lomond and Lorn already experience notable housing pressures, Kintyre currently faces comparatively lower levels of demand. The scale of projected workforce housing need in Kintyre therefore demonstrates the potential for economic growth to significantly reshape both the local economy and housing system. Importantly, it also highlights future housing requirements that may not be fully captured through the Housing Need and Demand Assessment, which is primarily driven by existing need and demographic trends.

Overall, the workforce housing calculation provides invaluable evidence to align housing and economic development planning. By identifying future housing requirements linked directly to employment growth, it supports targeted delivery interventions that are essential to the continued growth of the Argyll & Bute economy and may otherwise be overlooked.

8.5 Housing and Depopulation: Strategic Recommendations

The findings of the Housing Depopulation research study demonstrate that housing delivery is both an economic development and population retention issue. Addressing housing affordability, increasing housing supply and expanding access to affordable home ownership will be critical to supporting workforce growth, enabling return migration and sustaining communities across Argyll & Bute. Housing alone will not solve depopulation in Argyll & Bute, but without sufficient affordable and accessible housing, ambitions for economic growth, workforce expansion, population retention and return migration are unlikely to be realised.

A number of strategic recommendations have been derived from the research findings to guide the planning and delivery of multi-agency housing and infrastructure interventions aimed at reversing the population decline of younger, working age households:

1. Prioritise Workforce Housing as Economic Infrastructure

Housing should be recognised as a critical enabler of economic growth, with workforce housing investment treated in the same way as transport, utilities and digital infrastructure. Local development and housing delivery planning should be directly linked to major employment and infrastructure projects to ensure labour supply can meet future demand.

2. Increase Affordable Home Ownership Opportunities

There should be an expansion of low-cost home ownership products in Argyll & Bute, including shared equity, discounted sale and other intermediate tenures. The research consistently identifies affordable owner occupation as the tenure most likely to attract and retain working-age households and support return migration.

3. Accelerate Housing Delivery in Key Growth Areas

Housing investment and development activity should be targeted in Kintyre, Helensburgh & Lomond and Lorn, where future workforce demand is expected to be highest. Delivery programmes should ensure that housing supply keeps pace with projected economic growth.

4. Strengthen the Role of Mid-Market Rent

The provision of mid-market rented housing should be targeted in locations where affordability pressures are restricting labour mobility e.g. Lorn and more specifically Oban. Mid-market rent can bridge the gap between social renting and market housing for younger households in work.

5. Develop Employer-Led Workforce Housing Solutions

Partnership working with major employers and infrastructure partners should be pursued to explore workforce housing allocation schemes, employer-supported housing initiatives and innovative delivery models which help attract and retain staff in high-demand employment sectors.

6. Focus on Family-Sized Housing

There should be an increase in the delivery of two and three-bedroom homes in areas experiencing recruitment and population growth pressures. Both households and employers identified these property types as particularly important to sustaining working-age households.

7. Address Housing System Pressures in High-Pressure Markets

Housing supply interventions should be targeted in Islay, Jura & Colonsay, Helensburgh & Lomond and Lorn to address affordability challenges, bring non-effective housing stock back into use and improve overall housing accessibility.

8. Align Housing, Economic and Population Strategies

A coordinated delivery planning framework should be pursued by the community planning partnership across housing, economic development, transport, childcare and employability services. The research shows that successful population growth cannot be achieved through housing interventions alone and requires a collaborative, place-based approach.

9. Influence More Homes Scotland and Development Partners

Projected workforce housing estimates should be used to engage proactively with More Homes Scotland, registered social landlords and private developers to identify viable delivery models and unlock investment in locations where speculative development has proven impossible.

10. Embed Workforce Housing Evidence in Strategic Planning

Future Housing Need and Demand Assessments, Local Housing Strategies, Strategic Housing Investment Plans and economic development strategies should incorporate workforce-led housing requirements alongside demographic projections to better reflect future growth opportunities.