



Cairngorms Housing System Analysis

**FINAL REPORT to the
Cairngorms National Park Authority**

February, 2006

**School of the Built Environment,
Heriot-Watt University**

Cairngorms Housing System Analysis, Finalised Report to the Cairngorms National Park Authority from the School of the Built Environment, Heriot-Watt University, February, 2006.

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Executive Summary

- 1) This research was commissioned in order to inform the Cairngorms National Park Plan and had objectives to:
 - a. produce strong evidence of the nature and reasons for housing need in the park.
 - b. identify the need for new affordable housing for the next 5 – 10 years, with an indication for the longer term;
 - c. provide robust housing need projections (for the entire housing market) for the next 5 to 10 years to allow them to allocate sufficient housing land in the developing Local Plan.
 - d. define affordable housing in the context of the Park - the relationship between incomes and house prices/rents is of key importance in providing a picture of affordability
 - e. demonstrate the nature and extent of housing markets in the National Park area or wider market areas.
- 2) The study methods were to analyse secondary data sources and draw on some primary data collected by each of the four local authorities through their Local Housing Strategy processes.
- 3) It is evident that there are various housing challenges facing the Park Authority in the future that stem from the current analysis of the housing system. Significant population and household growth is anticipated over the next few years: extending the trend over the period 1991 to 2001 of population (+8%) and household (+18%) growth. These were higher than that of any of the wider local authority areas that straddle the park. The overall demographic change is projecting growth in single person households and an ageing population
- 4) One of the main components of growth is the potential increase in the elderly population forecast in the main local authority areas. Given the profile of the current population in the park it is anticipated that this could be a significant issue in the future for housing strategic planning. To illustrate the point the growth in single pensioner households between 1991 and 2001 is estimated at 12%. If the growth of single pensioners in owner-occupation is examined in isolation it shows that the increase was 40% over the ten year period.
- 5) Overall activity points to a relatively stable economy based on the service sector and agricultural activities. Although the park has a higher level of economic activity compared to Scotland as a whole, there is also a higher proportion of part-time employees. This implies a lower capacity to take on a mortgage for a house. While there is a degree of divergence in economic activity the lack of value added economic activity and small numbers employed in some sectors may be an issue. Deprivation indicators point to a relatively affluent population when compared to other areas of Scotland although this may mask aspects of rural disadvantage such as access to public transport.

- 6) The housing system has changed considerably over the past 10-15 years with significant growth in the owner-occupied sector, a slight decline in the private rented sector (although numerically there has not been much change) coupled with a decline in the social rented sector both numerically and as a proportion of all housing stock. This has been primarily due to the Right to Buy and a low rate of new build in the affordable housing sector when compared to the private sector.
- 7) In recent years house completions have been rising: mainly in the private sector. Current projections anticipate approximately 115 completions per annum with a greater proportion of affordable housing within this target. However significant potential constraints primarily in the form of infrastructure have been identified by a number of stakeholders interviewed in the course of the study.
- 8) The overall supply of housing is affected by the fact that a significant proportion of the housing stock is second or holiday homes. Approximately 1,800 homes are in this category representing just under 20% of the total housing stock. The main impact on the housing system is twofold. First of all the demand for second or holiday homes in an attractive rural environment exerts an upward pressure on prices. Secondly the stock by definition is ineffective in its ability to meet permanent housing demand or need.
- 9) Within the occupied stock a relatively high proportion of owner-occupiers own their properties outright when compared to the Scottish average. This is likely to imply lower turnover than in other parts of the country. House prices have risen significantly in the owner-occupied sector in recent years.
- 10) The private rented sector is relatively large and diverse when compared to other areas of Scotland. There is a significant proportion of tied housing, emphasising the link between employment and housing. In contrast to urban areas of the country, private renting may also be viewed as a permanent, rather than a transient, housing solution by some households. For the CNPA and for the local authorities, this implies that liaison with private landlords, so as to ensure the continuing supply of affordable rented housing that meets quality expectations, is possibly more important than in other parts of the country. At the same time, however, expressed demand for social rented housing tends to indicate that a large number of households in the private rented sector are seeking social rented housing.
- 11) Like many other parts of rural Scotland, the Park has seen absolute and proportionate decline in council housing, to about one house in seven from 20% in 1991. The housing association and other registered social landlord (hereafter, simply RSL) sector has increased slightly. On average 42 properties have been sold every year through the RTB over the past twenty years. The RSL sector has grown over the past 10-15 years to meet a wider range of particular needs and now has a more diverse range of tenants in terms of household type. There is a significant level of expressed demand and need through both the Council housing lists and available homelessness figures. The total current number of applicants for housing is circa 550-600. The total

annual lets are estimated between 70-80 across both the Council and RSL sectors.

- 12) The affordability analysis was conducted on the basis of five geographical zones. These are Aviemore, Grantown-on Spey, Kingussie, Aberdeenshire part of the park (Upper Deeside) and Tomintoul. The estimated mean and median household weekly incomes in the park area are £461 and £391 respectively. In general these figures are lower than the corresponding ones for the wider local authority areas. The overall threshold entry price (lower quartile) is estimated at £83,554 for the park area, which is higher than in the surrounding areas. The percentage of younger (<35 years) households able to buy a property in the market based on threshold prices is estimated at 38%. The model shows that, within the park, affordability is particularly low in the Aviemore area, and also quite low in Deeside and the Tomintoul area, and a bit higher in the Grantown and Kingussie areas. The housing need results show that the net need per annum is 132 across the park area. This ranges from 10 in the Tomintoul area to 54 in the Aviemore area. This is a fairly large number and indicates that all the current completions projected through the planning system might require to be for affordable housing. Numerically, the needs are greatest in the Aviemore area, but relative to the existing number of households they are also proportionately high in Tomintoul.
- 13) Sensitivity testing shows that changing assumptions changes affordability and need to some extent but generally still leaves a substantial overall net need within the park (e.g. prices at 2002 levels, 28% lower, would still mean a need of 99 units per annum). Recent CNPA area-specific population and household projections suggest that net need may be 18 lower, i.e., 114 houses per annum (or 81 on the lower house price assumption). Some uncertainties remain about the role of savings/wealth, differential migration profiles and private renting.
- 14) The projected level of new supply as a whole would have to be fully devoted to LCHO or affordable rent in order to meet the backlog of need and newly-arising need. This is obviously unrealistic and so the most pressing policy consideration is to bolster the supply of new housing in the Park area. This partly relates to the development budgets of operant housing associations but also necessitates effective resolution of infrastructure constraints, most notably through dialogue with Scottish Water. Failure to tackle these and to increase supply will do nothing to mitigate the tendency for the Park population to be over-represented in the older end of the age spectrum, deprived of young-middle aged people/families and for the Park to house progressively more and more affluent people.
- 15) The report alludes to gaps and inconsistencies in available data. For future analyses, it would be helpful for these to be rectified. The two clearest ways of doing this are, first, for the CNPA to consider commissioning housing needs analyses jointly and simultaneously with the four local authorities. As the next round of these are likely to be at least three-four years away, second, the programme of small community needs surveys should continue.

1. Introduction

- 1.1. The Cairngorms National Park Authority was formally established on September 1st 2003. As such it is the second national park in Scotland to be defined by statute. The Park Authority is essentially an enabling organisation charged with ensuring that the park's main aims and objectives are met through working with other statutory and non-statutory bodies. The park area spans 1,467 square miles (nearly 409,000 hectares) with an estimated resident population of 17,000 and 7,300 households. The population density is relatively low with only 11.6 inhabitants per square kilometre. The park is also 'home' to a wide variety of animals, bird species and freshwater fish with a significant proportion (25%) of the UK's threatened bird, animal and plant species.
- 1.2. The topography is one of a mountainous area with 68% of land over 400m above sea level and four out of the five highest mountains in Scotland within the Park. The major centres of population are Aviemore, Ballater, Braemar, Grantown-on-Spey, Kingussie, Newtonmore, and Tomintoul. The economy is mainly reliant on tourism and associated activities.
- 1.3. The geographical scope of the park includes, to varying degrees, the administrative areas of four local authorities. These are the Highland Council, Aberdeenshire Council, the Moray Council and Angus Council.
- 1.4. The Cairngorms National Park was set up by the Scottish Parliament in 2003. Under the terms of the National Parks (Scotland) Act 2000 it has four aims:
 - to conserve and enhance the natural and cultural heritage of the area,
 - to promote sustainable use of the natural resources of the area,
 - to promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public, and
 - to promote sustainable economic and social development of the area's communities.

The section of the Park Plan for Communities Living and Working in the Park has key principles: building local capacity and participation, helping communities to support themselves and the Park, services to meet the needs of communities, sustainable resource use and interdependence of special qualities and economy.

- 1.5. These broad aims are underpinned by more detailed objectives and action plans. For housing, infrastructure and building design the four main objectives are:
 - To encourage provision of an appropriate range and choice of housing to rent or buy that is affordable for, and meets the needs of people living and working in the Park

- To enable effective co-ordination and co-operation between all public and private sector agencies and communities, ensuring housing provision that meets the needs of customers.
- To research and promote sustainable design and use of local resources in housing provision.
- To ensure the availability of sufficient effective land for housing to meet the economic and social needs of communities within the Park.

(CNPA Board Paper, Paper 2 Annex 3, April 2005)

The Research

1.6. This Housing Market Analysis¹ was commissioned to inform the Park Local Plan and Housing Strategy. Its objectives were to:

- produce strong evidence of the nature and reasons for housing need in the park.
- identify the need for new affordable housing for the next 5 – 10 years, with an indication for the longer term;
- provide robust housing need projections (for the entire housing market) for the next 5 to 10 years to allow them to allocate sufficient housing land in the developing Local Plan.
- define affordable housing in the context of the Park - the relationship between incomes and house prices/rents is of key importance in providing a picture of affordability
- to demonstrate the nature and extent of housing markets in the National Park area or wider market areas.

The study has focused on an analysis of secondary data and drawing on some primary data collected by each of the four local authorities through their Local Housing Strategy processes. As with all housing market studies there are limitations to the data available. A specific challenge for this study has been the need to undertake analysis on a ‘new’ geography using some data sources that are primarily constructed for analysis at other, well established administrative geographies. For example data focused on local authority areas. As a consequence in its role as an enabling organisation the CNPA will wish to consider how it influences local authorities and other data holding agencies (i.e. Health) in this regard. Essentially there is a need to ensure that data other agencies collect can be collated to inform the Park’s strategic plans and processes (i.e. through monitoring and evaluation)².

¹ The Local Housing Systems Analysis (LHSA) essentially follows Communities Scotland’s guidance. This outlines a somewhat different set of tasks to that outlined by the ODPM in its Housing Needs Assessment Guidance. The current study adds to the LHSA by including modelling of needs and affordability, led by the lead author of the ODPM guidance. The model essentially follows the ODPM guidance and its outputs have been recognised as valid by planning inspectors. The ODPM guidance indicates that there are different sources and methods for estimating different numbers.

² The 2001 Census of Population is widely used. It is recognised that in 2005, some information will now be out of date. Nevertheless, it still provides the most reliable, comprehensive dataset on population characteristics. Caution has been expressed about its estimates of households living rent free that are important in the Cairngorms context.

Our definition of affordable housing was that it could encompass any housing opportunities available to households in need and with a local connection which cost less than normal full market price or rent, including social rented housing, shared ownership, intermediate renting or discounted sale (if suitable opportunities of this kind were available)

- 1.7. The analysis is conducted in an environment where reasonably well-established³ rural housing demand pressures and supply constraints are likely to be severe. It is likely that a duality of demand between relatively affluent in-migrants and the relatively low incomes of some sections of the local population will be heightened because of the area's attractiveness and indeed official recognition of this given by national park status. Further, supply responses are more likely to be constrained by enhanced environmental protection⁴.

Housing Systems and Housing Policy

- 1.8. The housing policy responses that have, thus far, been contemplated in Scotland have generally sought to increase supply rather than curtail demand through planning, as National Park authorities south of the border have done⁵. Thus, attention has been paid to land-banking, to increasing development cost limits that apply to housing association new-build and social housing development budgets. Further, increasing attention has been paid to using the land-use planning system to lever subsidy from developers through planning gain mechanisms, with success in Scotland being notable in the case of Aberdeenshire. Highland Council has applied to Ministers to impose restrictions on the right to buy through gaining pressured area status.
- 1.9. Another lever becoming available to potentially increase investment in affordable housing is the option available to local authorities to reduce the Council Tax discount on second/holiday homes. This has been taken up by the Highland, Moray and Angus Councils. It is anticipated that the additional resources will be made available to support new affordable housing provision via RSLs.
- 1.10. The Cairngorms National Park operates primarily as an enabling organisation in partnership with other statutory and non-statutory organisations. However the vast majority of strategic housing planning functions in Scotland are split between Communities Scotland and Local Authorities. This framework is underpinned by the Housing (Scotland) Act (2001) and recognises the complex nature of the housing system in

³ M. Satsangi and K. Dunmore (2003) The Planning System and the Provision of Affordable Housing in Rural Areas: A Comparison of the Scottish and English Experience, *Housing Studies*, 18, 3, 201-217 review the evidence.

⁴ For further discussion, see F. Richards and M. Satsangi (2004) Importing a Policy Problem? Affordable Housing in Britain's National Parks, *Planning Practice and Research*, 19, 3, 1-16.

⁵ L. Cairncross, A. Chadwick, L. Downing, M. Elson, S. Green and L. Elson (2005) *Affordable and Supported Housing in the National Parks*, London: Countryside Agency/ Housing Corporation.

Scotland. The current key mechanisms for supporting strategic housing planning at a regional and local level are Housing Market Context Statements⁶ (Communities Scotland) and Local Housing Strategies⁷ (Local Authorities).

- 1.11. As previously stated the ‘new’ geography of the National Park and role of the CNPA presents a new dimension to the wider strategic planning and housing framework. As an ‘enabling’ organisation the CNPA will seek to influence strategic housing planning and resource issues in order to fulfil its main aims and objectives. On the one hand, given its statutory basis and partnership foundations there is a good opportunity for the Park Authority to influence plans of this nature. On the other hand, the Park Authority will have to acknowledge that strategic housing objectives and resources are derived from a statutory basis that places Communities Scotland and local authorities at the forefront.
- 1.12. At a wider level the Housing Market Context Statements produced by Communities Scotland have outlined some of the main regional housing issues. The three HMCS that are relevant to the Park area are the Highlands & Islands, Grampian and Tayside. It is important that these regional documents take into account the issues that impact on the park at a wider level whilst acknowledging that there may be distinct issues that are common across the park area. It is also the case that the designation of the Park area will impact at a wider level which would have to be more fully recognised in any future HMCS. Potentially, the Context Statements are well placed to contribute to assessing the impact on the wider housing system of the Park.
- 1.13. Given the large geographical area that the HMCS cover and the diverse nature of communities there are a number of issues identified. These range from the social and economic needs of fragile rural communities (where decreasing numbers and the reconfiguration of households present an issue) to increasing the supply of affordable housing in ‘pressured’ areas (where increasing population numbers and household numbers is the main issue). However some common themes emerge at a general level including a concern with private sector house conditions and assessing the role of the private rented sector.
- 1.14. More specifically looking at the park area, the common issues of relevance include projected growth in population and households as well as a changing profile towards more elderly households. On the supply side it is noted that there is a high degree of pressure with significant numbers of second/holiday homes. Addressing poor quality among the existing private sector housing stock and infrastructure issues for new housing are also cited (Communities Scotland, 2002). While the HMCS set the scene for wider regional housing issues it is the four local authorities who are charged with identifying strategic housing issues and

⁶ HMCS were first produced in April 2002 and are updated annually.

⁷ Local Housing Strategies were first submitted by all local authorities in April 2004 and have a five year planning period. Annual updates are also required.

objectives at the local level. These are primarily articulated through the Local Housing Strategy process.

1.15. All four of the local authority partners in the national park have produced Local Housing Strategies in order to guide strategic housing priorities and investment in their areas. Both the housing system analysis and strategic objectives that follow within each LHS have to be taken into account within the Park context. This is important given that currently identified housing market areas encompass areas both within and outwith the park area. The four broad sub-areas of local authorities that comprise the total park area are:

- Badenoch & Strathspey (Aviemore, Grantown on Spey, Newtonmore)
- Marr (Ballater, Braemar)
- South Moray (Tomintoul)
- Angus Glens (Glenlee, Glendoll Lodge & Clova)

Appendix 1a maps these and the housing market areas identified by Communities Scotland (see Chapter 2)

1.16. To enhance the wider housing system picture it is important to outline some of the key housing issues and strategic housing objectives identified by the four partner Councils. In this regard it is evident that there is some element of commonality between the four Local Housing Strategies. However there are also distinct issues within each wider local authority area (i.e. regeneration of low demand areas) which will be less relevant to the National Park.

1.17. There are a number of housing issues that are identified in the Local Housing Strategies. For example, future growth is projected (population and households) in some areas (i.e. Marr) either within or adjacent to the National Park. Inward migration is a significant factor in this. Badenoch and Strathspey is described as a major growth area in the context of the wider Highland Council area with a population increase of 7% between 1991 and 2001 (DTZ Piedad/NFO, 2003)⁸. This is anticipated to continue up to 2016. There is projected growth in the proportion of elderly households (Aberdeenshire, Highland, Angus) which is particularly relevant in areas within the park such as Badenoch & Strathspey and Marr.

1.18. There is also a significant proportion of non-effective housing stock (i.e. holiday/second homes) in the local authority areas and consequently the Park area. The private rented and tied housing sector is a significant contributor to the housing system in rural areas (i.e. 90% of all rented lets in the Angus Glens are in this sector). In contrast to the urban Scottish profile of the tenure, it is viewed as meeting both long-term and short-term housing demand in rural areas. Some of the other issues identified include:

⁸ *Highland Housing Needs Study: Sub-area Profiles*, DTZ Piedad/NFO, 2003

- The highest levels of housing need are in rural pressured areas when compared to the more urban areas in each authority (associated numbers of homeless households)
- The Angus Council area is generally less pressured in terms of affordable housing supply but there are need/supply mismatch and regeneration issues.
- Housing quality issues are concentrated in the private sector (especially rented element)⁹
- The extent of fuel poverty (i.e. 21% of all households in Moray)
- The influence of Cairngorms National Park designation and impact on housing demand and need
- Rural - physical infrastructure for new housing development (i.e. water and sewage)
- Rural - availability of other services associated with housing – i.e. public transport, those for particular needs groups

1.19. The main similarity identified through the Local Housing Strategies is the objective to increase the supply of affordable housing (Aberdeenshire, Highland and Moray) and/or stabilise housing markets (Angus). Stabilising housing markets is related to a question over the ability of the current affordable housing stock profile to meet changing needs and demands. At a local authority area level Angus Council has particular issues with low demand being evident in the social rented sector and to some extent the private sector. While this is not applicable to the Angus Glens it does demonstrate the diversity of housing issues facing the partner local authorities.

1.20. This range of housing issues is important in that the LHS process requires that key issues and priorities are determined by the local authority and its partners to influence resource decisions. Therefore the LHS has to consider the relative importance of housing issues and prioritise accordingly. This potentially could lead to a situation where LHS priorities at a local authority level are not applicable to the park area. A good example may be where an application for ‘pressured area’ status to limit the Right to Buy would be beneficial to the whole park area. It could be the case that in the context of a whole local authority area it is not seen as an LHS priority therefore it is not a favoured policy option. Furthermore, in England some tensions have been reported over local authority statutory obligations to homeless households and some National Park Authorities’ policies. This is related to some NPAs wishing to place local occupancy conditions on affordable housing (Cairncross et al, 2004) which potentially restricts access for homeless households. This tends to reinforce the need for the Park Authority to adopt its enabling and influencing role in housing.

1.21. Other similar objectives for the partner local authorities include widening housing options within the existing stock (i.e. access to the

⁹ See the Local House Condition Survey reports of the 4 Park area councils.

private rented sector) to help meet housing needs and contribute to reducing homelessness. This is highly relevant given the importance of the private rented sector in the Park area and also the high level of inaccessible second/holiday homes. Another area of concern identified through the Local Housing Strategies is the quality of the housing stock. The main issues are within the private sector housing stock and more specifically the private rented sector. Another associated objective is reducing fuel poverty and ensuring that the raising of physical property standards contributes to this (i.e. central heating, insulation).

Summary of Chapter

1.22. Some of the key points identified in this chapter include:

- The need to set the housing system analysis within the wider housing strategic planning context within which Communities Scotland and Local Authorities operate.
- The recognition that for analytical purposes the ‘new’ geography of the park requires the CNPA to influence other strategic partners to ensure that information is collected, collated and available for their purposes.
- The fact that the park area is widely acknowledged in the current housing strategic context as a pressured rural area. The designation of the park may lead to further pressures on the housing system.

1.23. The Housing Market Context Statements and Local Housing Strategies relevant to the park area identify a number of key issues including:

- Projected population and household growth is anticipated and articulated in the relevant Local Housing Strategies. In-migration is a key factor in this.
- The potential growth in the elderly population
- The significant influence of second/holiday homes and the private rented sector on the housing system when compared to other areas of Scotland.
- Infrastructure issues including those that may present barriers to new housing development and access to public transport in rural areas.
- Overall commonality in the need to increase the supply of affordable housing

2. Housing Market Areas in the Cairngorms

- 2.1. This chapter discusses the definition of housing market areas in the Cairngorms, which have been recognised to be the appropriate geographic basis for undertaking housing market analysis. The current guidance from Communities Scotland points to the need to identify the principal settlements of the market area structure (Communities Scotland, 2003). The main information source for assisting in defining market area is Sasines/Land Registry data. However policy considerations also have to be taken into account to identify those variables that may impact on the market area boundary. For example new transport or other infrastructure developments such as new education institutions. It is suggested that the extension of the market area into other settlements is through measuring the proportion of home purchasers originating from the main settlement.
- 2.2. At the regional level there are some areas of the Park contained within Housing Market Areas currently defined by Communities Scotland through the Context Statements. However there is also acknowledgment that the localised nature of some rural housing markets renders the concept of wider HMAs almost obsolete. The defined market areas are relatively large and can be summarised as:
- Grampian region - Moray Council area identified as separate HMA due to high level of market containment and little interaction with either Aberdeen or Inverness (includes park area).
 - Grampian region – Aberdeenshire Rural HMA (includes park area).
 - Tayside region –Angus Glens area of national park viewed as a local market within rural area (no real HMA coverage)
 - Highland region – Two HMAs identified (Wider Inverness & Easter Ross sub-market) which do not include park area. Recognition that areas like Badenoch & Strathspey are potentially more self-contained markets.

As noted above, the map in Appendix 1a shows these areas.

- 2.3. Given the ‘new’ geography of the park it is necessary to construct a level of sub-area analysis that statistical information is both available for and reliable. It also has to be fit-for-purpose in policy-making terms. The park area is not wholly coincident with defined wider housing market areas. In terms of informing policy development it is necessary to gain an understanding of the housing system at the whole park level prior to moving onto sub-area analysis. This allows more specific identification of those issues that may be relevant to the Park’s communities as a whole when compared to the wider local authority areas that these communities are connected to. At the same time constructing a coherent set of secondary data at the park level can be a challenge. This is primarily due to the fact that key data may be collected and collated in different ways and at different periods by the various organisations involved in this. Moving on to identifying differences in the housing system within the

park area (i.e. between settlements) is even more difficult given data constraints.

- 2.4. One of the policy related issues is also to what degree is it both useful and reliable to undertake analysis at a small geographic level. In essence is it achieving Best Value to undertake analysis on this basis? While this is ultimately a decision for the CNPA as the planning authority there are also other factors to take into consideration. These include the need to take into account the statutory housing duties of local authorities in relation to assessing and identifying housing needs as well as producing Local Housing Strategies. Naturally the focus of their resources in this regard will be on wider geographies.
- 2.5. We would also note that the new Planning Advice Note (PAN 74) from the Scottish Executive¹⁰ reinforces the move towards each LHS being considered within the wider housing market area context. The PAN also indicates that a benchmark threshold of a maximum of 25% affordable housing on a site granted permission is appropriate. At the same time the guidance also acknowledges that higher quotas may be sought in exceptional cases and specific planning mechanisms may need to be adopted in rural communities (i.e. ring-fencing of sites for affordable housing, site thresholds lower than the indicative 20 units).
- 2.6. The affordability work undertaken as part of this study requires the construction of datasets at a geographic level that renders the analysis reliable and meaningful. For the purposes of this study the secondary data analysis will examine the three main sub-areas of Badenoch & Strathspey, West Gordon & Deeside and South Moray. Distilling information on the Angus Glens area is difficult given that it is a small part of the park area.
- 2.7. For the purposes of the affordability assessment, the national park has been divided into five zones. The Badenoch and Strathspey part of Highland has been divided into three parts, referred to as Aviemore, Grantown and Kingussie for short. The two remaining zones are Aberdeenshire part of NP (or upper Deeside), and Tomintoul (part of Moray). Angus is not analysed on the grounds that the population involved is too small. More detail on the settlements included in each zone is provided in chapter 8 and the areas mapped as Appendix 1b.

Summary of Chapter

2.8. The main points include the fact that:

- The level of geographical analysis for the study is influenced by the current strategic context as well as the availability of robust and reliable administrative data.

¹⁰ Planning Advice Note (PAN 74) – *Affordable Housing*, Scottish Executive Development Department, March 2005

- For the secondary data analysis three sub areas based around Badenoch & Strathspey, West Gordon & Deeside and South Moray are used.
- The affordability analysis is based on five zones – named Aviemore, Grantown, Kingussie (all in the Highland Council area) Upper Deeside (Aberdeenshire) and Tomintoul (Morayshire).

3. The Cairngorms – Economy and Demography

3.1. This chapter provides one of the key starting points for a housing system analysis with a consideration of the economic context within which the housing market operates¹¹. As far as possible this has to examine the past and current economic situation in the park area as well as looking at future economic prospects. The chapter then looks at demographic data. Labour market activity is one of the main indicators of the economic situation. Table 1 below provides information on the level of economic activity within the population.

Designation	Park Number	Park %age	Scotland %age
<i>All people aged 16-74</i>	<i>11,719</i>	<i>100%</i>	
Full-time employee	4,404	37.6%	40.3%
Part-time employee	1,499	12.8%	11.1%
Self-employed	1,748	14.9%	6.6%
Unemployed	371	3.2%	4.0%
Full-time students	176	1.5%	3.0%
<i>Total Economically active</i>	<i>8,198</i>	<i>70%</i>	<i>65%</i>
Retired	1,924	16.4%	13.9%
Student	238	2.0%	4.3%
Looking after home/family	577	4.9%	5.5%
Permanently sick/disabled	428	3.7%	7.4%
Other	354	3.0%	3.9%
<i>Total Economically Inactive</i>	<i>3,521</i>	<i>30%</i>	<i>35%</i>

Source: 2001 Census, GRO (Scotland), Extracted from *State of the Park Report and Health Indicators*, February 2005

3.2. The figures point to the fact that the level of economic activity among the population within the park is above average when compared to Scotland, 70% and 65% respectively. However there are some differences in the nature of the labour market in the wider Scottish context. Within the park there is a lower proportion of full-time employees and a slightly higher proportion of part-time employees. More significantly the proportion of those in self-employment (14.9%) is more than double that of Scotland (6.6%). The proportions of both unemployed and economically active students are lower than the corresponding Scottish figures. In general terms, however, the Park is similar to many parts of rural Scotland in these respects.

3.3. A closer examination of the figures for the economically inactive population also show one or two interesting differences. First of all there is a greater proportion of retired households in the Cairngorms park area. Secondly the proportion of permanently sick/disabled households is half that of the Scottish figure. Overall in terms of economic activity the Cairngorms population is characterised by a higher level of economic

¹¹ Economic context information is informed by Cairngorms National Park Authority Report *State of the Park Report and Health Indicators: Socio-Economic Working Paper*, Rural Development Company, Fraser Associates & Northern Ecological Services (2005)

activity than that in Scotland. However within this, self-employed and part-time employees are a significant proportion with full-time employees lower than the Scottish figure. In addition 55% of the economically inactive population are retired. This tends to point to a fairly diverse set of economic situations within the population.

- 3.4. The CNPA report (2005) also illustrates some of the gender differentials in the population with regard to the labour market. For example 77% of males are economically active compared to 64% of females. In total 47% of males are in full-time employment with the corresponding figure for females at 28%. It also shows that the vast majority of part-time employees are females (83% of total) and the number and proportion of males in self employment is almost double that of females.
- 3.5. Moving on to look at employment patterns by industry tends to indicate an economy which is largely based on a few significant sectors. Table 2 illustrates the main sectors of employment. The largest employment sector is in the service industry of hotels and restaurants. This accounts for over 1,500 jobs equivalent to nearly one fifth of total employment in the park. It also emphasises the tourist based nature of the economy. Education, health and social work services employ over 1,200 people accounting for 16% of all employment. Not surprisingly agriculture and related activities in the park represent a higher proportion of employment than that of the Scottish Economy – 5.8% and 2.4% respectively. The share of employment in manufacturing is less in the park area (7.2%) when compared to Scotland (13.2%) while the proportion of employees in construction employment is similar. Financial intermediary services as an employer are less significant in the park than that of Scotland.
- 3.6. Overall employment in the park area is skewed towards the service sector with the hotels and restaurants sector a major contributor to employment opportunities. This is significant as many of the jobs in the hotels & restaurant trade may be seasonal, part-time and relatively low paid. Taken together with the retail trade these two sectors account for nearly one third of all employees. It is also the case that high proportions of female workers are employed within these sectors (CNPA, 2005).
- 3.7. Traditional areas of public service employment (education, health, social security etc) contribute a further 20% of all employment. In total construction, manufacturing, real estate etc and the ‘other’ category account for 34% of jobs. It also has to be acknowledged that there will be a significant degree of interdependence across employment sectors such as the reliance of the retail trade both on business with hotels and restaurants and the customers they attract to stay in the area.
- 3.8. The CNPA Report (2005) also analyses some of the changes in employment within the economy over the five year period 1998-2002. The main trends to emerge are:
 - Relative stability of the primary sector (agriculture, forestry, mining etc)

- Nearly 6% growth in employment in the manufacturing sector compared to 14% decline in Scotland.
- Relative stability in overall employment in the services sector (0.4% decline) although this does not compare favourably with the Scottish figure where 13% growth experienced.
- A decline of nearly 9% in construction and other sectors category

Table 2
Employment by Industry in Park Area, 2001

Employment Sector	Numbers	%age	Scotland %
Agriculture, hunting, forestry & fishing	453	5.8%	2.4%
Mining & quarrying	108	1.4%	1.2%
Manufacturing	566	7.2%	13.2%
Electricity, gas & water supply	44	0.6%	1.0%
Construction	629	8.0%	7.5%
Wholesale and retail trade & repairs	983	12.6%	14.4%
Hotels & restaurants	1,515	19.4%	5.7%
Transport, storage & communications	396	5.1%	6.7%
Financial intermediaries	94	1.2%	4.6%
Real estate, renting & business activities	704	9.0%	11.2%
Public admin, defence & social security	320	4.1%	7.0%
Education, health & social work	1,247	16.0%	19.7%
Other	765	9.8%	5.3%
Totals	7,819	100%	100%

Source: 2001 Census GRO (Scotland), Extracted from *State of the Park Report and Health Indicators*, February 2005

3.9. One of the main issues is the relative decline of the service sector in the Scottish context. The Cairngorms is an area with a significant degree of dependency on tourism upon which many service industries rely to one degree or another. Further analysis tends to indicate the main sectors where negative employment changes have occurred are the more specialist retail sector, hotels and public services. In construction there seems to have been some decline in general building services and related activities. The State of the Park report (2005) points to the lack of added value economic activity or indeed any new sectors emerging that may aid the promotion of diversity in the economy. While there is a fairly wide range of activities being undertaken within the local economy the actual numbers employed in many of these is small.

3.10. The agricultural industry is characterised by a trend towards farming becoming a part-time occupation with owner management and consolidation (CNPA, 2005). Employment on estates is closely linked to agriculture with field sports activity a key area of estate employment activities.

3.11. In terms of socio-economic indicators, the wards within the park area are all classified as relatively few 'deprived' people when measured against the average position in Scotland. So, the Park appears relatively privileged when compared to most other parts of Scotland. However it is also widely recognised that these area deprivation measures tend to underestimate rural disadvantage. Access to services may be one factor within the wider socio-economic measurements which fares less well for

many of the households in the Park area. For example, the limited access to public transport is an issue that may impact more negatively on Park residents.

3.12. For living in rural Scotland, access to/ ownership of a car or van is almost essential, unlike in urban areas where ownership is commonly read as an indicator of affluence. Of the 7,307 households in the park area around 19% do not own a car or van. Approximately 51% own either one car or van and the remaining 30% own more than two vehicles. Car ownership broken down by tenure is shown at Table 3. The table shows that the highest proportion of car ownership is predominantly located within private sector households. Eighty-one percent of those in the private rented sector and 89% of owner-occupiers have access to at least one car. The level of car ownership in the social rented sector is significantly lower with 52% of council renters and 42% of 'other' social renters owning at least one vehicle. Not surprisingly for a rural area the proportion of households with 2 or more vehicles is high in the private housing sectors.

Tenure	Owner-occupied		Council rented		Other social rented		Private rented or living rent free	
	Number	%age	Number	%age	Number	%age	Number	%age
No car or van	489	11%	460	48%	109	58%	305	19%
1 car or van	2,429	53%	424	44%	74	39%	820	51%
2 or more car or van	1,625	36%	73	8%	6	3%	493	30%
Totals	4,543	100%	957	100%	189	100%	1618	100%

3.13. Income data specifically for park residents are difficult to ascertain although some indications of this can be drawn from wider data available at the level of the four constituent local authorities. The Scottish House Condition Survey Local Authority Report provides some information at this level. Tables 4-6 outline the key indicators in the relationship between household income and household type as well as tenure. In terms of household size it is clear that the range of median incomes for single person households is significantly lower than that of larger households. Taking the median income for 1 and 2 person households the largest absolute differential appears to be in the Aberdeenshire area (£8,300 compared to £18,600). The lowest single person median household income is in the Moray area (£7,800) with the highest in the Highland area (£9,800).

Local Authority	1 person	2 person	3 person	4+ person
Aberdeenshire	8,300	18,600	22,800	28,300
Highland	9,800	15,600	20,000	21,100
Moray	7,800	15,400	21,200	23,400
Angus	8,600	15,600	18,100	26,800
Scotland	9,000	15,000	19,000	24,000

Source: *Scottish House Condition Survey: Local Authority Report, 2003*

3.14. Table 5 shows that the average annual income of pensioner households is generally lower than that of families or ‘other’ households – ranging from £8,500 in Moray to £10,500 in Highland. Table 6 shows some of the differentials that exist in the household income distribution by tenure. Not surprisingly median household incomes in the public housing tenure are significantly lower than those in the private sector.

Local Authority	Families	Pensioner	Other
Aberdeenshire	24,800	9,500	19,800
Highland	20,100	10,500	16,800
Moray	21,700	8,500	15,500
Angus	22,900	9,100	16,000
Scotland	20,000	10,000	15,000

Source: *Scottish House Condition Survey: Local Authority Report, 2003*

Local Authority	Private	Public	% Differential ¹²
Aberdeenshire	21,700	10,400	+108%
Highland	17,500	10,200	+72%
Moray	16,600	9,300	+78%
Angus	18,000	8,600	+109%
Scotland	18,000	9,900	+82%

Source: *Scottish House Condition Survey: Local Authority Report, 2003*

Population & Households

3.15. The 1991 Census estimated that the total population in the park area was 15,100 with approximately 6,200 resident households. This gave an average household size of 2.4 persons. By 2001 the Census estimated the total population of the park area as 16,295 with over 7,300 households – average household size of 2.2 persons. Therefore over the ten years the population increase was approximately 8% with an 18% increase in the number of households. The population growth rate of the park area exceeded that of any of the four council areas: between 1991 and 2001, Aberdeenshire’s population increased by 5%, Morayshire by 4%, Highland by 2% and Angus by 0.5%.

3.16. In 2001 51% of the population were females and 49% males which is the same as the Scottish profile. The age distribution of the population is shown in Table 7. In the park area the largest age group represented in the population are those between 40-59 years - 30% of the total. Children comprise 19% of the population with a similar proportion in the 25-39 years age group. Almost one quarter (24%) of the population are aged over 60. Those aged 16-24 years represent the lowest proportion at 8% of the total. Compared to the national picture, the park population has fewer children/young people and more aged 60 or over.

¹² Differential refers to the %age difference between median income in private tenure compared to public tenure (i.e. always positive % figure).

Age group (yrs)	Cairngorms		Scotland	
	Population (number)	Population (%)	Population (number)	Population (%)
0-15	3,056	19%	972,065	19%
16-24	1,225	8%	566,477	11%
25-39	3,112	19%	1,102,351	22%
40-59	4,919	30%	1,354,485	27%
60-64	1,052	6%	261,733	5%
65-79	2,308	14%	611,556	12%
80+	623	4%	193,344	4%
All	16,295	100%	5,062,011	100%

3.17. The Census reported that there were around 7,300 households within the park area¹³. The composition by household type (Table 8) shows that 37% of households were aged 60 or over. Younger households (34 and under) account for just 15% of all households. The largest proportion by age is the 35-59 household group (48% of all households). Clearly there is a significant proportion of older households within the park area.

Age Group (yrs)	Cairngorms		Scotland	
	Number	%age	Number	%age
24 and under	167	2%	89,063	4%
25 to 34	915	13%	353,414	16%
35 to 59	3,541	48%	1,038,126	47%
60 to 64	633	9%	157,153	7%
65 and over	2,051	28%	554,490	25%
Total	7,307	100%	2,192,246	100%

3.18. Table 9 shows that single person households accounted for around 36% of all households in the Park. Approximately 16% of all households are single pensioners with the same proportion of other adult single person households. Twenty three percent of all households have children. Overall only 4% of all households are headed by single parents. The proportion of non-pensioner households (comprising two or more adults) without children was 29%. Non-single pensioner households accounted for 16% of the total. The high proportion of single adult and pensioner households is significant given that they would tend to have lower incomes than other households.

3.19. An analysis of household type by tenure (Table 10) shows that there were relatively high proportions of single person households in the rented sector. For example 23% of private renters, 21% of Council renters and 24% of 'other' social renters were single person households. This

¹³ While the census output areas do not correspond exactly to the CNP geography the analysis has been undertaken on a 'best fit' basis.

compares to an overall figure of 16% for all tenures. Single parent households constitute a higher proportion of council and ‘other’ social renters, 16% and 15% respectively. The comparative figures for owner-occupiers (4%) and private renters (8%) are lower.

Household Type	Number	%age
Single person household	1,185	16%
Single parent household	283	4%
Single pensioner household	1,140	16%
Two adults (non-pensioner & no children)	1,403	19%
Two or more adults (with children)	1,424	19%
Two adult pensioner (at least 1) households	1,174	16%
Three or more adults (no children)	698	10%
Total	7,307	100%

3.20. Approximately 16% of all households are single pensioners. However the proportionate figures are much higher in the council and ‘other’ social rented sectors at 24% and 31% respectively. Couples with children are more predominant in the owner-occupied and private rented sectors with the ‘other’ social rented sector having a relatively low proportion at 15%. Couples without children and family all pensioner households are largely found in the owner-occupied and private rented sectors: 85% of couples without children and 87% of family all pensioner households were in the private sector tenures.

Household type	Owner-occupied		Rented from Council		Other social rented		Private rented/rent free		All Tenures	
	No	%	No	%	No	%	No	%	No	%
Single person	569	13%	199	21%	45	24%	372	23%	1,185	16%
Single parent	189	4%	155	16%	28	15%	137	8%	509 ¹⁴	7%
Single pensioner	669	15%	225	24%	59	31%	187	12%	1,140	16%
Couples (with children)	1,218	27%	198	21%	29	15%	366	23%	1,811	25%
Couples (without children)	1,111	25%	88	9%	12	6%	339	21%	1,550	21%
Family - all pensioner	558	12%	69	7%	11	6%	104	6%	742	10%
Other households	229	5%	23	2%	5	3%	113	7%	370	5%
Total	4,543	100%	957	100%	189	100%	1,618	100%	7,307	100%

Source: Gro (Scotland): 2001 Census

3.21. The census statistics indicate that the social rented sector is comprised largely of single person or single parent households. Looking holistically these groups represent around 62% of all households in the social rented sector (i.e. Council and RSL). Significantly these groups are also well represented in the private rented sector. Forty-three percent of all private

¹⁴ Please note that overall figure includes those single parent households where all children are non-dependents (n=167 of the total).

renters fall within these household groups and numerically there are more single person private renters than single person social renters. The propensity of these household groups to have lower incomes than larger households can lead to access issues within the wider housing market as well as affordability issues in current accommodation.

- 3.22. Couples with or without children account for the largest proportion of the owner-occupied sector with 52% of home owners contained within these household groups. Around 27% of owner-occupiers are pensioners with a greater number of single pensioner than non-single pensioner households. It is also interesting to note the relative diversity of the household composition of the private rented sector. For example there is a fairly large proportion of couples with children (23%) in this sector which in the Scottish context is relatively unusual. This points again to the sector performing a role quite unlike its residual urban one and its supply may partly be substituting for social rented housing. As in the rest of the country, it is likely that many people renting privately are doing so as they cannot access home ownership.
- 3.23. Although the categories distinguishing household type have changed since the previous census it is useful to compare some of the main household composition changes over the period 1991-2001 (Tables 10 & 11). For example while the number of single pensioner households has increased the proportion of these households overall has remained at 16%. Other single person households have increased considerably and account for 16% of all households compared to 13% in 1991. Single parent households have also increased although the figures may not be directly comparable. The figures for childless households with two adults tend to show a decline – from 32% in 1991 to 21% in 2001. Couples with children accounted for 25% of all households in 2001 whilst two adults with children accounted for 21% of all households in 1991.
- 3.24. The household composition within each tenure can also be contrasted to some extent. Within the owner-occupied sector the main change appears to be a lower proportion of adults without children in this sector. This may simply reflect the wider restructuring of households as there is also a slightly greater proportion of single parent and single person households in home ownership in 2001. In addition the proportion of couples with children has increased over the period. The private rented sector also reflects these changes to a great extent although the proportion of single pensioner households within this tenure has increased from 9% to 12%. In 2001 there was also nearly four times the amount of single parent households in the private rented sector as there was in 1991. Overall in 2001 63% of all single parent households were in the rented sector (either private or social).

Household type	Owner-occupied		Rented from Council		Housing Association		Private rented/rent with job		All Tenures	
	No	%	No	%	No	%	No	%	No	%
1 adult pensioner	480	14%	286	23%	102	70%	144	9%	1,015	16%
1 adult non-pensioner	325	10%	158	13%	7	4%	301	20%	792	13%
1 adult (children)	51	1%	95	7%	0	0%	38	2%	184	3%
2 adults (no children)	1,253	37%	282	22%	33	23%	479	32%	2,047	32%
2 adults (children)	698	21%	286	23%	3	2%	318	21%	1,305	21%
3 or more adults (no children)	387	11%	96	8%	1	1%	168	11%	652	10%
3 or more adults (children)	188	6%	51	4%	0	0%	72	5%	347	5%
Total	3,382	100%	1,254	100%	146	100%	1,520	100%	6,342	100%

3.25. In the social rented sector there have been fairly significant changes to the type of household accommodated. For example 21% and 16% of council renters in 2001 were single person and single parent households respectively. This compares to 13% and 7% in 1991. The proportion of couples with children and single pensioner households has remained similar. The housing association sector has changed primarily in relation to the growing need from different groups over the period. In 1991, 70% of housing association tenants were single pensioners with the two adult (no children) group also prevalent in this sector – at 23%. By 2001 this had diversified with single person households (24%) and single parent households (15%) also being housed in this sector. Single pensioners still remain the predominant household type in this tenure – 31% of the total. Couples with children comprised 15% of housing association tenants.

3.26. Table 12 shows that the current household structure in the Park area is similar to that of Scotland in many respects. The main difference is the higher proportion of couples with children in the park area (25%) when compared to Scotland (19%). Other differences include the slightly higher proportion of pensioner households in the park area and the lower proportion of single parent families in the park area when compared to Scotland – 7% and 11% respectively.

Household Type	CNP Area		Scotland
	No	%	%
Single person	1,185	16%	18%
Single parent	509	7%	11%
Single pensioner	1,140	16%	15%
Couples (with children)	1,811	25%	19%
Couples (without children)	1,550	21%	23%
Family - all pensioner	742	10%	8%
Other households	370	5%	5%
Total	7,307	100%	100%

Source: Gro (Scotland): 2001 Census

Population & Household Projections

3.27. Population and household projections in Scotland are made available at national, health board and local authority area level, as well as for Structure Plan areas. Until recently, no specific household projections were available for the Park area¹⁵. Population projections for each of the local authority areas (Table 13) show a projected decrease in population ranging from 1% in Aberdeenshire to 9% in Angus. While the overall population in Scotland is projected to decline by 2.4% there is a more marked decline in three of the four local authority areas with only Aberdeenshire bucking the national trend to some extent.

Area	Population 2002	Projected Population 2016	%age change
Aberdeenshire	227,280	224,878	-1%
Angus	108,130	98,228	-9%
Highland	208,140	199,887	-4%
Moray	86,740	79,969	-8%
Scotland	5,054,800	4,935,272	-2.4%

Source: GRO Scotland 2002 Based projections

3.28. While population decline may be evident in the wider local authority areas, recent trends show that the park area population has grown considerably from 1991 to 2001. Previous 1998 based projections for the Badenoch & Strathspey area projected a 7% growth in the area's population over the period up to 2016¹⁶. This compared to a 0% growth figure projected for the Highland Council area as a whole. Information provided by Aberdeenshire Council¹⁷ also tends to show population growth evident in the settlements within the park area. For Ballater and Braemar over the period 2001-04 the population increased by 10.8% and 6.7% respectively. Longer term forecasts (2001-2011) for the two settlements indicate projected growth of 4.7% (Ballater) and 8.8% (Braemar). The recent University of Manchester projections show the CNPA population increasing from 15,749 in 2002 to 16,889 in 2016, a 7.2% increase. Of these, 3,602 were over retirement age in 2002 (i.e., 23% of the population) with the number anticipated for 2016 being 5,373 (32%). This would suggest a dramatic ageing of the CNPA area population, with the normal 'demographic pyramid' being turned into a mushroom.

3.29. Table 14 provides information on the 2002-based household projections for each of the local authority areas. In Scotland household growth over the period up to 2016 is estimated to be 7%. In the four local authority areas in the CNPA there is a significant difference in the estimated changes in household numbers. In Aberdeenshire and Highland it is anticipated that household numbers will grow by 8% and 6%

¹⁵ *Population and Household Projections for the Cairngorms National Park Authority*, University of Manchester, 2005.

¹⁶ *Highland Housing Needs Study: Sub-area profiles*, DTZ Pieda/NFO, 2003

¹⁷ *Population Estimates and Forecasts: 2005 update*, Aberdeenshire Council, 2005

respectively. In contrast the household numbers in Angus are only expected to grow by 1% and no growth is projected in Moray. The University of Manchester projections show household growth significantly higher than any of these figures: a 19.5% increase from 6,936 households in 2002 to 8,290 in 2016.

Area	No. of Households 2002	Projected Households 2016	%age change
Aberdeenshire	92,480	100,330	8%
Angus	47,330	47,740	1%
Highland	90,510	96,280	6%
Moray	36,230	36,140	0%
Scotland	2,216,780	2,381,090	7%

Source: GRO Scotland 2002 Based projections

3.30. While in both Moray and Angus household numbers are projected to remain stable or grow slightly across all four local authority areas there will be major changes in household composition. The most significant change for all the areas is the projected growth in single person households. Table 15 shows the extent of this growth. In Moray (20%) and Angus (18%) this growth is below the Scottish average (26%) whereas in Highland (27%) and Aberdeenshire (32%) this growth is above the Scottish average. In Aberdeenshire the change is quite substantial with almost one third more single person households projected than existed in 2002. However even with this growth the proportion of all households that are single person is the lowest of the four areas at 31%. In Angus and Highland nearly 4 out every 10 households are projected to be single persons by the year 2016. By the end of the period over one third of all Moray households are anticipated to be single person households. The overall growth of single person households as a percentage of all households in each of the areas is similar to the projected growth at a national level. For the CNPA area, the University of Manchester suggests a considerable 41% increase from 2,175 (31% of the total in 2002) to 3,066 (37% of the total in 2016).

Area	Single Person H/hold Projections			Single Person H/holds as %age of all		
	2002	2016	% change	2002	2016	% change
Aberdeenshire	23,760	31,380	32%	26	31	5%
Angus	14,810	17,530	18%	31	37	6%
Highland	28,650	36,450	27%	32	38	6%
Moray	10,350	12,420	20%	29	34	5%
Scotland	737,430	930,640	26%	33	39	6%

Source: GRO Scotland 2002 Based projections

3.31. The growth in single person households provides challenges for the planning of many areas of service provision but in particular health, housing and social care. In 2016, the age structure of households nationally will have shifted towards the older age categories while those households of working age will have declined. For example those aged 60

and over currently account for around 32% of all Scottish households and this is anticipated to rise to 36% by 2016. In contrast those households aged 30-59 years are projected to decline from 56% in 2002 to 53% in 2016.

3.32. The growth in single person households provides particular challenges for the planning of housing provision and services. Single person households are by definition also single income households and therefore may tend to have more limited access to the housing market, particularly for younger households. The census data for the park area showed that currently single person households are disproportionately represented in the rented sectors. This may be related to economic ability to access the owner-occupied market for some single person groups (i.e. younger households). However another significant household group are single pensioners and a significant proportion of the total (60%) are located in the owner-occupied sector according to the 2001 census. Therefore in addition any growth in elderly single person households will require specific policy responses. Given the fact that government policy is focused on Care in the Community and the Joint Future initiative then this has to be coupled with a need to assess health and social care requirements that may arise from this group.

3.33. The wider change in the household structure in each local authority area is obviously not confined to single person households (Table 16). For example in three of the four local authority areas it is projected that single parent households will increase (Moray being the exception). Aberdeenshire has the highest projected growth at 20% which is the same as the national figure. Perhaps more significantly there is a steep decline projected for households containing 2 or more adults with children. This decrease ranges from 28% in Aberdeenshire to 34% in Angus and in all areas it is higher than the figure projected for Scotland. Households with 2 or more adults (without children) are projected to increase by 17% in Aberdeenshire but only 5% and 6% in Angus and Moray, respectively. The increase in the Highlands is projected to be 11%, again above the Scottish figure of 7%. In the CNPA area, the University of Manchester projections show significant increases in the number of lone parent households and all adult households.

Area	1 Adult + Children			2 or more adults + children			2 or more adults		
	2002	2016	% change	2002	2016	% change	2002	2016	% change
Aberdeenshire	3,730	4,470	20%	25,470	18,330	-28%	39,520	46,140	17%
Angus	2,560	2,760	8%	10,360	6,830	-34%	19,600	20,620	5%
Highland	4,740	5,270	11%	20,160	13,570	-33%	36,950	41,000	11%
Moray	1,140	1,020	-11%	9,370	6,350	-32%	15,370	16,340	6%
CNPA area	308	351	14%	1,490	1,083	-27%	2,964	3,790	28%
Scotland	143,430	172,340	20%	474,640	354,270	-25%	861,280	923,840	7%

3.34. The current population and household structure of the park and the wider area projections indicate that there are issues to be addressed through strategic planning for the CNPA. Within the wider Highland Council area context the Badenoch & Strathspey area is viewed as a major growth area in terms of demographic change (DTZ Pbeda, 2003). In summary it appears that by the middle of the next decade the population and household structure will have changed to:

- a greater proportion of elderly households (with single pensioner households a significant factor in this)
- a greater number and proportion of single person households generally
- an absolute and proportionate decline in larger family households (with 2 adults or more) and an increase in single parent households

3.35. This move towards one person households is a challenge at both national and local level within Scotland. In relation to housing provision this includes the need to consider that sole income households may have particular issues in accessing market housing (either rented or owned). There are also issues relating to the balance of different household types in different communities and the planning and provision of social infrastructure and social welfare services. In general in the past few years, house prices have grown at a rate considerably beyond that of household income growth. In addition, the private rented and social rented sectors need to consider affordability issues for groups such as single parent and single pensioner households.

Summary of Chapter

3.36. There are a number of economic and demographic issues identified impacting on the housing system in the park and wider area. In economic terms the level of economic activity among the population is higher than the Scottish average although in the park there is a slightly higher incidence of part-time employment. Self-employment is more significant in the park area when compared to Scotland. Proportionately, retired households are also more prevalent in the park. Other economic issues identified include:

- The relative stability of the local economy although reliance on the service sector. Recent figures tend to show that the service sector has not grown in line with Scottish trend.
- While there is a degree of divergence in economic activity the lack of value added economic activity and small numbers employed in some sectors may be an issue.
- Deprivation indicators point to a relatively affluent population when compared to other areas of Scotland although this may mask aspects of rural disadvantage such as access to public transport

3.37. Population and household projections indicate significant growth in the period to 2016:

- Between 1991-2001 the population increase in the park area was approximately 8% with an 18% increase in the number of households. The rate of population increase was greater than that of any of the four partner local authorities. From 2002 to 2016, a population growth of 7% and a growth in the number of households by 20% are anticipated.
- Overall, the trend is for growth in single person households and an ageing population.

4. The Cairngorms Housing System

4.1. This chapter looks at some of the key characteristics that define the housing system of the Park area. It proceeds by looking first at the Park as a whole and then at its constituent areas. According to the most recent census in 2001 the housing stock in the Cairngorms Park area comprised 9,441 dwellings. Of these approximately 77% are occupied, 19% (1,794) are classified as second or holiday homes and the remaining 4% were vacant. Table 17 shows a breakdown of property types. It is interesting to note that 95% (1,658) of second or holiday homes are either a house or bungalow (generally larger and more expensive). Only 5% are flats or other similar property types. Similarly the vast majority of vacant properties (80%) are a house or bungalow.

Type	Number	%age
House or bungalow	8,605	91%
Flat, maisonette or apartment	784	8%
Caravan/mobile/temporary structure	48	0.5%
Shared dwelling	4	0.04%
Total	9,441	100%

4.2. While there are slight differences in the geographical scope of analysis the tenure breakdown based on a 'best fit' with the park area in both 1991 and 2001 are outlined at Table 18. Overall the main tenure change since 1991 has been the growth in owner-occupation both in absolute and relative terms. As a proportion of all tenures it has increased by approximately 9% and this general growth reflects national trends over the period. The private rented or tied sector has remained relatively stable in absolute numerical terms but appears to have reduced in its overall share of the stock – from 25% to 21%.

Tenure	1991		2001	
	Number	%age	Number	%age
Owner-occupied	3,361	53%	4,543	62%
Private renting or rent with job	1,574	25%	1,561	21%
Local authority renting	1,261	20%	1,001	14%
Housing association renting	143	2%	202	3%
Total number of households	6,339	100%	7,307	100%

Source: 1991 & 2001 Census Data

4.3. The local authority sector has declined in both numerical terms and as a share of the total occupied stock. In 1991 council housing represented one fifth of homes but had reduced to 14% in 2001. This change is primarily due to the loss of stock through the Right to Buy and the fact the new affordable housing development has mainly been undertaken by housing associations. As a consequence the housing association sector has grown from 2% to 3% of the total housing stock. However it is important to note that the rate of replacement for stock lost through the RTB is low with the

number of sales far outstripping the additions to the social rented sector. Overall the social rented sector stock has declined from 22% to 17% of all homes over the period.

4.4. Further analysis demonstrates the greater significance of the private rented or ‘living rent free’ sector within the national park area when compared to many other areas of Scotland. Twenty-one percent of the total stock is in this tenure compared to just 8% nationally. While owner-occupation levels in the park are similar to the Scottish picture the social rented sector is significantly smaller. Only 17% of all properties are social rented compared to 29% in Scotland. Since 1991 the social rented sector in the park area has experienced a net decline of over 200 homes from 23% of the total stock to 17%. It is a stark fact that the number of second/holiday homes (1,794) in the Park area is around 56% higher than the social rented sector (1,203). This situation is similar to five of the National Park areas in England (Cairncross et al, 2004).¹⁸

Tenure	CNP 1991 →		CNP 2001		Scotland 2001	
	%	No.	%	No.	%	No.
<i>Owner-Occupied</i>	53%	3,323	62%	4,543	63%	1,372,103
Owns outright	27%	1,725	34%	2,470	23%	513,557
Owns with mortgage/loan	25%	1,598	27%	1,998	39%	846,090
Shared ownership	0%	0	1%	75	1%	12,456
<i>Private Rented or ‘living rent free’</i>	24%	1,530	21%	1,561	8%	175,354
Private landlord/letting agency	13%	810	13%	958	6%	126,561
Employee of household member	11%	720	5%	363	1%	14,648
Relative/friend household member	0%	0	2%	150	1%	24,489
Other	0%	0	1%	90	0%	9,656
<i>Social Rented</i>	23%	1,415	17%	1,203	29%	644,789
Rented from Council	20%	1,267	14%	1,001	23%	514,980
Other social rented	2%	148	3%	202	6%	129,809
Totals	100%	6,268	100%	7,307	100%	2,192,246

Source: Gro Scotland – 1991 & 2001 Census

4.5. Looking at the sectors within each tenure (Table 19) also points to some interesting characteristics of the housing system. For example within the owner-occupied sector over half of the properties are owned outright. Overall 34% of the total housing stock is owned outright compared to the Scottish figure of 23% while only 27% have been bought with the help of a mortgage or loan. The higher proportion of outright owners in the Park than across the country is associated with its older age profile. In the park area in 1991 only 27% of properties were owned outright and 25% through a mortgage or loan. In 2001 within the private rented or ‘living rent free’ sector there was a significant proportion of ‘tied’ housing and those renting from a relative or friend. At the same time 13% of the total housing stock is rented through a private landlord or letting agency in comparison to only 6% in Scotland. It is difficult to compare the 1991 data as the categories are different although overall the numbers within

¹⁸ Cairncross, L., Downing, L. & Green, S (2004) *Planning For Affordable Housing: Lessons from the English National Parks*, Paper to Housing Studies Association Conference, Belfast, September 2004

the sector have not changed significantly. The level of renting from both the Council and housing association sectors is significantly lower than the Scottish averages. The council housing sector has reduced significantly from 20% (1991) of the total housing stock to 14% (2001). There has been a slight increase in the housing association sector from 2% to 3% of the total stock.

Stock Condition

- 4.6. In 2001 the census reported that 91% (6,664) of all occupied properties had central heating with 9% (643) having no central heating. Of those properties with no central heating approximately 52% were in the private rented sector and a further 42% were owner-occupied. Only 8% of the total were in the social rented sector (council or housing association). Disrepair is much more a private than public sector issue (Tables 20 and 21) implying that access to repair grants needs continuous promotion, as well as funding.

Table 20				
Dwellings with any Disrepair by Tenure, 2002 (No. & %)				
Local Authority	Private		Public	
	Number	%age	Number	%age
Aberdeenshire	51,000	81%	12,000	19%
Highland	55,000	74%	19,000	26%
Moray	21,000	76%	7,000	24%
Angus	27,000	74%	9,000	26%
Scotland	1,209,000	69%	553	31%

Source: *Scottish House Condition Survey: Local Authority Report, 2003*

Table 21				
Dwellings with any Urgent Disrepair by Tenure, 2002 (No. & %)				
Local Authority	Private		Public	
	Number	%age	Number	%age
Aberdeenshire	16,000	89%	n/a	11%
Highland	10,000	85%	n/a	14
Moray	7,000	84%	n/a	16%
Angus	11,000	82%	2,000	18%
Scotland	496,000	69%	218,000	31%

Source: *Scottish House Condition Survey: Local Authority Report, 2003*

Tenure Changes

- 4.7. Over the period 1981-2003 a total of 955 properties were sold through the Right to Buy. On average 42 properties every year were transferred from the social rented sector to the owner-occupied sector through this mechanism and the proportion of stock sold in the park area is approximately 70% (see Appendix 2, table 3 for further detail post 1989).
- 4.8. When examining the housing land audit and completions data it is important to note that most local authority planning departments only monitor data on sites of five units or more. This means that there is likely to be some under-counting of completions, though this could not be calibrated without a full check of building control records. The historic

and projected completions data available tend to indicate a fairly low level of activity in the park area. For example in Aberdeenshire the house completions in the park between 1999-2003 represent less than 2% of all house completions in the Aberdeenshire area. Projected completions from 2004-2008 in the same area are anticipated to be less than 1% of all completions in the wider Aberdeenshire Council area. House completions by tenure show a fairly consistent pattern over the period 1999-2003.

- 4.9. Historically Badenoch & Strathspey has witnessed the highest level of completions in the private sector. Between 1991 and 2001 there were 724 completions – an average of 72 per year¹⁹. Information on the Moray and Angus Glens areas is not available. The level of activity is assumed to be zero.
- 4.10. Of the projected public sector completions in Badenoch & Strathspey, the medium-term target is for 42% to be for Low Cost Home Ownership and 58% for social renting. It should also be noted that the projected public sector completions here are due to the resourcing and development of one large site.

Year Area	1999		2000		2001		2002		2003	
	Priv	Pub	Priv	Pub	Priv	Pub	Priv	Pub	Priv	Pub
Badenoch & Strathspey	47	1	49	1	39	0	55	0	80	0
Aberdeenshire	2*	0	24	0	27	0	34	0	26	0
Moray	0	0	0	0	0	0	0	0	0	0
Angus	0	0	0	0	0	0	0	0	0	0
Total	49	1	73	1	66	0	89	0	106	0

* Figures have not been provided broken down by tenure. Assumption of 100% private sector.

Year Area	2004		2005		2006		2007		2008	
	Priv	Pub	Priv	Pub	Priv	Pub	Priv	Pub	Priv	Pub
Badenoch & Strathspey	53*	52*	56	52	59	52	60	52	56	52
Aberdeenshire*	12	0	5	0	4	0	4	0	4	0
Moray	0	0	0	0	0	0	0	0	0	0
Angus Glens	0	0	0	0	0	0	0	0	0	0
Total	65	52	61	52	63	52	64	52	60	52

* Note that Aberdeenshire projecting total of 23 projections over 5 year period. Annual figures are average.

* 2004 year completions (calendar year) total 125, 56% of which were in Aviemore.

Housing Systems in the Park's Sub Areas

Badenoch and Strathspey

- 4.11. The vast majority of the population and households in the park are located in Highland Council's administrative area of Badenoch and

¹⁹ *Highland Housing Needs Study: Sub-area Profiles*, DTZ Pidea/NFO, December 2003

Strathspey. It is estimated that there were 5,057 households in the area in 2001 which represents 69% of the total households in the park area. The total number of households has increased by 18% since 1991. The population also increased by 7% over this period from 11,008 to 11,763. Population projections (1998-based) show a further anticipated growth of 7% up to 2016. Overall given the fact that the majority of the population and households are within this area then the household structure is not significantly different from the park area.

- 4.12. The total dwelling stock in this area is estimated at 6,320 or 67% of the total homes in the park with 3% of the stock vacant. In addition approximately 17% (1,044) of the stock are second/holiday homes – representing 58% of all second/holiday homes in the park. Over the period 1991 to 2001 owner-occupation increased from 56% of the total stock to 64%. Council housing reduced from 22% to 14% of the total stock while the private rented/tied/living rent free sector reduced slightly from 18% to 17%. The RSL sector's share of the stock grew slightly from 2% to 3%. The monthly median income is estimated at £1,066 and seasonal employment can produce variances in income flow.
- 4.13. The Highland Council's most recent study into housing needs (DTZ Pinda/NFO, 2003) provides information on some of the general characteristics of households and the housing system within Badenoch & Strathspey. Thirteen per cent of residents claimed that they were likely to move within the next two years (56% of these within their current settlement or locality). Approximately 57% of resident had lived in their current home for ten years or more with 6% being relatively new residents having moved to the area in the past year. Of those who moved in the past five years around 50% had stayed in the same settlement or locality as their previous home. A further 24% had moved from another part of either Badenoch & Strathspey or the wider Highland area. Just over a quarter had moved in from outwith the Highland area (10% from outside Scotland). In comparison to the rest of the country, these data suggest a relatively stable population, whilst they are fairly typical of rural areas that are not peri-urban.

Aberdeenshire

- 4.14. According to the 2001 census the total population within the Aberdeenshire area of the park was approximately 2,192. Around 66% of the population live in the Ballater settlement with a further 22% in Braemar. The remaining 12% live in the smaller rural areas of Corgarff, Strathdon and Dinnet.

Moray

4.15. In the Moray Council Park area the population is estimated at 725 with 339 households. This represents less than 1% of the total Moray population although 26% of those in the park are aged 60 and over (ie about 180 people). Since 1991 the population in the sub-area has declined by around 12%. Tomintoul is the largest settlement in the sub-area within the Park with a population of 322. In the Moray sub-area (Table 24) the household breakdown is similar to the park area as a whole with the main differences being the lower level of larger pensioner households in the Moray area (8% as opposed to 16%) as well as a higher proportion of two adult households – 24% compared to 19% in the park area.

Household Type	%age	Park area %age
Single person household	18%	16%
Single parent household	6%	4%
Single pensioner household	18%	16%
Two adults (non-pensioner & no children)	24%	19%
Two or more adults (with children)	21%	19%
Two adult pensioner (at least 1) households	8%	16%
Three or more adults (no children) or other	5%	10%
Total	100%	100%
Number of Households	339	7, 307

4.16. The tenure breakdown is slightly different from the wider park area with 55% owner-occupied, 15% social rented and 30% (ie about 100 households) in private renting or living rent free. Table 25 provides a breakdown of this. The main differences include the fact that there is a slightly higher proportion of outright owners in the Moray sub-area at 36% and a lower proportion of those owning with a mortgage or loan (19% compared to 27% in the park area). The most significant difference is the higher proportion of private renting or living rent free in the sub-area at 30% compared to 21% in the park area. Social renting activity is similar in proportionate terms.

	Moray Sub-Area		Park Area	
	No.	%age	No.	%age
<i>Owner-Occupied</i>	186	55%	62%	4,543
Owns outright	122	36%	34%	2,470
Owns with mortgage/loan	64	19%	27%	1,998
Shared ownership	0	0%	1%	75
<i>Private Rented or 'living rent free'</i>	102	30%	21%	1,561
Private landlord/letting agency	n/a	n/a	13%	958
Employee of household member	n/a	n/a	5%	363
Relative/friend of household member	n/a	n/a	2%	150
Other	n/a	n/a	1%	90
<i>Social Rented</i>	51 ²⁰	15%	17%	1,203
Rented from Council	39	12%	14%	1,001

²⁰ More recent figures show that this had declined to 48 by March 2003.

Other social rented	12	3%	3%	202
Totals	339	100%	100%	7,307

Sources : 2001 Census & Moray Council LHS document, 2004

4.17. Moray Council's LHS highlights the issue of the greater preponderance of private rental and tied accommodation in rural areas particularly within the park area. This is seen as a challenge for the Council's LHS through the need to provide suitable accommodation for older people in rural areas who may be retiring from employment with tied accommodation.

4.18. Moray Council's LHS document refers to a significant level of in-migration into the area although overall the population declined between 1991 and 2001. Average house prices in the area have traditionally been lower than the wider Moray area at around £48,000 compared to £78,000 (in 2001-2002). Since 1980 around 36% (n=27) of the council's stock has been sold through the RTB in the area with a disproportionate number of 3 bedroom properties having been sold (49%). However the proportion of stock sales is lower than the wider Moray area where the figure is 47%. The average income of Moray Council residents within the park area is £18,361 which is slightly less than the average for the full Council area £19,207 (in 2001-2002).

Angus

4.19. The Park includes the Angus Glens – Glen Clova and Glen Prosser – which are recognised to form part of the Forfar, Kirriemuir and Angus Glens HMA. Neither of the major settlements is proximate to the Park boundary. There is no social housing stock in the Park part of the HMA and, from 1989-2003, there were only 16 house sales registered with the Register of Sasines (compared to over 9,000 in the rest of the HMA). The private rental sector is thus likely to perform an important role in the area, but, as noted by the Council's LHS, is a sector where information gaps are glaring.

Summary of Chapter

4.20. The most recent census estimated the total housing stock in the Park as 9,441 with 77% of these being occupied dwellings. There has been a growth in owner-occupation over the period 1991 to 2001 from 53% to 62%. The private rented sector has remained relatively stable in absolute numbers but has declined as a proportion of stock to 21%. The social rented sector has declined significantly from 22% to 17% of all stock primarily through the Right to Buy and the lack of new build activity in this sector.

4.21. Other features of the general housing system include:

- There is a relatively high proportion of owner occupiers who own their properties outright when compared to the Scottish average.

- The private rented sector is in itself diverse with a significant proportion of tied housing.
- The council house sector has declined in both absolute and proportionate terms whereas the RSL sector has increased slightly.
- On average 42 properties have been sold every year through the RTB over the past twenty years.
- In recent years house completions have been rising although these are mainly concentrated in the private sector. Current projections anticipate approximately 115 completions per annum with a greater proportion of affordable housing within this target.
- Sub-area analysis is limited due to availability and inconsistency in the data. The greatest proportion of population and households (69%) is in the Badenoch & Strathspey sub-area. There are some slight differences in the tenure composition of each sub-area.

5. Owner-occupation

5.1. This chapter shows some of the key features of the principal tenure sector in the Park, home ownership. Over the fourteen year period from 1989-2003 there were over 5,000 house sale transactions in the Cairngorms National Park area. The majority of these were second hand sales (65%) with 11% Right to Buy sales and a further 7% being sales of new build properties (Appendix 2 provides further data). The global figure masks a significant upwards trend in the overall number of transactions over the period²¹. In 1989 there were 122 transactions and this had increased to 462 transactions in 2003 – a rise equivalent to nearly 400%. The contribution of second hand sales to the overall transactions has nearly always been in the range 60-70%. RTB sales have ranged from a high of 26% of all transactions in 1989 to a low of 7% in 2001.

5.2. Table 26 shows that in the past five years the number of house sales has ranged from 410 to 484 per annum. The most recent figure for 2003 is 462 transactions with second hand sales, at 63%, continuing to account for the biggest proportion of all sales. Over the period RTB and new build sales have tended towards equal shares of the transaction market (the year 2000 being the exception). Second hand sales in the past four years have been around 300 per annum.

Year	1999		2000		2001		2002		2003	
	No.	%	No.	%	No.	%	No.	%	No.	%
All Sales	410	100%	484	100%	427	100%	471	100%	462	100%
2 nd Hand	264	64%	310	64%	299	70%	312	66%	291	63%
Right to buy	33	8%	49	10%	30	7%	38	8%	52	11%
New build	33	8%	16	3%	34	8%	32	7%	48	10%
Other Sales	80	20%	109	23%	64	15%	89	19%	71	15%

Source: Sasines Data

5.3. Average nominal house prices for all sales²² in the Park area have risen from £43,124 in 1989 to £96,214 in 2003 (Table 27 overleaf). In the new build sector the average house price has risen by about 240% to over £132,000 in 2003. More meaningful analysis of the second hand market shows that from a base point of just over £55,000 (1989) prices rose to £106,714 (2003). This is equivalent to a nominal (ie, not adjusted for general inflation) increase of 93% over the period 1989-2003, which is

²¹ A greater number of transactions is mainly associated with economic or demographic change. Coupled with the price change data, the clear implication is of greater economic buoyancy.

²² The data source for this analysis is the Register of Sasines. This covers all transactions, but gives no property characteristics information. Mean prices can not therefore be mix adjusted, and we can not rule out one 'cause' of observed year on year price change being a shift in the size/type/location of houses being bought. As the greater the number of sales, the lower the 'error' we see, this health warning is more severe for new-build and RTB sales. It is acknowledged that the median *may* in some respects be a truer reflection of the 'average' than the mean, but for comparability with other data sources, the mean is used.

approximately the same as the national increase. In the period 2000-2003 average prices in the second hand market have risen (nominally) by 33%. It is interesting to note that while the number of properties in the second hand market has increased fourfold since 1989 prices have also increased significantly. Furthermore, the number of second hand transactions in the four year period 2000-2003 has remained relatively stable while prices have risen by 33%. This tends to suggest that the supply of housing (fairly consistent in numerical terms over recent years) has not kept pace with demand growth. Information provided by Highland Council for the Badenoch and Strathspey area shows that over the period 1993-2003 an average of 110 homes on the market were purchased from households living outwith the area: indicating a relatively high external demand pressure. We consider this point further in Chapter 8.

Year	All Sales	Second Hand	% change*	New Build	% change
1989	43,214	55,154	0%	38,448	0%
1990	47,176	55,827	+1%	47,440	+23%
1991	51,720	59,852	+7%	63,361	+34%
1992	56,193	63,286	+6%	72,379	+14%
1993	50,387	57,301	-9%	67,015	-7%
1994	52,252	62,304	+9%	82,844	+24%
1995	56,902	70,365	+13%	55,262	-33%
1996	59,156	67,947	-3%	49,968	-10%
1997	59,747	68,146	+0.5%	73,363	+47%
1998	62,629	65,082	-4%	81,083	+11%
1999	70,705	83,656	+28%	97,108	+20%
2000	68,342	80,190	-4%	104,260	+7%
2001	74,074	81,071	+1%	81,007	-22%
2002	82,070	92,467	+14%	120,934	+49%
2003	96,214	106,714	+15%	132,090	+9%

* % refers to year on year change
Source: Sasines Data

5.4. Over the period 1981-2003 a total of 955 properties were sold through the Right to Buy (mainly council housing) – an average of 42 properties every year transferred to the owner-occupied sector. The vast majority of purchases have been in the Badenoch & Strathspey area. In this area 62% of 4 apartment or larger properties have been sold along with 42% of all 3 apartment properties. Smaller properties have seen a lower proportion of sales with only 16% having been sold²³. In Badenoch & Strathspey, over the period 1980-2000, the distribution and subsequent impact of sales has varied. This can be related to the original profile of the stock in terms of property size as larger properties are generally more desirable and prone to RTB purchase. Boat of Garten and Aviemore have experienced some of the highest RTB sale rates at 79% and 67% respectively. Nethybridge, Newtonmore, Carrbridge, Dalwhinnie and Grantown on Spey have all witnessed sales in the range 50-60%. Council stock in Kincaig, Kingussie and Laggan has reduced by 40-50% over the same period. It is

²³ *Assessing the Long Run Impact of the RTB*, H. Pawson, C. Jones, C. Leishman and M. Satsangi (2002)

anticipated that while the overall figure and proportion of stock loss will have increased in the intervening years the geographic distribution will have remained similar.

5.5. The average market valuation placed on a RTB property was £38,193 in the year 2000 which is significantly less than the figure for second hand sales (£80,190). The discount rate on sales has ranged from 38% to 51% over the period since 1981. In 2000 the average discount reached its peak of just over 51% on the basis of 35 sales in the park area.

5.6. In Badenoch & Strathspey there have been ninety-two RTB re-sales over the period 1992-2004. The greatest proportion of these have been in Aviemore (45%) with 17% in Kingussie and 10% in Grantown on Spey. A further 16% have been split evenly between Boat of Garten and Newtonmore. The remainder have been in Carrbridge, Nethybridge and Kincaig. Of the 47 properties resold over the past five years (see Table 28) average prices have ranged from £33,000 in Grantown in 2001 to £81,575 in Aviemore in 2004. Overall the average prices in the RTB resale market are lower than the average for general second hand sales in the park area. However the average prices for 2003 appear to have risen significantly from 2002.

Year	2000		2001		2002		2003		2004	
	No. sales	Ave Price £	No. sales	Ave Price £	No. sales	Ave Price £	No. sales	Ave Price £	No. sales	Ave Price £
Settlement										
Aviemore	3	38,667	4	44,750	3	46,000	10	59,026	1	81,575
Boat of Garten	4	72,251	0	0	0	0	1	75,000	0	0
Carrbridge	0	0	0	0	1	38,250	0	0	0	0
Grantown	0	0	1	33,000	0	0	2	51,000	0	0
Kincaig	1	42,000	1	40,000	0	0	0	0	1	54,700
Kingussie	0	0	3	38,833	4	39,150	2	60,000	0	0
Nethybridge	0	0	0	0	0	0	1	60,000	0	0
Newtonmore	0	0	1	52,000	2	46,788	0	0	1	60,000

Affordable owner-occupation

5.7. There are a small number of Low Cost Home Ownership dwellings in the park area, primarily operated through RSLs. Albyn Housing Society own approximately twenty shared ownership properties in the park area. The geographical breakdown is:

- 60% in Aviemore
- 25% in Grantown on Spey
- 10% in Nethybridge
- 5% in Carrbridge

5.8. The majority (85%) of these properties are three apartments with one, two and four apartment properties representing 5% each of the total shared ownership stock. In terms of the share of the dwelling that is owned by

the occupant, the vast majority eight five per cent own a 25% tranche with only fifteen per cent (ie about three households) a 50% tranche. According to the association's figures there are 207 expressions of interest in shared ownership. Cairn Housing Association also operates shared ownership with seventeen properties in Aviemore (10) and Boat of Garten (7). The majority (76%) have two bedrooms with 24% one bedroom properties.

- 5.9. The Grants for Rent or Ownership (Gro) mechanism has been used recently to provide Low Cost Home Ownership opportunities in Aviemore. Twenty two properties have been developed comprising a mix of flats (12) and semi-detached properties (10). The discounted prices for marketing have ranged from £72,000 (2 person semi-detached) to £98,000 (5 person semi-detached). The three person flats have been marketed at £75,000 each. Anecdotal evidence suggests that purchasers have mainly been local people (first time buyers) and incoming workers.
- 5.10. Low Cost Home Ownership also features in forthcoming RSL development programmes with Albyn Housing Society developing 10 units in Aviemore and 8 units in Nethybridge. A smaller number (4) is in the pipeline for the settlement of Carrbridge. Uptake of Rural Home Ownership Grants in the area has to date been very limited, with high land costs thought to be the main deterrent.
- 5.11. Further discussion of the lower parts of the house price spectrum is given in Chapter 8.

Summary of Chapter

- 5.12. The level of house sales activity has increased significantly over the past fifteen years. Every year 60-70% of all houses sales are in the second hand market with lower proportions of RTB and new build sales. The average house price for all sales in 2003 was just over £96,000. The more meaningful figure for second hand sales is just under £107,000 with the new build figure significantly higher at £132,000.
- 5.13. The market in the resale of previous Council properties in the Badenoch & Strathspey area shows that average resale prices have risen over the past four years perhaps in some ways reflecting the general trends in the housing market.
- 5.14. Historically Low Cost Home Ownership activity has been relatively limited with the RSL sector the main provider. All these properties are in the Badenoch & Strathspey area with Aviemore having the greatest level of provision. The available information tends to indicate that shared ownership tranches are low with the majority of householders owning up to 25% of their home. Gro grant activity is a more recent development in the area. Future RSL development programmes tend to indicate an increase in LCHO provision.

6. Social Renting

6.1. This chapter looks at the functioning of the social rental sector: council housing and housing association housing in the Park area. Information is discussed in turn for each of the park's sub-areas. In 2001 there were approximately 1,200 social rented units in the park area. The four local authorities remain the predominant social landlords owning 83% of the social rented stock with 17% in the ownership of housing associations. Overall the social rented stock is concentrated around the main settlements of the park area.

Council Housing Stock

6.2. The total council owned stock in the Badenoch & Strathspey area is currently 578 units and this accounts for around 4% of the total Highland Council stock. In addition there are 16 sheltered housing units. The overall reduction in the council stock since 1981 (n=1,090) is estimated at 46%. The majority of the stock (73%) is located in the three settlements of Aviemore, Grantown-on Spey and Kingussie. Aviemore has over one third of the total stock. The housing association sector is relatively small in the area with 241 homes. The majority (70%) of these are in Aviemore.

Table 29
Highland Council Housing Stock by Settlement (Badenoch and Strathspey area)

Settlement	Highland Council Stock		
	General needs	Sheltered	% total
Aviemore	186	16	34%
Grantown on Spey	141	0	24%
Kingussie	88	0	15%
Newtonmore	49	0	8%
Carrbridge	30	0	5%
Nethybridge	29	0	5%
Cromdale	14	0	2%
Boat of Garten	12	0	2%
Dulnain Bridge	12	0	2%
Kincraig	11	0	2%
Laggan	4	0	1%
Dalwhinnie	2	0	<1%
Kinlochlaggan	0	0	0
Total	578	16	100%

Source: The Highland Council

6.3. Aberdeenshire Council's housing stock of 165 houses is primarily located in and around the four settlements of Ballater, Braemar, Crathie and Strathdon. Approximately 68% of the stock is in Ballater, 19% in Braemar with 8% (ie c13 houses) in Strathdon. The remaining 5% is in Crathie. Table 30 overleaf shows the breakdown of Council homes by size. Over half of the stock (52%) are two apartment properties with a further 30% being 3 apartment homes. Around 16% are four apartments with only three houses with five apartments or more. The Moray Council

has 39 houses in the Park area, principally in the settlements of Tomintoul and Tomnavoulin.

Type	1 Apt		2 Apt		3 Apt		4 Apt		5 Apt +		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
General Needs	0	0%	63	47%	45	33%	26	19%	3	1%	137	100%
Sheltered	0	0%	27	96%	1	4%	0	0%	0	0%	28	100%
Total	0	0%	78	52%	46	30%	26	16%	3	2%	165	100%

Source: Aberdeenshire Council

Council Housing Supply

6.4. Badenoch & Strathspey: Council lets over the past five full years are shown in table 31. Supply ranges from 40 to 60 lets with an average of 52 per annum. The turnover rate in the most recent full year was equivalent to 8% of the total council stock. From 2000/01 to 2003/04 73% of all vacancies have been allocated to a waiting list applicant with 20% to transfer applicants. The remainder have been allocated to the 'other' category (tenancy successions etc).

Year	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05 (part)
Number of lets	60	58	40	54	48	22

Source: The Highland Council Housing Management Data

Year	1999/00	2000/01	2001/02	2002/03	2003/04
<i>Total number of Lets</i>	5	6	2	1	2
Homeless Priority	0	2	0	0	0
Transfer	1	1	0	0	0
Waiting list	4	3	2	1	2
Single Person	1	3	1	0	0
Couple	0	1	0	0	0
Family – 1 Parent	2	1	0	1	1
Family – 2 Parents	2	1	1	0	1

6.5. Moray: Annual supply in the council sector in the Moray sub-area is very small (table 32). Over the past five years (1999-2004) only 16 council properties have been let – an average of just over 3 a year. However in the past three years the turnover has been very low with only 5 properties let. The properties that became available were in just two settlements. Table 33 provides a more detailed breakdown. The level of analysis is constrained due to the small number involved but it is clear that supply has reduced over the period. Approximately 75% of lets are from the waiting list. In terms of household type lets are fairly evenly spread between single person and family households while access to rented housing for couples seems more constrained. Of the total homes (16) becoming available for let over the five year period:

- 19% (3) were 1 bedroom properties
- 44% (7) were 2 bedroom properties
- 37% (6) were 3 bedroom properties

6.6. Aberdeenshire: council house lets have averaged around 5 per annum. Therefore there is also a relatively low level of supply in this area (Table 33).

Year	2003-04	2004-05 ²⁴	Totals
Homeless Applicants	2	0	2
Waiting List	3	4	7
Transfer List	1	0	1
Totals	6	4	10

Source: Aberdeenshire Council Housing Management Data

	2000-01		2001-02		2002-03		2003-04		2004-05 (part)		Total	
	N	T	N	T	N	T	N	T	N	T	N	T
Landlord												
Highland	42	9	29	10	42	11	35	13	20	2	168	45
Moray	5	1	2	0	1	0	2	0	n/k		10	1
Aberdeenshire	n/k		n/k		n/k		5	1	4	0	9	1
RSLs	n/k	n/k	n/k	n/k	n/k	n/k	n/k	n/k	38	n/k	38	0
									Totals		225	47

6.7. The data for the number of lettings in the social rented sector (Table 34) are subject to some assumptions given that the full information is not available. This is on order to estimate supply that can be projected into the future based on the historic pattern. The total estimated new lets figure per annum is eight-two based on the following assumptions:

- The number of new lets in the Highland area is estimated at 38 per annum based on figures for previous four and a half years
- The number of new lets in Moray area is estimated at 2 per annum based on figures for 2000-2004
- The number of new lets in Aberdeenshire area is estimated at 4 per annum based on figures for two most recent years
- New lets in the RSL sector are estimated at 38 per annum

Housing Association Stock and Supply

6.8. As indicated in Table 34, there are a number of housing associations active in the park area and these are listed in Table 35. Together they own and manage over 400 properties. The vast majority of the stock is social

²⁴ Data for 2004-05 up to January 2005

²⁵ Data excludes Angus Glens area as no social housing lets in the area

rented although some landlords also have a number of shared ownership properties (i.e. Cairn HA where 20% of all stock is Shared Ownership & Albyn where 18% is Shared Ownership). There is also a high proportion of particular needs housing in the housing association sector. For example sheltered housing for the elderly and amenity housing. Approximately 55% of the stock is one bedroom properties with a further 37% being two bedroom properties. Only 8% are larger three bedroom homes.

Housing Assoc.	Tot	Stock size (beds)				Stock client group	Lets (2003-04)	Hsg List (no.)	RTBs (last 5 years)
		1	2	3	4				
Cairn	105	50	51	4	0	Shared ownership & general rented	10	n/k	0
Castlehill	38	37	1	0	0	Sheltered only	7	21	0
Albyn	110	15	81	13	1	Shared ownership & General rented	17**	745 ²⁶	0
Aberdeen HP	18	2	10	6	0	General	n/k	Nom*	0
Hanover	136	124	10	2	0	Mainly sheltered & general	14	77	0
Margaret Blackwood	n/k								
Tenants First	5	0	0	5	0	General	5***	12	0
Totals	412	228	153	30	1	Various	53	n/a	0

*Nom denotes where all vacancies are filled through local authority nominations
 ** Note that figure only for 2004 and includes 12 from new housing development
 *** Note that figure is for 2004-05 lets through one new development of 5 properties.

n/k - Not clear that Margaret Blackwood HA information relates to Park area rather than council area.

6.9. Tables 35 and 36 outline the geographical spread of the housing association stock in the park area. In total over half the housing association stock is located in the settlements of both Aviemore (36%) and Grantown-on-Spey (19%). There are equivalent proportions in both Kingussie and Newtonmore – 12% each. The remainder of the stock is fairly evenly spread across the other settlements – ranging from 4% in Ballater and Boat of Garten to 1-2% in Kincaig and Laggan.

²⁶ Please note that this does not equate to 745 households on the list as applicants can make more than one area choice so significant overlap is likely. The actual number of applicants will be lower.

Table 36
Housing Association Stock (Shared Ownership & Rented) in Park by Area²⁷

RSL/area	Hanover HA	Albyn Housing Society	Castlehill HA	Cairn HA	Aberdeenshire HP	Tenants First	Total Number & % age of all HA stock
Aviemore	26	36	0	92	0	0	154 36%
Kingussie	27	11	0	0	0	0	38 9%
Grantown	51	27	0	0	0	0	78 19%
Newtonmore	38	0	0	0	0	0	38 9%
Carrbridge	0	11	0	0	0	0	11 3%
Kincraig	0	5	0	0	0	0	5 1%
Nethybridge	0	12	0	0	0	0	12 3%
Laggan	0	8	0	0	0	0	8 2%
Ballater	0	0	13	0	0	5	18 4%
Braemar	0	0	11	0	0	0	11 3%
Tomintoul	0	0	14	0	0	0	14 3%
Boat of Garten	0	0	0	17	0	0	17 4%
Unknown ²⁸	0	0	0	0	18	0	20 5%
Totals	142	110	38	109	18	5	412 100%

Source: Individual Housing Association Management Data

6.10. Some housing associations do not operate housing lists for their stock in the park area and simply take nominations directly from the relevant local authority. Of those that do operate their own housing lists (e.g. Albyn and Hanover) the level of expressed demand is relatively high. The Albyn housing list (new and transfers) for rented accommodation currently shows 745 choices expressed by applicants to live in the relevant park area settlements²⁹. Approximately 28% of the demand is for Aviemore and 16% in Carrbridge. The remainder of demand as expressed through area choices is spread between Grantown (15%), Kingussie (11%), Nethybridge (12%), Laggan (4%), and Kincraig (3%). The remaining 10% is for Daviot which is outwith the park area. The Hanover housing association list currently shows 77 applicants. A breakdown of the overall trend by area over the past five years is provided at Table 37. The table shows that there has been a slight reduction in overall demand over the full period although there has been a slight increase in the most recent period. The geographic spread shows that Grantown-on Spey has a relatively steady level of expressed numerical demand with a growing proportion of overall demand – from 45% in 2000-01 to 56% in 2004-05. There appears to be some reduction in demand in Aviemore, Kingussie and Newtonmore over the period.

²⁸ Where HA has not supplied area breakdown information. Please note figures exclude Cairn Housing Association and Margaret Blackwood HA.

²⁹ Please note that this does not equate to 745 applicants as multiple choices are allowed.

Area	2000-01		2001-02		2002-03		2003-04		2004-05	
	N	%	N	%	N	%	N	%	N	%
Granttown on Spey	41	45%	45	51%	38	52%	41	58%	43	56%
Aviemore	14	15%	12	14%	11	15%	9	13%	10	13%
Kingussie	14	15%	11	13%	9	12%	7	10%	8	10%
Newtonmore	22	25%	20	23%	15	20%	14	19%	16	21%
Total	91	100	88	100	73	100	71	100	77	100

Source: Hanover Scotland Housing Management Data

6.11. The Albyn list also breaks down the profile of demand by the size of property sought in relation to number of bedrooms. Over half (54%) of applicants are seeking two bedroom properties with 23% requiring one bedroom properties. A further 17% sought a three bedroom property with the remainder needing larger four (4%) or five bedroom (2%) properties.

Social Rental Sector Rents

6.12. The average weekly rents in the council and housing association sectors vary significantly. It is acknowledged that the current rent structures for both council and housing associations are generally defined by historical financing arrangements and also other variables such as stock type. However in general rents in the housing association sector are more expensive than council house rents. For example average two apartment rents in the Moray Council area are £25 per week compared to the lowest housing association figure of £40 per week (Grampian HA). At the same time there are also differentials between council house rents with Moray rents being lower than those of Aberdeenshire Council.

Landlord	1 apt	2 apt	3 apt	4 apt	5apt	6apt
Highland Council	£33	£46	£54	£61	£67	£68
Aberdeenshire Council	n/a	£30-39 ³⁰	£37-43	£50	£55	n/a
Moray Council	n/a	£25	£31	£32-36	n/a	n/a
Angus Council	n/a	n/a	n/a	n/a	n/a	n/a
Cairn HA	n/a	£48	£52	£57	n/a	n/a
Castlehill HA		£46	£50	n/a	n/a	n/a
Grampian HA		£40	£44	n/a	n/a	n/a
Albyn*	£32	£45	£51	£57	£61	£72
AHP		£46	£46	£55	n/a	n/a
Hanover HA	No breakdown available – ave ranges from £58-£78 per week					
Tenants First	No breakdown available – ave £53 per week					

*Albyn figures are rents for 2005-06 – average 4.5% increase on 2004-05.

³⁰ Average weekly rent range reflects different property types i.e. lower rents are flats/higher are houses

Demand³¹ - Homelessness & Housing Lists

6.13. The statutory duty for both producing homelessness strategies and assessing homelessness applications rests with the partner local authorities. Therefore the vast majority of statistical information on homelessness is held by the local authorities. While there are gaps in the homelessness information available the two main sub-areas of Badenoch & Strathspey and Moray do provide some statistics to build up a homelessness profile within the park area.

Badenoch & Strathspey

6.14. Over the period 2000-2004 homeless applications in the Badenoch & Strathspey area increased by 82%. In the wider Highland Council area the increase was 128% over the same period. Over the past five years Badenoch & Strathspey has accounted for between five and seven per cent of all homelessness applications in the Highland Council area. To place this in context the area accounts for approximately 6% of both the total population and households in the Highland area.

6.15. When set against the total number of households within Badenoch & Strathspey identified through the census (5,057) the rate of homelessness in 2001 was just over 1% (55 applications). Taking the most recent homelessness application figure (109) would give a significantly higher rate of over 2%, although this does not take into account any increase in the total number of households. For the most recent year that full data is available (2003-04) the information shows that 83% of Badenoch & Strathspey's homelessness applications came from households already resident in the area. A further 1% were from within the Highland Council area and significantly 14% came from outwith the Highland Council area.

Moray

6.16. Examining Moray Council area applications there has also been a significant increase in homelessness acceptances (230% increase) from 13 to 43 over the more recent period 2002-2005. However these figures relate to those applicants who would accept rehousing in the park area as opposed to specifically homeless households emerging or presenting within the current park area.

6.17. Table 39 overleaf outlines the main reasons for homelessness in 2003-04 for the Badenoch & Strathspey and Moray areas of the park. Overall it can be seen that 22% of all applications were from households where family or friends were no longer willing to accommodate. Non-violent relationship breakdowns were another common reason for homelessness at 12% of all applications. The figures also point to the impact that the private rented sector can have on the housing situations of many

³¹ Some of this information is drawn from DTZ Pieda/NFO report *Highland Housing Needs Study: Sub-area profiles*, December 2003

households. Approximately 15% of all homelessness applications were from households who had 'lost' their private tenancy. A further 8% were homeless due to the expiry of a short assured tenancy. Therefore it is a reasonable assumption that nearly one in four homeless applications were from households whose private rented sector accommodation was no longer available. The loss of a service tenancy resulted in 11% of the total homeless applications.

Homelessness Application Reason	Badenoch And Strathspey		Moray		Total	
	No	%	No	%	No	%
Family/friends no longer able/willing to accommodate	25	23%	4	18%	29	22%
Fleeing violence – Domestic/Non-domestic	5	5%	4	18%	9	7%
Relationship breakdown - non-violent	12	11%	4	18%	16	12%
Loss of private tenancy	17	16%	3	14%	20	15%
Expiry of short assured tenancy	11	10%	0	0%	11	8%
Rent Arrears/Mortgage Default	1	1%	2	9%	3	2%
Other	4	4%	2	9%	6	4%
Discharged from Prison	3	3%	1	5%	4	3%
Gave up secure accomm	2	2%	1	5%	3	2%
Loss of Social Housing tenancy: other	2	2%	0	0%	2	1%
Lost accom in hostel/lodging house	3	3%	1	5%	4	3%
Discharged from hospital	3	3%	0	0%	3	2%
Emergency: Fire, Flood, Storm, etc.	0	0%	0	0%	0	0%
Harassment	1	1%	0	0%	1	1%
Not reasonable to occupy/unsafe to return	6	5%	0	0%	6	4%
Loss of service tenancy	14	13%	0	0%	14	11%
Loss of tenancy through anti social behaviour	0	0%	0	0%	0	0%
Totals	109	100%	22	100%	131	100%

Homelessness Application Reason	Badenoch And Strathspey		Moray		Total	
	No	%	No	%	No	%
Homeless/Potentially Homeless - Priority	61	60%	7	32%	68	55%
Homeless/Potentially Homeless – Non Priority	33	33%	7	32%	40	32%
Not Homeless or potentially homeless	1	1%	1	5%	2	2%
Homeless/Potentially Homeless Priority – Intentional	4	4%	1	5%	5	4%
Lost Contact	1	1%	0	0%	1	1%
Resolved Homelessness	1	1%	6	26%	7	6%
Totals	101	100%	22	100%	123	100%

6.18. Of the 123 applications where assessments were completed in 2003-04 approximately 55% were deemed as homeless or potentially homeless and in priority need. Approximately 32% were found to be homeless but not in a priority need category with a further 4% designated as intentionally homeless. Only 2% of applicant households were not homeless and 6% resolved their situation prior to final decisions on assessment. Overall the figures for the most recent year show that 113 homeless households were seeking housing in the park area. We look at the implications of these figures for overall need in the Park in Chapter 8.

Badenoch and Strathspey

6.19. There are currently 510 applications on the Highland Council's housing list for Badenoch & Strathspey. Of these 92% (469) are on the waiting list and 8% (41) are on the transfer list. It is notable that the level of demand from outwith area is considerable with 20% of waiting list applicants having a current address registered outwith the Highland Council area. The remaining 80% currently reside within the Highland Council administrative boundary. The housing list has generally grown in number since 1996 (Table 41) although there have been some fluctuations over the period with a peak in 2001 for the Badenoch & Strathspey area. Overall the current housing list figure is 27% higher than it was in 1996.

Table 41							
Badenoch & Strathspey Housing List Applicants 1996 - 2004							
Year	Mar 1996	Jun 1999	Aug 2000	May 2001	Aug 2002	Mar 2003	Dec 2004
Badenoch and Strathspey number	402	370	414	517	438	465	510
Badenoch and Strathspey % annual change	0%	-8%	+12%	+25%	-15%	+6%	+10%
THC number	5,257	6,613	7,931	8,725	7,479	8,113	n/k
THC % annual change	0%	+26%	+20%	+10%	-14%	+8%	n/k

Highland Housing Needs Study: Main Report, DTZ Pieda, December 2003 and THC Housing Management Data

6.20. Overall demand (Table 42 below) in terms of property size (i.e. bedroom requirement) expressed through the waiting list is:

- 63% requiring one bedroom property
- 21% requiring two bedroom property
- 11% requiring three bedroom property
- 4% requiring four bedroom property
- Less than 1% requiring five bedroom property

6.21. The waiting list information tends to show that demand is greatest for smaller sized properties (1 and 2 bedrooms) accounting for 84% of the total. Around 15% of applicants require larger family accommodation (3 or 4 bedrooms). This information also has to be interpreted in the knowledge that expressions of demand are linked to both the current availability of properties and also the operation of allocation policies. Information on demand at settlement level shows that applicants aspiring to be housed in Aviemore accounts for 40% of the total waiting list and Grantown-on Spey a further 24%. Applicants for Kingussie represent 11% of the total waiting list with Carrbridge (6%) and Newtonmore (7%) demonstrating similar demand levels. Boat of Garten, Kincaig and Nethybridge each account for 3-4% of the total waiting list applicants. The remaining demand (13% of total) is split between the smaller rural settlements.

6.22. In terms of differences in the property size required by applicants in each settlement there is a relative degree of consistency among most areas. For example in most settlements the requirement for 1 bedroom properties is in the range of 55%

(Aviemore) to 75% (Dulnain Bridge). Only in two of the smaller settlements, Cromdale and Laggan, (where overall numbers are small) is the proportional requirement for larger properties relatively high. However this does highlight the issue of how local housing needs in small rural communities can be masked by more generalised analysis³². The house size profile of demand expressed through the housing list at this point in time in these two settlements is different from the other areas. While in the other nine settlements the general indication is of demand for smaller properties there is also significant demand for larger 3 and 4 bedroom properties, particularly in larger settlements such as Aviemore and Granttown on Spey³³.

Table 42
Badenoch & Strathspey: Housing Waiting List Information
by Area and Property Size Required

Bedroom requirement Settlement	1 bed		2 bed		3 bed		4/5 bed		Totals	
	No	%	No	%	No	%	No	%	No	%
a) Aviemore	106	60%	43	24%	19	11%	9	5%	177	100%
b) Boat of Garten	11	69%	2	12%	3	19%	0	0%	16	100%
c) Carrbridge	16	55%	8	27%	3	10%	2	6%	29	100%
d) Cromdale	1	20%	0	0%	4	80%	0	0%	5	100%
e) Dulnain Bridge	3	75%	1	25%	0	0%	0	0%	4	100%
f) Granttown on Spey	75	67%	21	19%	10	9%	6	5%	112	100%
g) Kincaig	13	76%	3	18%	0	0%	1	6%	17	100%
h) Kingussie	37	70%	13	24%	3	6%	0	0%	53	100%
i) Laggan	4	40%	2	20%	4	40%	0	0%	10	100%
j) Nethybridge	12	67%	3	17%	2	11%	1	6%	18	100%
k) Newtonmore	18	72%	3	12%	4	16%	0	0%	25	100%
Totals	296	63%	99	21%	52	11%	9	5%	466	100%

Source: The Highland Council Housing Management Data (row percentages apply)

6.23. The property size profile of demand expressed through the transfer list is, perhaps not surprisingly, slightly different from that of the housing list. The breakdown (Table 43) shows that a higher proportion of transfer applicants are

³² In Laggan applicants are 3 rural lease and 1 tied tenancy. In Cromdale all 4 are private tenants. 75% (6 out of 8) applicants currently reside in the settlement.

³³ We recognise that these figures may not truly reflect demand but would argue that no waiting list can give a **true** reflection of demand or need. Table 42 shows the first preference choice of the actual total number of applicants on the Highland Council waiting list for Badenoch and Strathspey. We make the assumption that these are not wholly aspirational choices that are expressed. One prospect would be to adding in applicants' 2nd and 3rd preference. However, this will add little to the demand analysis and may in fact present a more inaccurate picture (leaving aside the judgement that is sometimes made at operational level that may 'steer' applicants away from their preferred areas). In order to make this reliable we would require data that specifically link allocations to the preferences of applicants i.e. how many applicants were actually allocated homes in their first, second or third choice area. Then we could measure actual preference against rehousing outcome. Generally those in the greatest housing need will have little choice but to take what is offered and this presumably is not always their first choice area. Analysis of 1st, 2nd and 3rd preferences also may feed through into skewing any affordable housing strategy and future development programmes as the data would not be capable of measuring the true geographic distribution of 1st choice preferences. It is not clear how reliable the stated preferences are – it would seem unusual that in a rural housing market there was much movement between settlements in the social rented sector. Therefore what is the combination of choices that people make – i.e. do applicants in Kingussie choose Kingussie first and then Newtonmore and Aviemore or what? If so are they really prepared to move between these areas?

seeking larger properties. While there is still significant demand for one bedroom properties (49%) there is also a higher proportion seeking two (24%), three (15%) and four (12%) bedroom properties when compared to the waiting list.

No of bedrooms required	Number	%
One	20	49%
Two	10	24%
Three	6	15%
Four	5	12%
Five	0	0%
Totals	41	100%

Source: Highland Council Housing Management Data

6.24. Table 44 shows the breakdown of waiting list applicants by their current tenure of residence. The largest proportion of applicants (28%) are living in the private rented sector with a further 20% residing with parents/lodgers. Approximately 6% could be viewed as in insecure accommodation (caravan, hostel or other insecure such as No Fixed Abode). There are equal proportions of owner-occupiers and tied accommodation dwellers – 8% each. Around 4% of applicants are living as ‘rural lease’ tenants in properties leased from the private sector by Highland Council. A similar proportion is designated under the ‘other’ category.

Tenure	Number	%age
Parents/lodgers	94	20%
Caravan	5	1%
Hostel	7	1%
Other Council/RSL tenant	97	21%
Owner-occupier	37	8%
Private tenancy	129	28%
Rural lease tenant	21	4%
Tied accommodation.	39	8%
Other insecure (incl NFA)	21	4%
Other	18	4%
Totals	468	100%

Source: Highland Council Housing Management Data

6.25. Overall the figures highlight the fact that a significant proportion of current housing applicants are currently residing in the private rented sector, rural lease or tied accommodation – 40%. In addition a significant number of households are reliant on temporary living arrangements such as with parents or as lodgers, in caravans, hostels or other insecure accommodation. In total these applicants represent 26% of the waiting list.

6.26. According to the DTZ Pieda Report³⁴ into housing needs in the Highlands this area accounts for 4% of the total lets made by the Council

³⁴ Highland Housing Needs Study: Sub-area profiles, DTZ Pieda/NFO, December 2003

yet has 7% of the waiting list applicants. It also reported that for every council home becoming available each year there are on average nearly ten applicants. Overall over the five years 2004-09 a significant shortfall in supply was identified when compared to need levels. The projected additional requirement for new social rented housing ranged from 49-65 units per annum.

Moray

6.27. The Council housing list for Moray shows a significant level of demand from applicants who would accept housing in the park area of Moray. A total of 105 applications are currently under consideration³⁵ with 75% of these on the waiting list, 21% of the homeless list and 4% on the transfer list. The numbers of bedrooms required and current living circumstances of these applicants are outlined at Table 45. The housing list indicates that the primary requirement is for one and two bedroom properties (82%). While the requirement for one bedroom properties is high a significant proportion of this demand is from couples (27% of the total) not just single person households. In the relative sense larger properties are less in demand.

6.28. Examining the supply side shows that only 16 properties have become available for let in the five year period 1999-2004 – 37% of these are three bedroom properties while only six applicants are on the housing list for this size of home. The table shows that while there is a high level of demand for smaller properties there is relatively little supply of this accommodation. The relets for the past three years show an even greater dearth of this type of accommodation. On average less than one property becomes available every year to fulfil the requirements of those applicants seeking a one bedroom property. It is notable that using a commonly accepted way of measuring pressure, the current number of applicants at 56 thus translates into an equivalent wait of more than half a century for a Moray Council applicant aspiring to live in the park area!

Bedrooms required	Number	% age	5 Year turnover (1999 -2004)
One	56 ³⁶	60%	3
Two	21	22%	7
Three	6	6%	6
Four	6	6%	0
Five	2	2%	0
To be determined	3	4%	0
Total	94	100%	16

6.29. Clearly therefore for the Moray sub-area (as indeed for others), it is likely that applicants' aspirations to live in the park area do not translate into housing solutions within the area. It is much more likely that they

³⁵ Although only 66% are currently considered live applications.

³⁶ 15 of these are couples not single persons.

have to compromise and seek a housing solution in another part of Morayshire, or further afield.

6.30. Table 46 shows that the greatest proportion of council housing applicants are currently residing in the private rented sector – 33%. A further 6% are in tied accommodation. One fifth is social housing tenants seeking a transfer to new accommodation. A significant proportion is spread around what could be described as insecure accommodation (i.e. temporary, family/friends, caravans and hostels). In total 27% of housing applicants live with these current accommodation arrangements. Only 5% are owner-occupiers.

6.31. Looking at household types the indications are that single person and couple applicants are reliant on the private rented sector for their current living arrangements. Over 50% of all couples on the list have private tenancies. In addition 33% of one parent families are in this tenure. Almost all the households in temporary accommodation are single people. Families with two parents tend to be current social housing tenants seeking transfers – 50% of all this household type are in this situation. Overall the main areas of demand seem to arise from applicants either in the private rented sector or insecure accommodation. While single people and couples are prominent in this there are also a significant proportion of families seeking housing.

	Single		Couple		Family – 1 parent		Family – 2 parents		Not recorded		Totals & %age in tenure	
	No	%	No	%	No	%	No	%	No	%	No	%
Family/friends	6	14%	2	9%	1	8%	2	14%	0	0%	11	12%
Caravan	2	5%	0	0%	0	0%	0	0%	0	0%	2	2%
Hostel	1	2%	0	0%	0	0%	0	0%	0	0%	1	1%
Lodger	1	2%	0	0%	0	0%	0	0%	0	0%	1	1%
Council/RSL tenant	6	14%	5	22%	1	8%	7	50%	0	0%	19	20%
Temp housing.	10	24%	1	4%	0	0%	0	0%	0	0%	11	12%
Owner-occupier	3	7%	1	4%	1	8%	0	0%	0	0%	5	5%
Private Tenancy	10	24%	12	52%	4	33%	2	14%	3	100%	31	33%
Tied housing.	1	2%	2	9%	1	8%	2	14%	0	0%	6	6%
Other	2	5%	0	0%	4	33%	1	7%	0	0%	7	7%
Totals	42	100	23	100	12	100	14	100	3	100	94	100

Source: Moray Council Housing Management Data – Housing List as at 20/01/05

6.32. Flows onto and out of the waiting list show that the number of new annual applications has increased by 74% in recent years from 23 in 2001/02 to 40 in 2003/04 (table 47 below). Interestingly over the period the proportion of new applicants coming through the homelessness route seems to be increasing, from 39% in 2001/02 to 67% in 2003-04. The number of applicants leaving the list has also risen by 60%. Further analysis of this (table 48) shows that, of the total that have left the list in the past three years approximately 52% are through cancellations (though no further information as to why the application has been cancelled is given) and 48% have been housed. It is important to note that the figure

(70) for those housed is well in excess of the number of lets that became available in the council sector in the park area. This tends to support the view that it is likely that the vast majority of applicants who express an interest in being housed in the park area are actually housed in other parts of the Moray area.

Table 47				
New applications and those left list by Year				
Year	2001-02	2002-03	2003-04	Totals
Total new applications	23	32	40	95
Homeless	9	12	27	48
Housing List	12	18	11	41
Transfer List	2	2	2	6
Total applicants left list	37	49	59	145
Homeless	14	14	22	50
Housing List	21	32	36	89
Transfer List	2	3	1	6

Source: Moray Council Housing Management Data

Table 48								
Applicants leaving the list (Application Cancelled or Housed) - Moray								
Year	2001-02		2002-03		2003-04		Totals	
Applicant category	C	H	C	H	C	H	C	H
Homeless	6	8	2	12	0	22	8	42
Housing List	3	18	24	8	36	0	63	26
Transfer List	1	1	2	1	1	0	6	2
Totals	10	27	28	21	37	22	77	70

Source: Moray Council Housing Management Data

6.33. Moray Council's housing needs study reports that 12.5% (72) of households in the park sub-area are currently in 'unsuitable' housing. However only 22% of this need requires to be resolved through a move to new accommodation. The majority is described as in-situ need – that is need that can be resolved through measures focused on their current accommodation. Given the balance between need and supply it is anticipated that 10 new affordable homes are required every year in the sub-area.

Aberdeenshire

6.34. The picture for Aberdeenshire is quite different to that of Morayshire. As Table 49 shows, the last two years have seen a (marginal) reduction in the total number of new applicants, more significant for the housing list. There was growth in the number of applicants leaving the housing list. This tends to suggest an increasing success rate for housing of new applicants in the Aberdeenshire area of the park³⁷.

Table 49
New applications & those left list by year – Aberdeenshire sub-

³⁷ Some caution must be expressed as there are only 2 years of data here.

Year	area		Totals
	2003-04	2004-05 ³⁸	
Total new applications	37	33	70
Housing List	34	28	62
Transfer List	3	5	8
Total applicants left list	15	25	40
Housing List	11	23	34
Transfer List	4	2	6

Source: Aberdeenshire Council Housing Management Data

Summary of Chapter

6.35. The social rented sector has declined in absolute and proportionate terms in the past 10-15 years. Despite the growth of the housing association sector over 80% of social rented housing is still owned and managed by local authorities in the park area. The majority of the social rented stock is in the Badenoch & Strathspey sub-area. Overall the housing association sector has grown to meet various housing circumstances including those households with particular needs such as the elderly and those seeking low cost home ownership.

6.36. Other key points in relation to demand and supply in the social rented sector include:

- The majority of the housing stock is two and three apartment properties Current housing lists (around 550 applicants) tend to indicate that absolute demand is greatest for smaller sized properties although relative to available supply there is significant demand for larger sized properties as well.
- Homelessness figures and new applicant flows tend to indicate a rise in the levels of need for affordable housing solutions.
- There also has to be recognition that some expressions of demand for social rented housing in the park area may be met outwith the park boundary where.
- The majority of those expressing a desire to be housed in the social rented sector are currently residing in the private rented sector or insecure accommodation of various types.
- Evidence from the Badenoch & Strathspey transfer list indicates that there is greater demand from transfer applicants for larger size properties when compared to the general waiting list.
- The nature of the specific need arising can vary across larger and smaller settlements emphasising the need for specific housing solutions to address these.
- While the level of information provided is incomplete it is the case that average rents in the social rented sector for properties of the same size can vary significantly particularly between local authorities and housing associations. However this reflects the national situation and also the financing arrangements of both local authorities and housing associations.

³⁸ Data for 2004-05 up to January 2005

7. Private Renting

- 7.1 This chapter looks at the data available on demand and supply in the private rented sector. As highlighted in the housing system analysis guidance, the private rented sector is *relatively* larger in rural areas than the sector in urban areas (Communities Scotland, 2003). The guidance additionally highlights the relative importance of the private rented sector vis-à-vis the social rented sector in sparsely populated areas. It cites data from the Census 1991 which showed a decreasing proportion of social rented housing with decreasing size of locality in Scotland, whilst private rented housing increased with decreasing settlement size.
- 7.2 The Private Rented Sector (PRS) is of particular interest in this analysis, given the greater role it plays in the park compared to other areas of Scotland – 21% of all households compared to a Scottish average of 8%. Approximately one fifth of the park’s population resides in the private rented sector. This means that it has a relatively important role to play in the housing system when compared to many other areas in Scotland. To put it in context this tenure is the predominant source of rented accommodation (larger than the social rented sector) in the park area.
- 7.3 Tables 50 and 51 below outline the private rented sector in greater detail, with a breakdown in Cairngorms National Park by private rented sector sub-category (private landlord/letting agency, employer of a household member, relative/friend of household member, other) together with comparative data for Scotland and for each of the four local authority areas within the Cairngorms National Park.

Area	Private landlord/letting agency	Employer of household member	Relative/friend of household member	Other	Total
<i>Cairngorms</i>	13%	6%	2%	1%	21%
Aberdeenshire	6%	2%	1%	0%	9%
Angus	7%	2%	1%	0%	10%
Highland	7%	2%	1%	1%	10%
Moray	7%	4%	1%	2%	13%
<i>Scotland</i>	5%	1%	1%	0%	7%

Source: Census 2001

<i>Area</i>	Private landlord/letting agency	Employer of a household member	Relative/friend of household member	Other	Total
<i>Cairngorms</i>	2097	924	290	192	3503
Aberdeenshire	12662	3844	2363	897	19410
Angus	6947	1684	1081	520	10232
Highland	13485	3962	2410	1210	21067
Scotland	265153	39492	43798	22919	371362

Source: Census 2001

7.4 The figures (based on Census 2001 data) shows that private renting through a private landlord/letting agency forms 13% of the total occupied housing stock in the Cairngorms National Park. This is greater than the equivalent figure for Scotland (5%) or in any of the constituent local authority areas (which range from 6 % to 7%). Tied housing (i.e. employer of a household member) accounts for 6% of the total housing stock in the Cairngorms National Park area, in contrast to only 1% across Scotland, 2% in Aberdeenshire, Angus and Highland, and 4% in Moray. Therefore the link between employment and housing is particularly pronounced in the park.

<i>Area</i>	<i>All Permanent Households</i>			<i>Private Rented Households</i>		
	1991	2001	% change	1991	2001	% change
<i>Cairngorms</i>	6277	7307	+16%	1530	1561	+2%
<i>Scotland</i>	2013621	2192246	+9%	137121	175354	+28%
Aberdeenshire	79361	90736	+14%	8668	8337	-4%
Angus	43276	46945	+8%	4642	4902	+6%
Highland	78350	89533	+14%	8859	9964	+12%
Moray	32118	35803	+11%	4394	4728	+8%

Source: Census 1991, Census 2001

7.5 As shown in Table 52 above, Census data indicates that there has been a very slight increase in private rented households (+2%) in the Cairngorms between 1991 and 2001. However, this increase requires to be interpreted with caution, as the number of permanent households in the Cairngorms increased by 16% over the same time period. In addition, there was a very considerable increase in PRS at the Scottish wide level between 1991 and 2001 (28%), far greater than the increase in the number of permanent households in Scotland (9%). Overall the private rented sector has remained stable in numerical terms over the period.

7.6 The GIS map below (Figure 7.1) examines the dispersion of private rented households within the park area. This illustrates private renting households as a proportion of overall tenure type by Census 2001 output areas in the Cairngorms National Park.

7.7 The overall level of the private rented sector was suggested in the Cairngorms Housing Forum report³⁹ to reflect ‘... *the very rural nature of parts of the Area*

³⁹ ‘Developing a Housing Strategy for Cairngorms’ (Housing Plus, 2002)

together with the nature of the local economy, in particular the importance of tourism and agriculture, with, for example accommodation for employees in tourism and houses for estate workers’.

- 7.8 Data gathered in the 2001 Second Survey of Landowners in the Cairngorms Partnership area cited in the 2002 report to the Cairngorms Housing Forum are also of interest. Respondent landowners⁴⁰ were found to provide or rent over 1,000 full time homes in the Cairngorms Partnership area, including 299 tied homes, 228 occupied by tenant farmers, 434 rented as private residences and 97 rent for ‘other purposes’.

PRS Profile by Local Authority areas within the Cairngorms National Park

Angus

- 7.9 As indicated in the recent Angus Local Housing Strategy document⁴¹, the private rented sector in Angus is very different in character than across Scotland as a whole. The PRS in Angus is greater in scale but also is seen as providing both long-term housing, and also offering a temporary form of tenure prior to moving into owner occupation. According to the 2003 Angus Housing Needs Assessment⁴², 12% of households in the Forfar, Kirriemuir and Angus Glens HMA are in the private rented sector, corresponding with the scale of PRS in Angus overall. Earlier data cited in the 2002 report to Cairngorms Housing Forum suggests that the Angus Glens part of the Park area has a much greater proportion of people renting privately than elsewhere in the council area, with 150 (25%) of those resident in the Cairngorms Partnership area in private rented accommodation, and an additional 199 (33.3%) in tied housing.

Highlands

- 7.10 The Highland HNS Summary Report (2003)⁴³ gives some detailed information on the private rented sector in the Badenoch and Strathspey area. This shows that the PRS is very different in Badenoch & Strathspey from the sector typically in Scotland. Apart from being larger (13% of households compared with 10% for Scotland as a whole), tenants are generally older and have lived in their properties for a long time. The sector is largely stable with less than a quarter of households expecting to move in the next two years. Therefore, while there is some movement between sectors, the tenure is principally regarded as a mainstream tenure, rather than as a transitional tenure prior to owner occupation or social renting. At the same time the Council housing lists point to the fact that a significant proportion of private sector tenants have expressed a demand for social rented housing. In addition it is estimated that at

⁴⁰ The survey was based on responses from 76 landowners - a response rate of 45% - and covered the time period 1999/2000

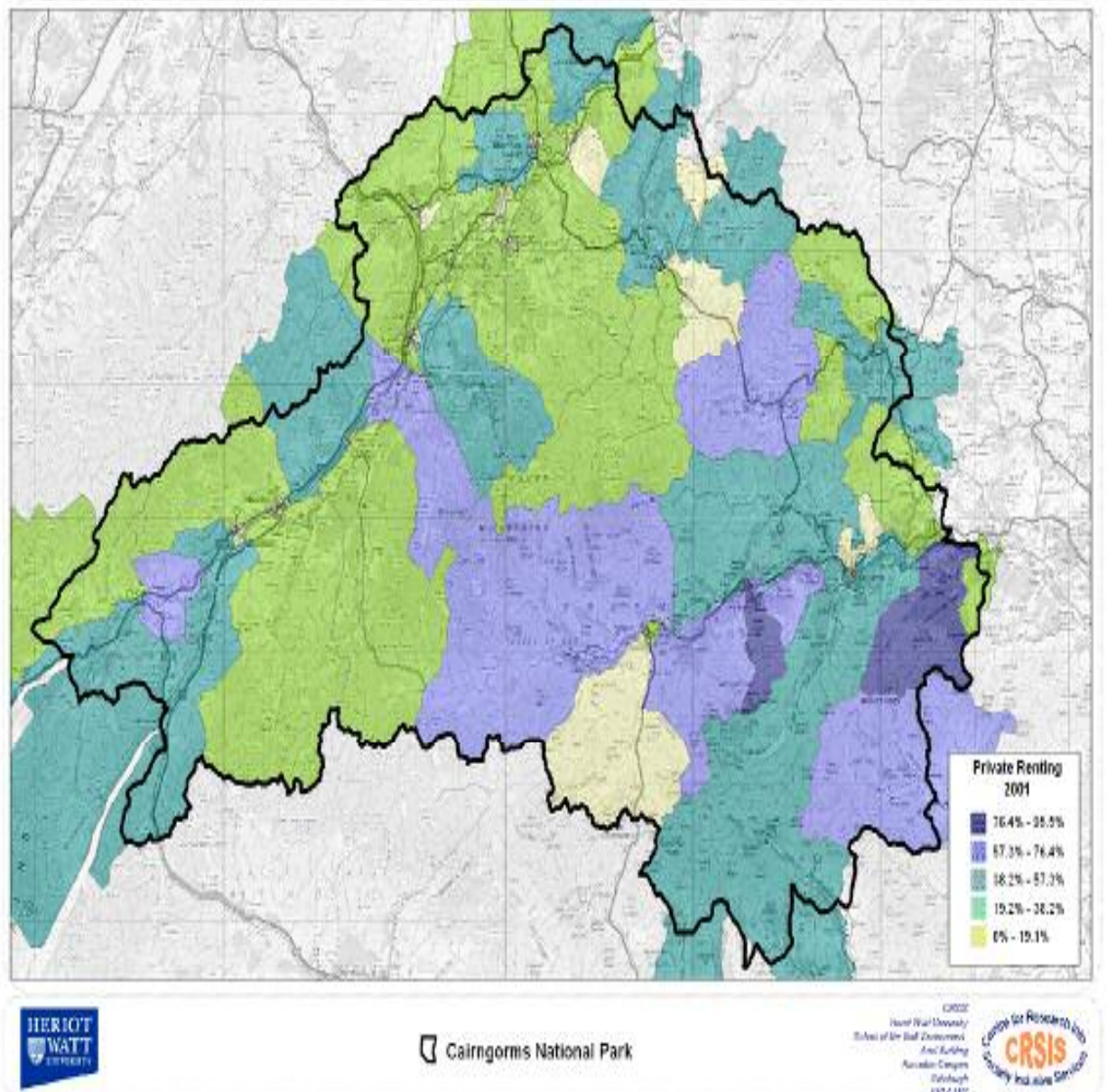
⁴¹ Angus Local Housing Strategy 2004 – 2009

⁴² Angus Council Local Housing Needs Assessment (2003) Housing Market Area Profiles. Report by DTZ Pineda and NFO. August 2003

⁴³ Highland Housing Needs Study (2003) Report by DTZ Pineda and NFO. December 2003

least one in four homeless applications arise from those currently residing in the private rented sector.

Figure 7.1 Total PRS households as percentage of overall tenure type in Cairngorms National Park Census 2001 Output Areas



7.11 The PRS is a growing sector in the Highlands and has increased by one third between 1991 and 2001 (based on Census data). There has also been an increase in the volume of PRS in Badenoch & Strathspey and the sector continues to be more common there than the rest of Highland. Nineteen per cent of the stock in Badenoch & Strathspey is private rental/others, compared with 13% in Highland⁴⁴.

⁴⁴ Highland Local Housing Strategy 2003-2008, Short Version

- 7.12 Tied housing (defined as rent with job or business/ rent free) in Badenoch & Strathspey were cited as 8% (1991) and 6% (2001) respectively. The respective figures for Highland overall were 4% (1991) and 5% (2001).

Moray

- 7.14 In Moray, the 2003 Local Housing Strategy shows that almost 11% of the housing stock (3,834 properties) is in the private rented sector in the Council area. The Moray Housing Needs Survey⁴⁵ shows that private rented households are the third smallest group in the Moray area (after HAs and 'Other').
- 7.15 The Moray Local Housing Strategy estimates that 30% of households in the Moray area of the park were either private renting, in tied accommodation or living rent free. Of the 102 households in the PRS in the CNP area, 32% were living rent free. In the largest settlement (within the park) of Tomintoul there is a disproportionate amount of tied/rented housing and it is reported that it has the largest levels of in-migration. The LHS noted that this presents a challenge in providing suitable accommodation for older people in rural areas as those retiring from farming or estates are more likely to have lower incomes and will be older.
- 7.16 With respect to tied accommodation, the Moray Local Housing Strategy notes that there are two main sources of tied accommodation in the area – the Ministry of Defence and farms and estates. When people finish their employment they are looking for a house and whilst those leaving MOD accommodation are more likely to have their needs met in the private sector, there are a small number of MOD personnel or spouses who present as homeless.

Housing quality and physical condition in the PRS

- 7.17 As noted in the Angus Local Housing Strategy, levels of disrepair are a concern in Angus, given that 37% of dwellings across Angus are in need of 'urgent repair'. Most of the disrepair is in the private sector. The Aberdeenshire Local Housing Strategy (2004) indicates that in terms of housing quality, the key issue of concern is related to the private sector, and in particular the private rented sector.
- 7.19 The Highland Housing Needs Survey (2003) suggests that there are problems with the condition of housing in the PRS, with just over half of households experiencing problems with house condition, and are less likely to have double glazing or central heating than owners or social renters. In particular, householders noted problems relating to heating and energy efficiency.

⁴⁵ Moray Council Housing Needs Survey (2001) Commissioned by Moray Council and Communities Scotland and conducted by Fordham Research

- 7.20 The Moray Local Housing Strategy estimates that 3,881 households in Moray are currently living in unsuitable housing (11.5% of all households). In the Cairngorms National Park, 12.5% of households live in unsuitable housing, with those in the private rented sector being considerably more likely to be living in unsuitable housing (alongside households with children and those with special needs). The Moray Housing Needs Survey (2001) shows that 22% of households in PRS in Moray live in unsuitable housing.
- 7.21 The Moray Local Housing Strategy also found that houses built pre-1919 constituted 40% of PRS housing yet accounted for 74% of all repair expenditure. It also found that the PRS showed the highest levels of disrepair – constituting 12% of private sector stock but 21% of the expenditure. In terms of BTS properties, the LHS found that the largest proportion (41%) of BTS properties in Moray are found in vacant properties with 31% in the owner occupier sector and the remaining 28% in the private rented sector.

Demand

- 7.22 Demand can be seen as the choices made by households regarding whether to enter, remain in, or exit from the private rented sector. As highlighted in the guidance (Communities Scotland, 2003), it is important to profile PRS demand, as changes in the level of PRS demand will have a direct and immediate impact on demand for other tenure types.
- 7.23 The Angus Local Housing Strategy (2004/09) indicates that private lets have a *'reliable level of demand for their product, especially in rural areas, where they are the main source of rented property'*. However, some concerns were also raised regarding the need for better information on barriers such as rent deposit conditions and Housing Benefit delays.
- 7.24 In Badenoch and Strathspey, interviews conducted as part of the research suggested that demand for purchase of houses to rent outstripped the number of houses suitable for letting out available to buy. Demand for PRS houses was viewed as keeping up with supply, but the length of time to find suitable tenants for a property had extended in the last 5 year period (from 4 weeks to 6 – 8 weeks currently). It was noted that there is increasing demand for PRS from individuals who are in-migrants to the area, who have come speculatively to the area to see if the lifestyle will suit them. Such individuals were thought to be seeking to rent on an interim basis (6 – 12 months) prior to making a decision to purchase property in the area.
- 7.25 The Moray Housing Needs Survey (2001) found that there were more households *'in need'* in the private rented sector than in any other tenure in Moray. Similarly, households who are currently living in private rented accommodation are noticeably more likely to need to move to solve their unsuitable housing problems. Just over 30% of private rented households in Moray need to move (within Moray), the highest of any tenure in Moray. Private rented households in Moray are the tenure most likely to *'need to move'* (45.9%) with council tenants being the next largest group (30.3%). The most prominent reasons for this are (in order); property subject to disrepair or

unfitness, accommodation too expensive, need to be closer to employment etc, mobility and/or health problems, end of tenancy/ repossession etc, family unable to live together and difficulty maintaining home.

- 7.26 The Moray HNS (2001) also found that a shortage of owner-occupied dwellings might fuel increase demand for private rented homes (the cost of which may also show significant rises).

Lets (supply) and rents

- 7.27 For the Park, and indeed for much of rural Scotland, the context is likely to be one of low rates of turnover of private rental housing. None of the Housing Needs Surveys, however, quantify that turnover. In Angus, the Local Housing Strategy indicates that most private rented sector properties in Angus are flats. The private rented sector market in Angus is noted to be '*reasonably stable*', but there is limited information available on the sector. However, the Private Rented Sector and tied housing is described in the Strategy document as '*plugging the gap in many communities*' regarding housing supply, providing 12% of housing across Angus as a whole. The Private Rented Sector provides 50% of rented accommodation in rural areas and 90% of lets in the Angus Glens (i.e. the area of Angus covered by the Cairngorms National Park), with renters being more likely to rent privately in rural areas due to tenure availability. The Strategy notes that with respect to providing capital grants for development and support of PRS in rural areas, there is a need for resources to increase Rural Empty Homes Grants by 100% per annum in the Angus Glens.
- 7.28 Long-term projections of housing structure indicated in the Angus HNA (2003), suggest that in the Forfar, Kirriemuir and Angus Glens Housing Market Area, private renting will increase slightly.
- 7.29 In Aberdeenshire, our interview data suggest that there is only a limited amount of PRS property on the rental market at any one point in time, with a particularly limited supply of smaller (one and two bedroom) properties. Although smaller 'country cottage' type properties are occasionally available for rent, most PRS in the Aberdeenshire area was described as 3 – 4 bedroom properties built within the past 20 years. However, it was noted that this is also a shrinking market, not least as home owners who are leaving the area are tending to sell their property to take advantage of the current high property prices, rather than making decisions to keep the property and rent it in the PRS.
- 7.30 The Highland HNS (2003) does not project substantial changes in the size of the PRS sector, but notes that there may be a shift 'in the profile of private renters and/or the location of demand'. Several factors make predicting 'the level and direction of change' difficult. For example, changes in the economy and in particular, growth in the tourist sector might increase use of private renting or tied accommodation. These will be largely seasonal or short-term tenancies, at the bottom end of the market. The study also considers the decline in agriculture, which might lower the level of tied housing. Workers moving into the area may also need to move into rented accommodation while

they look for a suitable property to buy. Again, these are likely to be short-term tenancies, more towards the middle or even top of the rented market. One of the key objectives for Badenoch and Strathspey in the LHS is to explore ways to increase access to quality affordable housing by using private rented housing.

Rents & Affordability

- 7.31 As highlighted in the Cairngorms Housing Forum 2002 report, there is limited information on PRS rents⁴⁶. In Angus, the LHS 2004-09 indicates that on average private renters in Angus pay more for accommodation than either owner occupiers or social rented sector.
- 7.32 Local authorities maintain housing benefit databases which contain information on regulated and deregulated private tenants in receipt of Housing Benefit. Highland Council's records show rent levels in the PRS for the Badenoch and Strathspey area of the CNP, produced in 2005. Here the average weekly rent in the PRS was £64.53 (and the average weekly housing benefit is £54.58).
- 7.33 The Angus LHS indicates that private renters in Angus are required to pay higher amounts for accommodation than either owner occupiers or social renters, with 18% of private renters having affordability problems. Affordability issues in Angus PRS are associated both with high rents, but also due to issues which have greater prevalence in this sector (heating problems, poor conditions).
- 7.34 Data from SHS 2002 cited in the Angus Housing Needs Assessment (HNA) (2003) suggested that 3% of respondents have difficulty paying their rent or mortgage, a further 17% (30% of those paying rent/mortgage) indicated they 'just manage' to afford rent/mortgage payments. The picture for Forfar, Kirriemuir and Angus Glens was noted to be similar to Angus overall. The Angus HNA also indicated that three quarters of all renters in Angus with affordability problems pay full rent, with only quarter receiving HB. Over 2 in 5 of these households are in employment, and a quarter is pensioners. Most are paying over £200 p/m rent.
- 7.35 In terms of affordability, 10% of households in Badenoch & Strathspey spend 25% or more of their household income on housing costs. 40% of respondents say they find it easy to afford the rent or mortgage, 41% 'just manage' and 5% say they find it difficult to afford.
- 7.36 Aberdeenshire LHS (2004) cites HNS 1999 data indicating that of the 7.1% of households in housing need across Aberdeenshire, they are most likely to be in Marr and in the private rented sector. Information from estate agents and solicitors suggests that typical rents in Aberdeenshire ranged from approximately £500 per month for a 2 bedroom property to £750 - £800 for

⁴⁶ *Developing a Housing Strategy for the Cairngorms*' report to Cairngorms Housing Forum (Housing Plus, 2002)

larger 3 and 4 bedroom properties. Property conditions in the PRS were viewed as broadly good, with improved standards during the past 5 year period.

- 7.37 Moray LHS shows that private renting is less affordable than having a mortgage. Almost 63% of households in housing need (approximately 1450 households) would have to pay more than 30% of their incomes if they rented in the private rented sector. The survey also found that over half of the households in housing need because of '*accommodation being too expensive*' were in the private rented sector. Also, in terms of fuel poverty, the LHS notes that the Scottish House Condition Survey estimated that 21% of households (8,000) in Moray are in fuel poverty. This is the second highest level of all mainland authorities (together with Argyll & Bute and Highland). The low incomes in Moray were noted to contribute to fuel poverty, in addition to the high levels of older housing, particularly in the private 'rural' rented sector.

Summary of Chapter

- 7.38 While acknowledging that there are limitations to the level of analysis of the private rented sector due to the availability of information (i.e. turnover, rents) some key findings on the PRS are outlined below.
- 7.39 Placed within the Scottish context and the wider local authority areas the private rented sector in the park area has a far more significant role in the housing system. Approximately 21% of all households reside in the private rented sector compared to 8% in Scotland. The PRS is the largest renting sector in the park area. The link between employment and housing is also particularly pronounced with a significant proportion of tied tenancies. It is interesting that in the analysis of demand for social rented housing that a proportion of this demand came from current households residing in 'tied' homes.
- 7.40 The actual numbers of private rented properties has not changed significantly over the period 1991 to 2001 although the proportionate share of the housing stock has reduced from 24% to 21%. Private renting is particularly concentrated in the more rural areas and where estate based employment is an influencing factor.
- 7.41 The prevalence and nature of private renting indicates that its role in the housing system is different from the traditional view of the sector in other parts of Scotland or more urban areas. There appears to be a greater mix of households within the sector (i.e. pensioners, families with children) perhaps viewing it as a longer term housing solution as opposed to a transitional one. At the same time current evidence from both existing housing need studies and social landlord waiting lists does point to significant demand from private renters. These households may perceive that the social rented sector is a more affordable and secure housing solution.
- 7.42 Other key findings identified in this chapter include:

- Local Housing Strategies identifying housing quality issues within the private rented sector. Given that the PRS sector is so prevalent in the park area this issue could be of greater significance to the park authority.
- Evidence of continuing demand for private rented sector properties although it is unclear whether this is a result of the lack of other more 'favoured' housing options such as owner-occupation or social renting.
- Rents levels are not surprisingly higher than the social rented sector and there is some indication of affordability problems for households in the private rented sector.

8 Needs and Affordability

Introduction

8.1 This chapter considers evidence on the level of housing need in the Park. It first reports the results of applying the housing need and affordability model developed by Bramley (2004) for Communities Scotland, to the latest available data for the Cairngorms National Park area and the local authorities of which this forms a part. It then compares the results of the modelling exercise with the needs estimates produced by the various councils' housing needs surveys and small settlement needs data. Appendix 3 defines the main terms and data used in the model and summarises its methodology.

8.2 The date for which the modelled assessment is made is effectively late 2004 (financial year 2004/05). Since house prices have risen considerably since the base date of the Communities Scotland study, the levels of affordability have fallen and there is a corresponding increase in the net need for affordable housing.

8.3 For the purposes of this assessment, the national park has been divided into five zones. The Badenoch and Strathspey part of Highland has been divided into three parts, referred to as Aviemore, Grantown and Kingussie for short. Settlements have been assigned to these zones on the basis of moves between settlements revealed in the Sasines data. Thus Aviemore includes Carrbridge, Boat of Garten, Kincaig and Feshiebridge. Kingussie includes Newtonmore, Dalwhinnie and Laggan. Grantown includes Nethybridge, Dulnain Bridge, and Cromdale. The two remaining zones are Aberdeenshire part of NP (or upper Deeside), and Tomintoul (part of Moray). Angus is not analysed on the grounds that the population involved is too small.

8.4 Most of the relevant data can be apportioned to these areas, although there are some uncertainties surrounding the dwelling and household growth numbers, particularly for Tomintoul, and some of the social rented relets and waiting list numbers for Aberdeenshire part of NP area⁴⁷. The model is run for the five sub-areas of CNPA and for the 'remainder' areas of the three relevant local authorities. For the latter purpose, data compiled for the Bramley (1994) study are used, subtracting the CNPA numbers from the local authority totals in the case of the Census for example.

8.5 The affordability model has been used for three successive national studies by Communities Scotland/Scottish Executive, and has also been used in England by the Barker Inquiry (ODPM/Treasury), Housing Corporation (Home Ownership Task Force), Council of Mortgage Lenders and Institute for Public Policy Research. Some of this work has involved specific comparisons of estimates of income and affordability with other sources and estimates. Most of these applications of the housing need and affordability model have been at the local authority level or for similarly large areas. There have been some applications for sub-authority zones, for example recently in East Lothian and the Bristol area. However, it should be noted that some of the zones involved in the Cairngorms area are relatively small, and this

⁴⁷ In broad terms, further analysis of census data showed that it is possible to read many of the sub-area characteristics into the areas used here. Ideally, the LHSAs guidance would point to sub-area analysis using 1999 and 1981 data also. Our investigation of this showed it to be problematic, due to differing breakdowns and hence non-comparability.

imparts a degree of uncertainty and imprecision to the estimates. The Tomintoul zone is particularly small, with only 355 households in 2001. The ‘imprecision’ from sheer small numbers (of transactions or relets, for example) is not too great a problem, except perhaps in Tomintoul, because these are populations rather than samples. Another source of uncertainty is that small and distinctive zones may have rather different, ‘selected’ populations, rather than populations which are, as it were, scale models of the national population. This may affect the accuracy of the income estimates. Similarly, the people moving in and moving out of the area may have differing characteristics, which affects the way migration is accounted for in the model. However, Williamson’s review of small area income estimation suggested that models utilising proxies like occupational class do give reasonable estimates at ward level⁴⁸.

8.6 Another point about the geographical context is that it can be argued that most of these areas are sufficiently remote from other areas, outside our study boundary, for it to be reasonable to treat them as separate submarket areas. The one exception is upper Deeside, where the national park boundary just separates the area from an important settlement, Aboyne, within which it might be natural for some households from the Park area to seek housing. Aberdeenshire planning uses a larger area, known as Marr, of which the National Park area forms only a minority part.

Incomes and Affordability

8.7 The model estimates income levels and distributions for the whole household population and for households aged under 35 (as a proxy for newly forming households). Appendix 3 provides a brief description of how this is done. Table 53 shows the estimates of income produced for 2004.

<i>Zone</i>	<i>Mean Income</i>	<i>Mean under 35</i>	<i>Est Median</i>	<i>% under £200</i>
Aberdeenshire part of CNPA	469	512	389	20
Aviemore	446	433	368	22
Grantown	465	484	385	21
Kingussie	501	497	413	19
Tomintoul	425	464	352	21
Rest of Aberdeenshire	625	617	518	13
Rest of Highland	471	447	387	24
Rest of Moray	499	499	412	20
Total	488	494	403	20
Cairngorms NPA	461	478	381	21

⁴⁸ Williamson, P. (2002) *Identifying the Cash-Rich and the Cash-Poor: lessons from the Census Rehearsal*. Powerpoint Presentation: ESRC Census Development Programme. University of Liverpool.
(<http://pcwww.liv.ac.uk/~william/income/index.html>)

8.8 For the CNPA area as a whole the estimated mean household income is £461 per week, with a slightly higher figure for households under 35. The median is estimated to be around £381 per week. 21% of all households have incomes under £200 per week. Within the Park, incomes are lower in Tomintoul and Aviemore, and rather higher in Kingussie, with Grantown and Aberdeenshire close to the average. In general, incomes in the Park are below the figures for the corresponding local authorities, particularly in Aberdeenshire. However, Kingussie is above the Highland average.

8.9 Combining the estimated income levels (and distributions) with information on house prices, it is possible to estimate proportions of households able to afford various housing options. Table 54 presents these key affordability estimates for the study areas. The table shows the percentage of relatively new (under 35) households with enough income to afford to buy a threshold priced property of the relevant size in 2004. No allowance is made for access to wealth/savings. The threshold prices are based on lower quartile sales prices adjusted for size (this represents the ‘entry level’ for the local market; see Appendix 3). The standard affordability criteria are lending multipliers of 3.5 for a single earner, 2.95 for 2 earners, and a secondary test based on residual income.

Zone	Able to Buy %			
	Able to Buy %	Working Households	Extra % afford Shared Ownership	Extra % afford Homestake
Aberdeenshire part of NP	36	38	6	17
Aviemore	27	31	11	16
Grantown	45	45	0	14
Kingussie	43	43	0	15
Tomintoul	39	40	3	16
Rest of Aberdeenshire	60	54	1	10
Rest of Highland	47	49	5	11
Rest of Moray	58	54	5	9
Total	54	51	3	11
Cairngorms NPA	38	39	4	16

Note: base household population for income/affordability analysis totals 6339 in Park area, ranging from 335 in Tomintoul to 1794 in Aviemore; under-35 households are typically about 20% of this total. Associated annual flow numbers of new households are shown in Tables 57-8.

8.10 Affordability is generally markedly lower in the park area than in the rest of the relevant local authorities, 38% versus an overall average of 54%. Within the park, affordability is particularly low in Aviemore, and also quite low in Deeside and Tomintoul, and a bit higher in Grantown and Kingussie. In the surrounding authorities, affordability is lower in Highland but higher in the other two council areas. The table also shows estimates for working households, which are not very different. Looking at the figures for the rest of the local authorities, and comparing with those contained in the 2004 Communities Scotland study (which referred to 2003), it would appear that affordability has deteriorated by 3-5% points since 2003.

8.11 The table also shows the extra percentage able to afford two intermediate LCHO options, if these were available: a 25% shared ownership of a new build property, and a 75% Homestake (equity loan) purchase of a cheaper second-hand property. Because of the gap between new and second-hand prices, the first option is not affordable by many more households, except in Aviemore, with an overall figure of 4%. The second option would be affordable by 16% of households, and these figures are generally higher in the Park than in the rest of the local authority areas. The figures in the last column are also indicative of the extra affordability which would result if prices were to be 25% lower (because a 75% Homestake effectively reduces price by 25%). Since prices rose by 35-41% between 2002 and 2004, and may now be approaching their peak, this point is quite significant.

8.12 Table 56 shows the house price figures used in this assessment for 2004. The first column shows the threshold entry price for a 2 bed home in 2004, based on the lower quartiles adjusted for size. The second column shows the typical second-hand price for a 2 bedroom home based on the median. The third column shows the *assumed*⁴⁹ price/cost of a new RSL 2-bedroom property. The final column shows the mean sale price of new build market homes recorded in 2002/03 (there were no such sales in Kingussie or Tomintoul in this period).

<i>Zone</i>	<i>Threshold 2 bed</i>	<i>Median 2 bed</i>	<i>New RSL 2 bed</i>	<i>Mean New Sale 2002/3</i>
Aberdeenshire part of NP	91673	109779	126246	119183
Aviemore	92595	98142	112863	150532
Grantown	74133	105193	120972	95958
Kingussie	78161	103144	118615	
Tomintoul	81211	100585	115673	
Rest of Aberdeenshire	71221	91074	104735	120351
Rest of Highland	65291	78295	90040	101089
Rest of Moray	60209	69788	80256	92006
Total	67505	82988	95436	108110
Cairngorms NPA	83554	103369	118874	121891

8.13 It is clear that prices in the Park are higher than in the associated local authority areas. The park average threshold price is £83,554 compared with an overall average threshold of £67,505. Prices are particularly high in Deeside and Aviemore, and rather lower in Grantown.

8.14 The assumed (modelled) prices/costs for new RSL provision are similar to the mean price of new sales in the Park area in 2002/03⁵⁰. However, in the surrounding areas the modelled price/cost is well below actual new sales values (and would be even more so if the comparison was for the same time period). Within the Park, actual new sales prices seem to be particularly high in Aviemore.

⁴⁹ We unsuccessfully sought actual development costs; these could be input if readily available.

⁵⁰ Prices for new RSL provision are 'modelled'; data were sought on actual procurement costs for recent schemes but insufficient data were received to make alternative general estimates in time for this report.

8.15 Table 56 shows how price levels translate into threshold income levels at which households could afford to purchase, and then into weekly outgoings for mortgage payments. So for example a two-bedroom property at the cheaper end of the Aberdeenshire NP area would cost around £91,675; a working couple would need an income of $£91,675/2.975 = £30,815$ to buy this, which is £593 per week. If they bought a 75% share of the same property under Homestake this would cost £68,755, and require an income of £23,110 pa or £444 per week. The weekly outgoings for mortgage repayments would be £118 for the market purchase and £88 for the Homestake. These outgoings represent around 25% of net income after tax and NI; allowances for repairs, insurance etc. would increase these figures. These outgoings can be also be compared with rents quoted in earlier chapters, around £50-57 pw for social renting and £116 pw for private renting in this area. As shown in the first cell in Table 54, the model estimates that 36% of under-35 households in Aberdeenshire NP area could afford to buy at market prices

Zone	Threshold Market Price	Home- stake 75% Price	Theshold Income Market £pw	Threshold Income H'stake £pwe	Out- goings Market £pw	Out- goings H'stake £pw
Aberdeenshire part of NP	91673	68755	593	444	118	88
Aviemore	92595	69446	599	449	119	89
Grantown	74133	55600	479	359	95	71
Kingussie	78161	58621	505	379	100	75
Tomintoul	81211	60908	525	394	104	78
Rest of Ab'shire	71221	53416	460	345	91	69
Rest of Highland	65291	48968	422	317	84	63
Rest of Moray	60209	45157	389	292	77	58
Total	67505	50629	436	327	87	65
Cairngorms NPA	83555	62666	540	405	107	80

Housing Need Estimates

8.16 Table 57 presents the key housing need numbers derived for the study area for 2004. These are numbers of household/dwelling units per annum. The housing need model underlying this (as discussed in Appendix 3) may be summarised as follows:

Net Need = Gross household formation
times % unable to afford to buy
plus one-third of net migrant households
times % unable to buy
plus estimated need for existing owners moving to SR
plus 10% of backlog based on waiting lists
minus net relets in social rented stock.

This is a need for additional units of 'affordable housing' per year⁵¹. Need is after

⁵¹ See definition p8

allowing for the supply from the existing stock (relets), but before allowing for any new provision currently planned. Need measured in this way is different from ‘the number on the waiting list’, although it takes account of this through the ‘backlog’ allowance.

Zone	Dwelling/ household growth	Gross new household formation	Net Social Rental Sector Relets	Net Need
Aberdeenshire part of NP	21	34	7	27
Aviemore	68	43	22	54
Grantown	20	38	20	23
Kingussie	21	34	17	18
Tomintoul	0	6	3	10
Rest of Aberdeenshire	1748	2609	1417	398
Rest of Highland	658	2096	1523	638
Rest of Moray	366	858	535	155
Total	2902	5719	3544	1323
Cairngorms NPA	130	156	70	132

8.17 This analysis suggests that the net need for additional⁵² affordable housing in the National Park area totals 132 units per year. This is obviously a large number, as it is about the same as the projected number of additional dwellings/households in total. In other words, the need could be met if all the new supply was affordable, but not otherwise, unless total supply were increased or some of the households in need were rehoused by other means within the existing stock (e.g. purchase of existing units for LCHO, use of private renting units).

8.18 Net need is nearly double the number of net relets, implying that gross need is nearly three times this level. Numerically, the needs are greatest in Aviemore, but relative to the existing number of households they are also proportionately high in Tomintoul. All the Park areas have a level of need, relative to size of population, very much higher than in the rest of the relevant local authorities (see below). At the same time, for the authorities as a whole net need is markedly higher in 2004 than reported in the Communities Scotland study for 2003. We report below on a sensitivity test relating to lower house prices.

8.19 Table 58 shows the four distinct components which go to make up the need side of the assessment. The largest element is new households forming from the local population who would be unable to buy, totalling 97 per year. This element is substantial in four of the five areas, but largest in Aviemore; the small figure in Tomintoul reflects its small population (and its high average age). The adjustment for net migration is relatively small in all areas except Aviemore, where it is quite

⁵² Additional to the existing stock and the supply of relets it provides, but not allowing for planned new developments (which will meet some but not all of the need).

sizeable, reflecting the level of new development and assumed associated net in-migration (effectively, the model assumes that about a quarter of in- and out-migrant households would be 'unaffordable'). The current figure for Tomintoul is zero because that is the assumed level of house-building.

Zone	Unaffordable		Owners	Backlog Quota @ 10%	Net Social Sector Relets	Net Need
	New Households	Unaffordable Net Migrants	moving to Social Renting			
Aberdeenshire part of NP	22	4	2	6	7	27
Aviemore	31	16	4	24	22	54
Grantown	21	3	4	14	20	23
Kingussie	19	4	3	9	17	18
Tomintoul	4	0	1	9	3	10
Rest of Aberdeenshire	1035	203	242	335	1417	398
Rest of Highland	1103	115	225	719	1523	638
Rest of Moray	363	31	85	211	535	155
Total	2597	377	566	1326	3544	1323
Cairngorms NPA	97	28	14	62	70	132

8.20 A fairly small number of existing owners are assumed to move into social renting/affordable housing each year, for example moves into sheltered housing, totalling 14 for the Park area. The backlog numbers, based on the waiting lists, are more substantial, totalling 62 for the whole area. The relative number here is particularly high in Tomintoul, but the Park area generally has relatively large waiting list numbers given its population and stock.

8.21 Table 59 presents the relet supply and net need numbers as percentage rates, based on the social rented stock and the number of resident households. This indicates the relative pressure of need allowing for the size of each zone. The Park area generally has lower relet rates than the rest of the relevant local authorities. The difference is most marked for Deeside vs. Aberdeenshire⁵³. The relet rates in the other Park areas are not particularly low, but this may reflect the age of social tenants in the area.

8.22 Net need in the Park area is 11.1% of the existing stock, which is much higher than the rates of 2.1-3.6% in the rest of the local authorities. Net need is similarly much higher per household in the Park (2.1%) compared with the rest of the local authorities (0.4-0.8%). Within the Park, these figures indicate that the pressure of need is greatest in Aviemore and Tomintoul.

⁵³ There is some question mark about whether these relet figures for Aberdeenshire CNPA are complete

Table 59 Relative Relet and Need Rates (percent)

Zone	Relets as % of Social Rental stock	Net Need as % of Social Rental stock	Net Need % of households
Aberdeenshire part of NP	2.19	8.30	1.80
Aviemore	6.62	16.40	3.00
Grantown	6.58	7.50	1.30
Kingussie	6.41	6.60	1.20
Tomintoul	5.57	16.90	3.10
Rest of Aberdeenshire	8.79	2.50	0.40
Rest of Highland	8.58	3.60	0.80
Rest of Moray	7.19	2.10	0.40
Total	8.34	3.11	0.61
Cairngorms NPA	5.47	11.14	2.08

8.23 The total net need in 2004/5 in the Park area of 132 units per year is more than double the current projected level of new supply of affordable units (61). This projected new supply is itself a substantial hike on the minimal levels recorded in the preceding period.

8.24 The model can be used to estimate the potential scope for intermediate low cost home ownership (LCHO) options, were these available. Two options are tested, new build shared ownership and second-hand equity loan ('Homestake') provision. The scope for shared ownership appears quite limited, amounting to 7 units per annum for new households and perhaps 14 including the other sources of need. This would be mainly in Aviemore. The scope is limited because of the high estimated price/cost of new provision. If the equity loan model applied to second-hand housing were available, this could potentially help more households, perhaps 24 of the new unaffordable group and a similar number of the other groups. An additional argument for this form of provision is that it would not be a claim on the scarce new build numbers, if these could not be increased. It may also be possible to obtain some finance for this option from mortgage lenders following a recent agreement between the CML and the Government⁵⁴. On the other hand, it should be pointed out that the annual number of sales in the Park below the lower quartile price level is only about 105, so there would be some danger with this mechanism of displacing other marginally affordable households and pushing up prices a bit.

Sensitivity to Market Conditions and other assumptions

8.25 The results of this affordability-based model are most sensitive to the level of house prices. As mentioned earlier, prices rose strongly in the 2002-04 period. It is interesting therefore to report the results of the model under the assumption that house prices did not increase at all over this period. This is effectively equivalent to assuming prices were about 28% lower. If we are right in suspecting that 2004/5 is the

⁵⁴ Technically, the current modelling of shared ownership financing is not very satisfactory and may give an unduly pessimistic picture.

peak of the current market cycle, this lower price assumption may be more accurate as a reflection of house prices over the medium term⁵⁵.

Zone	Able to Buy %	Net Need
Aberdeenshire part of NP	57	19
Aviemore	44	43
Grantown	60	16
Kingussie	59	12
Tomintoul	58	9
Rest of Aberdeenshire	72	33
Rest of Highland	59	366
Rest of Moray	68	61
Total	66	559
Cairngorms NP	55	99

Note: this is equivalent to house prices being 28% lower in 2004/5

8.26 Table 60 shows that 28% lower house prices would raise affordability rates by 17% points – in other words, affordability is quite sensitive. Rates would have been 44% in Aviemore and between 57% and 60% in the other Park zones. Net need would have been 99 units per year, 33 units (25%) lower than in the baseline assessment. But this would still be quite a high level of need relative to population, existing stock and prospective new development (130 units per year in all tenures).

It is interesting that the impact of this assumption on the net need in the remainder of the relevant local authorities would have been much more dramatic, with the total in the table falling by 68%. The level of need shown for the three authorities would then be similar to that generated in the Communities Scotland study for 2003. This suggests that the National Park area has a more persistent level of unmet need, which is unlikely to disappear even if overall market conditions change significantly.

8.28 It may be argued that house prices may continue to rise in CNPA, or remain very high, reflecting different judgements about local or national factors driving the market. In that case the main estimate of need presented Tables 57-58 would continue to apply. If prices rose further relative to incomes, the impact on affordability and need would be largely a mirror image of that reported for lower prices, but with the proviso that, as thresholds move into more sparsely populated parts of the income distribution, the marginal impact on affordability reduces.

8.29 As a ready reckoner, 10% lower house prices would improve affordability by 6% points and reduce annual need by 12 units (or 9%). 10% higher prices would have approximately the opposite effect, but progressively reducing as prices rose ever higher. The same ready reckoner applies to incomes; 10% higher incomes, with prices unchanged, has much the same effect as 10% lower prices. Similarly, changing the

⁵⁵ The basis for the judgement that the market may be peaking is that prices in the CNPA area are reflective of a relatively high degree of externally generated demand – from, for example, buyers in Edinburgh and from south of the border. In many of these markets, prices have already flattened or started to fall in recent times.

assumed norms of affordability can be seen to have similar sensitivity. For example, assuming a lending norm of 4 times gross income for a single earner (rather than 3.5) is equivalent to a 14% price cut.

8.30 One of the issues discussed in the 2004 Communities Scotland update study was the potential availability of savings/wealth, usually from other family members, to help with first time house purchase. This is becoming more significant in southern England, although as yet less so in Scotland. Broadly, any such allowance would somewhat reduce the net need figures⁵⁶.

8.31 Another issue, which may be particularly significant in CNPA, is the role of migration. The model assumes that both inward and outward migrants have a similar, relatively higher income profile. This may be unrealistic; for example, it might be plausible to argue that inward migrants to CNPA are relatively affluent (and older) while outward migrants are relatively lower income (and younger)⁵⁷. If true, the model would be giving too high a needs estimate, because some of the younger/poorer new households need housing in their destination area (typically, the cities) rather than in CNPA. This in turn assumes that they are leaving for reasons other than the shortage of affordable housing, for example to enter higher education or start a career in an occupation where no jobs exist in CNPA. The importance of this issue is underlined by the fact that 97 of the 132 net need total are accounted for by younger new households unable to afford to buy (Table 57).

8.32 Chapter Three reviewed population and household projections for the CNPA area recently provided by the University of Manchester. The impact of treating these new household numbers as superseding those assumed in our study may be summarised as follows.

- ◆ Lower net migration (80 p.a. vs 107 p.a.) reduces the associated need for affordable housing by about 7 units per year.
- ◆ Lower household growth (94 vs 130) is mainly due to this lower migration, but the balance of 9 p.a. would be due to lower gross household formation, implying a reduction in affordable need of 6 units p.a..
- ◆ More speculatively, the projection highlights a rather extreme tendency to ageing of the population. This could lead to a progressive increase in the number of elderly owners and private tenants seeking more supported forms of housing in the affordable sector (5 to 10 more units p.a., say)
- ◆ The substantial increase in deaths due to ageing would be reflected to some extent in an increase in the relet rate and a corresponding reduction in net need (10 to 15 units p.a., say).

The baseline need assessment was for 132 units p.a.. An alternative taking a longer term view of house price-income relationships was 99 p.a.. The first two adjustments above would reduce need by 13 units p.a. from these baselines. The third and fourth suggestions would reduce net need by another 5 units, making 18 in all.

⁵⁶ Table 4 of that report suggested that making a 'modelled' allowance for this might raise affordability rates by as much as 10% and reduce net need by one-third, but further work by the author suggests that this may be too large an adjustment

⁵⁷ Census migration data could be interrogated to indicate demographic and socio-economic differences between migrant groups, although there are limitations on data for smaller areas

8.33 A final issue which may affect the overall need for affordable housing provision is the role of the private rented sector, discussed elsewhere in this report. Broadly the model assumes that private renting is typically no more affordable than owner occupation, because landlords expect to generate an economic return on their properties. While true in the generality of cases, there can be situations (such as high and rising prices, where further price rises are anticipated) where market rents may fall below the costs of home ownership. If this were true of some of the sector in the park area at present, then some households which the model shows to be ‘unaffordable’ might find affordable accommodation in the private rental market. This might of course not be a permanent solution to their housing requirements, due to lack of security of tenure. A further complication is that, in common with other parts of rural Scotland, there may be a significant sector of ‘private’ rented housing (e.g. on estates) which is effectively let at less than market rates to people with particular local connections. If this were treated as part of the intermediate sector supply, we should in theory include relets in this sector alongside social rented sector relets.

Comparison with Housing Needs Survey Estimates

8.34 Table 61 presents a comparison of results from the model with needs estimates derived from the local authorities’ housing needs surveys. As explained earlier, we have not sought to model the Angus Glens part of the park area and note that DTZ Piedad’s 2003 housing needs study of the Forfar, Kirriemuir and Angus Glens HMA, found that “..the annualised housing need projections suggest that the supply of Council housing will be greater than current housing need over the next five years. However, the data cannot distinguish between sub-areas within the HMA - for example, it may be that available supply tends to be in Forfar, while need is found elsewhere in the HMA.” This conclusion must be writ large in the case of the Park area part of the HMA where there is no social housing.

Zone	Model	Survey
Badenoch and Strathspey ¹	95	49-65
Morayshire ²	10	10
Aberdeenshire part of NP ³	27	53

- Notes: 1. DTZ Piedad and NFO System 3, 2002, need for social rented housing.
 2. Fordham Consultants, 2003.
 3. Fordham Consultants, 2005.

8.35 There are of course differences in methodology, dates of conduct of estimate and therefore data availability/ usage. The Morayshire figure generated from the model is consistent with the other available figures. The model figure for Badenoch & Strathspey is significantly higher than the maximum figure produced through the local survey approach in 2003. However this probably reflects the incorporation of more recent data in the analysis. This includes those of house prices where inflationary rises have been significant in the past couple of years which contribute to increasing affordability problems. In the case of Aberdeenshire, methodological differences explain the divergence in estimates: as noted in the introduction, our own estimates essentially follow ODPM guidance. There are, however, different

legitimate means of arriving at certain estimates. These, notably the number of new households anticipated and the number of households falling into need, largely explain differences in estimates.

8.36 The needs estimates for Badenoch and Strathspey are, however, likely to be lower than those that would be generated from aggregating bottom-up methodologies. The Highlands Small Communities Housing Trust has undertaken community housing needs surveys in the settlements of Kincaig (included in the model with Aviemore) and Nethybridge (included in the model with Grantown). In Kincaig (2003), needs were estimated at 10 social rental houses and 13 LCHO houses whilst in Nethybridge (2002), needs were estimated at 14-17 social rental houses and 15 LCHO houses. It is likely that these figures represent a *stock* of need rather than an annual *flow*, so militating against direct comparison.

8.37 The difference that emerges relates to methodology: the fine-grained data collection of community housing needs surveys allows closer identification of hidden need as well as expressed need, as well as affording the opportunity to discuss means by which need might be met. The estimates from community needs surveys do not include allowance for supply. Nevertheless the community housing needs surveys provide a valuable means of informing the CNPA and partners of demand, its localised patterns and how it is changing.

Summary of Chapter

8.38 The affordability analysis was conducted on the basis of five geographical zones. These are Aviemore, Grantown-on Spey, Kingussie, Aberdeenshire part of the park (Upper Deeside) and Tomintoul. These zones are relatively small compared to the areas that the model has commonly been applied to so the results are subject to a degree of imprecision and uncertainty.

8.39 The estimated mean and median household weekly incomes in the park area are £461 and £391 respectively. In general these figures are lower than the corresponding ones for the wider local authority areas. The overall threshold entry price (lower quartile) is estimated at £83,554 for the park area, which is higher than in the surrounding areas.

8.40 The percentage of younger (<35 years) households able to buy a property in the market based on threshold prices is estimated at 38%. The model shows that, within the park, affordability is particularly low in the Aviemore area, and also quite low in Deeside and the Tomintoul area, and a bit higher in the Grantown and Kingussie areas. Social housing relet rates in the park are generally lower than those of the constituent local authorities.

8.41 The housing need results show that the net need per annum is 132 across the park area. This ranges from 10 in the Tomintoul area to 54 in the Aviemore area. This is a fairly large number and indicates that all the current completions projected through the planning system might require to be for affordable housing. Numerically, the needs are greatest in the Aviemore area, but relative to the existing number of households they are also proportionately high in Tomintoul. Recent population and

household projections reduce the net need by 18 per annum to 114 across the park area.

8.42 The main reasons for the relatively high level of need in the park area are (a) high house prices (b) incomes which are not particularly high (c) new household formation and (d) a limited existing stock of social rented housing and associated supply of relets. The waiting lists provide confirming evidence of a relatively high backlog of unmet need.

8.43 Sensitivity testing shows that changing assumptions changes affordability and need to some extent but generally still leaves a substantial overall net need within the park (e.g. prices at 2002 levels, 28% lower, would still mean a need of 99 units per annum).

8.44 The needs estimates generated by the model are broadly comparable with local survey estimates. However differing methodologies and dates that studies are conducted necessitates a significant degree of caution in comparing figures. The indications are that need levels estimated through the model are lower than those conducted through localised community housing needs studies.

9 Housing Supply, Planning and Infrastructure

Introduction

- 9.1 The aim of this chapter is to review some qualitative evidence on new housing supply in the Park. The research included discussions with CNPA and local authority planners, landowners, private housing developers and local representatives of Scottish Water. The purpose of these interviews was to gather data on how effectively housing supply, particularly new-build, in the Cairngorms could respond to demand increases. As directed in the research brief, the chapter presents the perceptual data and does not perform a critical analysis of them.

The Planning System

- 9.2 Land-use planning obviously attempts to reconcile the Park's development and environmental protection needs. Some interviewees argued that economic considerations should not be prioritised below environmental functions (which they viewed to be the case currently), as an economically thriving area would result in greater attention to environmental issues. Beyond this, planners were split on the issue of whether planning constrains meeting housing demand. Some degree of public objection to larger housing sites was noted and several planners mentioned 'NIMBYISM'. However, planners also mentioned that this might not be effective, e.g. failure of local objections to prevent recent development in Carrbridge. One planner felt that an 'exceptions policy' would be something worth looking at to meet demand in the Park.
- 9.3 Amongst developers, the planning system was viewed as the key constraint to increasing output by several interviewees – as one interviewee noted, developers will build what they are able to in order to meet demand. Architects as well as developers were noted to be experiencing the same constraints.
- 9.4 Others reported on their firm's favourable viewpoint of the planning system in the area overall. In particular, they regarded tighter controls on building in the countryside introduced post CNP status as positive, hoping this would prevent inappropriate proposals from going ahead but not being so restrictive as to prevent approval of '*well designed proposals*' put in by an individual.
- 9.5 There was a range of concerns regarding the current planning system:
- 9.6 *Individual properties in the countryside* - There was a perception that the current direction of the CNPA was a '*complete rejection policy against development in the countryside*'. This was believed misguided - tighter planning controls would lead to even greater supply constraints of housing in the countryside, there has always been a level of development in the countryside and that this should continue, as long as developments are in sympathy with the area and are environmentally sensitive and discreet.

- 9.7 *Dealing with planning applications* - It was suggested that the CNPA planning system effectively formed a 'firewall' against developers: it was overly focused on the small detail of individual applications, rather than remaining focused on the overarching vision. Calling in of applications was an area of particular concern for several interviewees, in terms of the volume of applications called in and the associated time and resource implications. Applications called in were described as taking considerable amounts of time to reach an outcome, resulting in delay to projects. However, it was hoped that the [currently in progress] local plan would improve the situation.
- 9.8 Several interviewees expressed a preference either for the previous system (given perceived concern that the planning committee do not have the same level of expertise as local planning officer), or for a system based on either local authority or national park authority rather than the current 'double scrutiny' model. A further concern was raised related to the perceived lack of clarity between the planning policies of the relevant local authorities. It was also suggested that the current system places greater priority on location and service delivery considerations rather than design.
- 9.9 The need for further discussion between developers and the CNP planning authority to promote understanding was suggested by one interviewee, given their own concern that all applications in the CNP area would be called in, and that developers would have 'unnecessary planning requirements' (such as having to build all property in stone) placed on them. Applications which had been called in and only narrowly approved were noted with this regard, despite perception that such applications had been widely consulted upon with no local objections raised.
- 9.10 It was suggested that a satisfactory amount of land must be allocated in the [currently in progress] local plan. Without sufficient zoning of land for housing in the local plan, supply would be further stifled, driving up demand still further. A related concern was raised regarding affordable housing, with the suggestion that if constraints on development lead to decreased supply of affordable housing, this may in turn result in rising resentment towards national park status.

Land Supply

- 9.11 Planners in Aberdeenshire, Highland and CNP felt that whilst sufficient land might be allocated, it was often not *effective* as it is often constrained by service infrastructure. For Angus and Morayshire, demand was felt to be lower and there was recognised to be a low take up rate of allocated land due to the scale and size of settlements. For developers, land availability was viewed as a particular constraint, although it was noted that this is dependent to some extent on location (noting current developments in Aviemore particularly). Developers felt that some settlements (Grantown in particular) had very little land for future housing zoned.

Land Prices

- 9.12 This was not considered by planners to be a great constraint on developers, but critical when seeking to develop affordable housing or self-build. All believed that land prices had been increasing and would continue to grow. Developers tended to concur with the latter, though noted that some landowners had (unrealistically) high expectations of land values.

Infrastructure

- 9.13 From the developers' perspective, infrastructure costs are a significant factor in determining building costs, with road development and water particularly associated with increasing costs of development. Interviewees highlighted infrastructure 'obstacles', particularly regarding water and sewerage. For example, it was noted that there are villages in Speyside where water/sewerage constraints prevent any development. Capacity for development was also perceived as constrained by roads.
- 9.14 Whilst infrastructure constraints were recognised as broadly an issue across rural areas, a minority suggested they are more acute in the Highlands, and in Badenoch and Strathspey in particular. Developers suggested that the fact that sites without infrastructure constraints (roads, drainage, water) are unlikely to be found needs to be accepted as reality in the area.
- 9.15 Planners also viewed infrastructural constraints as the major barrier to meeting housing demand in their part of the Park. In particular, they identified waste water drainage/sewerage treatment as the major obstacle to meeting demand⁵⁸. In the first instance, these planners felt that land supply varied depending on, and within their area, but felt that where sufficient land was allocated, infrastructural constraints rendered this ineffective.
- 9.16 Several reasons were forwarded by planners for this. One held new regulations responsible, which he believed focus on quality rather than capacity. Others held Scottish Water responsible, feeling they focus their resources more on the central belt rather than the Highlands or on the settlements and not more rural areas of the Park. Another planner felt the Scottish Environment Protection Agency's (SEPA) objections to applications for septic tanks on individual plots were responsible.
- 9.17 For some, the grim outcome was an effective 'embargo on development'. Others pointed out the negative implications for the communities where housing needs are not being met and for building suppliers and contractors. Despite a consensus that upgrading and increased capacity are crucial for meeting housing needs in the Park, the planners were equally resigned about the future. Most saw this as a long-standing problem that will continue to constrain development of affordable housing and development more generally, with no resolution apparent in the short to medium term. One referred to

⁵⁸ Roads were felt to be a constraint for smaller developers rather than all.

Communities Scotland's move to commission research on alternative drainage solutions but felt that this might have a limited impact due to SEPA's regulations. Regarding land supply, several planners felt that developing single plots, rather than allocating large lumps of land might also help to meet demand. One planner thought it easier for some individuals to get a reasonably cheap plot from relatives, farmers and the like than to buy a plot from one of the big builders who happen to own a larger site. Further, the infrastructure costs to the individual in the countryside might be more acceptable if they're not required to put in big roads, big surface water drainage systems etc. However, the drainage constraints are still critical here.

- 9.18 Several of these planners noted that unless there is more leeway to provide good quality individual treatment plants, then ideas for small scale development might be thwarted. One felt that flexibility and a re-evaluation of priorities is needed and a choice has to be made between accepting less than 100% pure water quality and allowing local families to remain in the area, through the provision of affordable housing plots.
- 9.19 In terms of upgrading and increasing capacity, interviews with Scottish Water showed that the current funding period makes no allowance for growth except for projects which have already been given planning permission. At present, the main drivers for the agency's investment are water quality rather than growth.
- 9.20 Scottish Water was unable to give many details on plans for future upgrading and increasing capacity because this is dependant on the final resolution and agreement of funding. It was noted the agency should have an idea of ministerial determination on funding etc. by June 2005 and would have a first draft of programmes completed around this time.
- 9.21 In order to improve the current situation, there was agreement that it needed more dialogue. A Scottish Water interviewee stressed more integration with planning authorities and the possibility of forming a co-operative with the speculative developers who are interested in the area, in order to; identify where houses can be built (where there's current capacity in the waste water and water infrastructure), where development could be, and to identify how much money is involved and where it's coming from, (e.g. a central government fund, based on 120,000 properties across Scotland, developers' contributions, the planning authority or the local council). It was also suggested that strong political pressure is required if smaller settlements in the Park are to go ahead: the Island Councils were felt to be excellent models and examples to learn from in this respect.

Skills shortages and the availability of labour

- 9.22 A minority of planners saw this as a significant constraint. For developers, the availability of skilled tradesmen was an issue. For small firms, concern was raised about larger firms from outwith the area are buying up larger land parcels, and then bringing in external labour. This was viewed as problematic as it not only fails to positively impact on the local economy in terms of

employment, but results in growth of (certain) settlements at too fast a rate. This firm stated its preference for a model of slower and more natural growth.

Summary of Chapter

9.23 The consultation primarily focused on ascertaining views on the planning system and infrastructure issues that may impact on the local housing system both currently and in the future. This was particularly focused on the new supply element of the housing system. The range of views expressed included:

- Recognition of the need to strike the difficult balance between economic, social and environmental objectives for the park.
- Developers were of the view that meeting housing demand could potentially be further hampered by increasing planning constraints within the park area dependent on how the Park Local Plan was framed. There was also the potential for delays through the current administrative arrangements for 'calling in' applications.
- There was a view that a strategic approach to planning should be emphasised more to ensure that sufficient land is allocated for housing.
- Related to the allocation of land are significant infrastructure issues that seem to hinder the assembly of an effective land supply.
- Waste water and drainage/sewage infrastructure is viewed by all stakeholders as a particular issue in constraining development. There were some fairly negative perceptions that there seemed to be little that could be done about this situation for the foreseeable future.
- Strategic priorities (and subsequent investment programmes) of Scottish Water were held to be focused on existing water quality as opposed to growth.

10 Conclusions and Policy Considerations

- 10.1 This chapter reviews the main findings of the study and offers some preliminary policy considerations to the CNPA.
- 10.2 It is evident that there are various housing challenges facing the Park Authority in the future that stem from the current analysis of the housing system. While there are no specific population and household projections for the park area the information gleaned from local authority level projections is sufficient to conclude that population and household growth is anticipated over the next few years. This is supported by the census data which demonstrated significant population (+8%) and household (+18%) growth over the period 1991 to 2001. This rate of growth was higher than that of any of the wider local authority areas that straddle the park. The overall demographic change is projecting growth in single person households and an ageing population
- 10.3 One of the main components of growth is the potential increase in the elderly population forecast in the main local authority areas. Given the profile of the current population in the park it is anticipated that this could be a significant issue in the future for housing strategic planning. To illustrate the point the growth in single pensioner households between 1991 and 2001 is estimated at 12%. If the growth of single pensioners in owner-occupation is examined in isolation it shows that the increase was 40% over the ten year period.
- 10.4 Overall activity points to a relatively stable economy based on the service sector and agricultural activities. Although the park has a higher level of economic activity when compared to Scotland as a whole there is also a higher proportion of part-time employees. While there is a degree of divergence in economic activity the lack of value added economic activity and small numbers employed in some sectors may be an issue. Deprivation indicators point to a relatively affluent population when compared to other areas of Scotland although this may mask aspects of rural disadvantage such as access to public transport. It is interesting to note the current national concern with future demographic change (ageing population) and levels of economic activity to support this. Given the current economic and demographic profile of the park this may prove significant in the future.
- 10.5 The housing system has changed considerably over the past 10-15 years with significant growth in the owner-occupied sector, a slight decline in the private rented sector (although numerically there has not been much change) coupled with a decline in the social rented sector both numerically and as a proportion of all housing stock. This has been primarily due to the Right to Buy and a low rate of new build in the affordable housing sector when compared to the private sector.
- 10.6 In recent years house completions have been rising although these are mainly concentrated in the private sector. Current projections anticipate approximately 115 completions per annum with a greater proportion of affordable housing within this target. However significant potential constraints

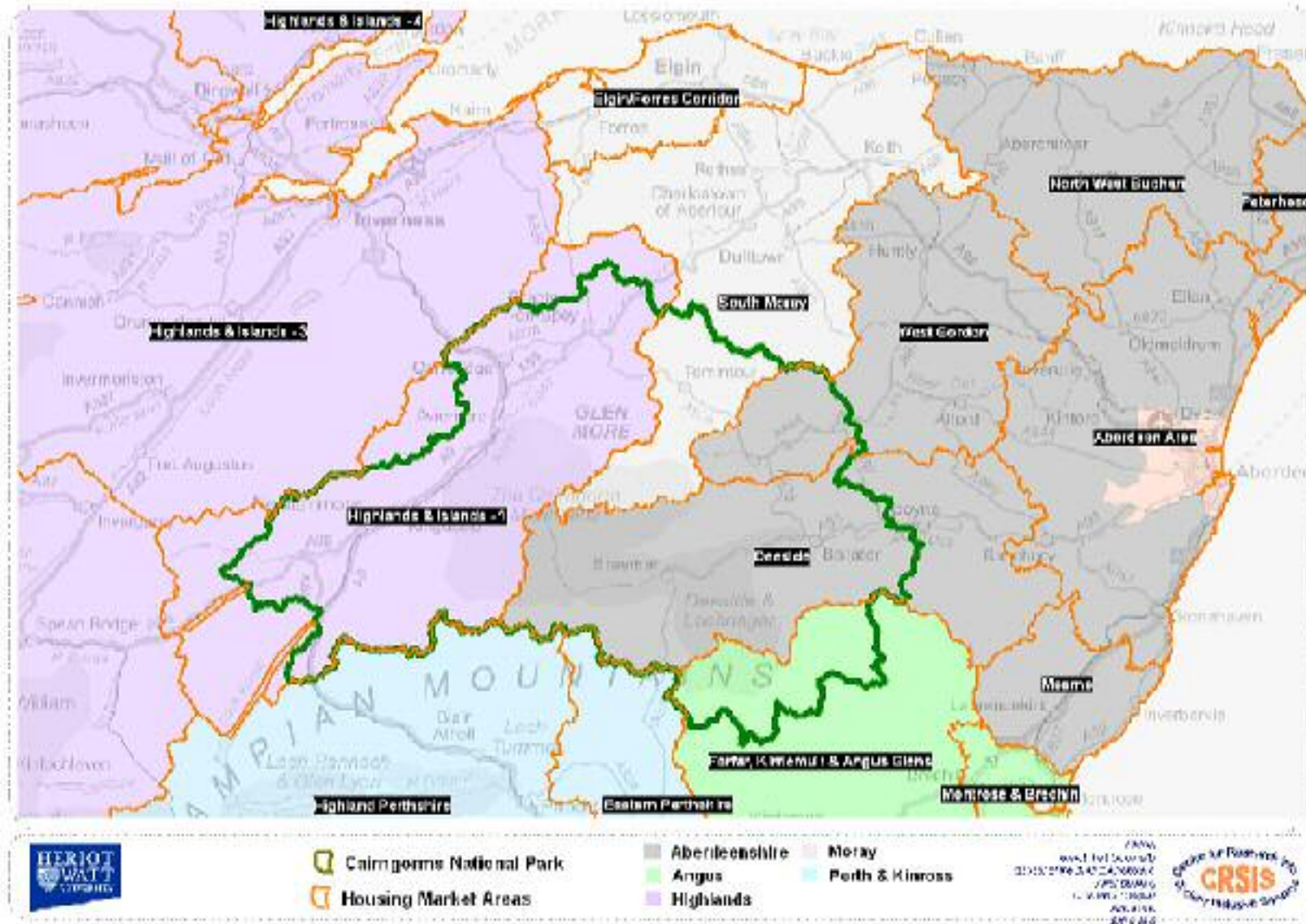
primarily in the form of infrastructure have been identified by a number of stakeholders interviewed in the course of the study.

- 10.7 The overall supply of housing is affected by the fact that a significant proportion of the housing stock is second or holiday homes. Approximately 1,800 homes are in this category representing just under 20% of the total housing stock. The main impact on the housing system is twofold. First of all the demand for second or holiday homes in an attractive rural environment exerts an upward pressure on prices. Secondly the stock by definition is ineffective in its ability to meet permanent housing demand or need.
- 10.8 Within the occupied stock a relatively high proportion of owner-occupiers own their properties outright when compared to the Scottish average. House prices have risen significantly in the owner-occupied sector in recent years.
- 10.9 The private rented sector is relatively large and more diverse when compared to other areas of Scotland with a significant proportion of tied housing, emphasising the link between employment and housing. It may also be viewed as a more permanent housing solution by some households when examined in the context of the traditional view of the sector as a transient housing solution. At the same time expressed demand for social rented housing tends to indicate that a large number of households in the private rented sector are seeking social rented housing. The ability to influence and ensure that the private rented sector plays an effective role in the housing system in the park is perhaps more significant in the park area than many other parts of Scotland and the joint working by the CNPA and Scottish Rural Property and Business Association is a positive step.
- 10.10 The council house sector has declined in both absolute and proportionate terms whereas the RSL sector has increased slightly. On average 42 properties have been sold every year through the RTB over the past twenty years. The RSL sector has grown over the past 10-15 years to meet a wider range of particular needs and now has a more diverse range of tenants in terms of household type. There is a significant level of expressed demand and need through both the Council housing lists and available homelessness figures. The total current number of applicants for housing is circa 550-600. The total annual lets are estimated between 70-80 across both the Council and RSL sectors.
- 10.11 The affordability analysis was conducted on the basis of five geographical zones. These are Aviemore, Grantown-on Spey, Kingussie, Aberdeenshire part of the park (Upper Deeside) and Tomintoul. The estimated mean and median household weekly incomes in the park area are £461 and £391 respectively. In general these figures are lower than the corresponding ones for the wider local authority areas. The overall threshold entry price (lower quartile) is estimated at £83,554 for the park area, which is higher than in the surrounding areas. The percentage of younger (<35 years) households able to buy a property in the market based on threshold prices is estimated at 38%. The model shows that, within the park, affordability is particularly low in the Aviemore area, and also quite low in Deeside and the Tomintoul area, and a bit higher in the

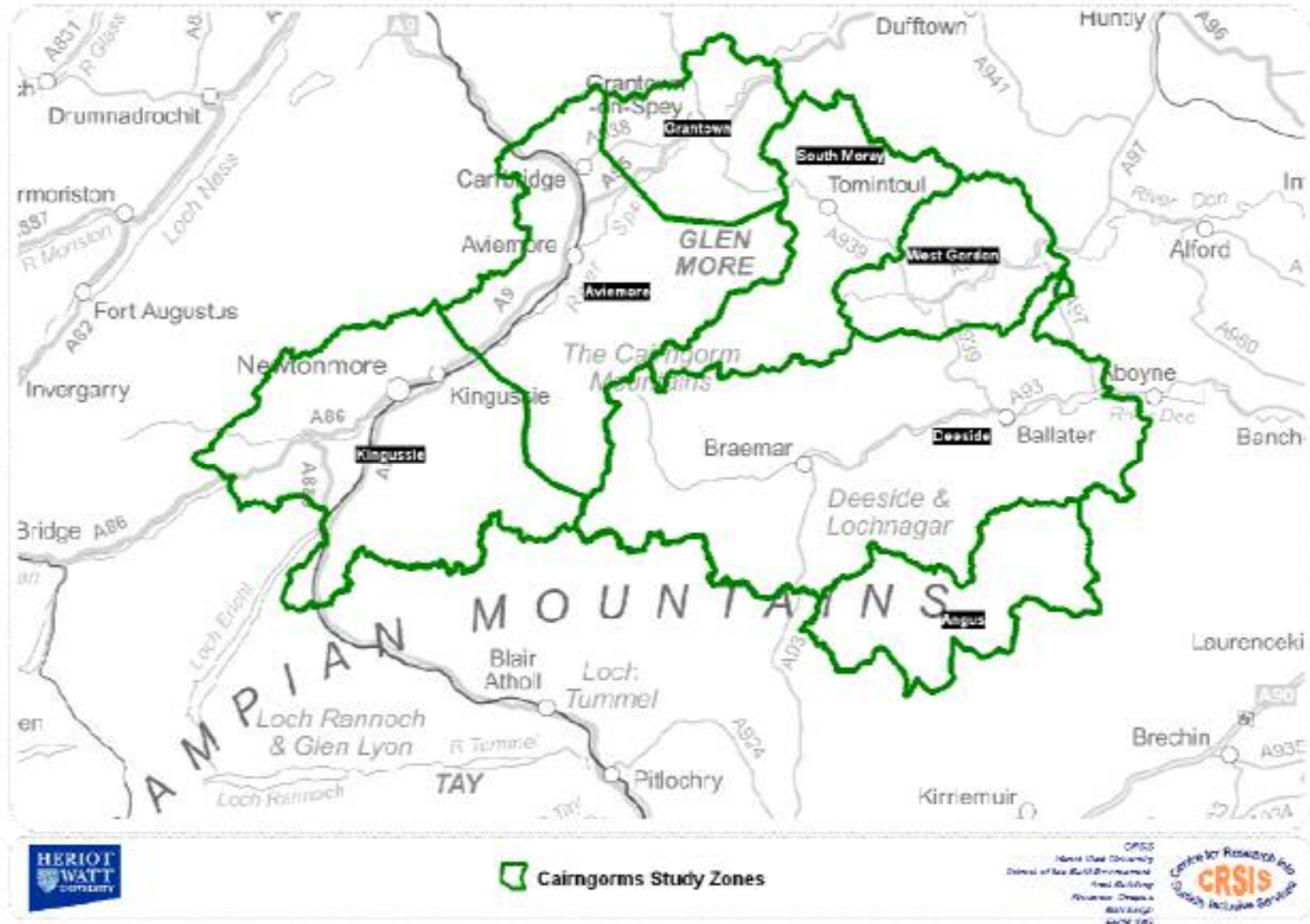
Grantown and Kingussie areas. The housing need results show that the net need per annum is 132 across the park area. This ranges from 10 in the Tomintoul area to 54 in the Aviemore area. This is a fairly large number and indicates that all the current completions projected through the planning system might require to be for affordable housing. Numerically, the needs are greatest in the Aviemore area, but relative to the existing number of households they are also proportionately high in Tomintoul. Recent population and household projections reduce the net need by 18 per annum to 114 across the park area.

- 10.12 Sensitivity testing shows that changing assumptions changes affordability and need to some extent but generally still leaves a substantial overall net need within the park (e.g. prices at 2002 levels, 28% lower, would still mean a need of 99 units per annum). Some uncertainties remain about the role of savings/wealth, differential migration profiles and private renting.
- 10.13 The needs estimates generated by the model are broadly comparable with local survey estimates. However differing methodologies and dates that studies are conducted necessitates a significant degree of caution in comparing figures. The indications are that need levels estimated through the model are lower than those conducted through localised community housing needs studies. The projected level of new supply as a whole would have to be fully devoted to LCHO or affordable rent in order to meet the backlog of need and newly-arising need. This is obviously unrealistic and so the most pressing policy consideration is to bolster the supply of new housing in the Park area. This partly relates to the development budgets of operant housing associations but also necessitates effective resolution of infrastructure constraints, most notably through dialogue with Scottish Water. Failure to tackle these and to increase supply will do nothing to mitigate the tendency for the Park population to be over-represented in the older end of the age spectrum, deprived of young-middle aged people/families and for the Park to house progressively more and more affluent people.
- 10.14 Finally, this report has alluded to gaps and inconsistencies in available data. For future analyses, it would be helpful for these to be rectified. The two clearest ways of doing this are, first, for the CNPA to consider commissioning housing needs analyses jointly and simultaneously with the four local authorities. As the next round of these are likely to be at least three-four years away, second, the programme of small community needs surveys should continue.

Appendix 1a Map of Cairngorms National Park Area with Communities Scotland Housing Market Areas



Appendix 1b Map of Cairngorms National Park Area with Housing Market Areas



Appendix 2 House Sales in the Cairngorms

1. Sales by type

<i>Sale Type</i>	<i>Count</i>	<i>%</i>
All Sales	5126	100%
Second Hand	3315	65%
Right to buy	586	11%
Company sales new build	340	7%
Other Sales	885	17%
<i>Likely LVIU error in sale</i>	266	5.2%
<i>Company sales other</i>	188	3.7%
<i>Shared ownership</i>	95	1.9%
<i>Other public sector sales</i>	14	0.3%
<i>Transfers between social landlords</i>	1	0.0%

2. Mean Selling Prices

<i>Year</i>	<i>All Sales</i> (£)	<i>Second Hand</i> (£)	<i>New Build</i> (£)
1989	43,214	55,154	38,448
1990	47,176	55,827	47,440
1991	51,720	59,852	63,361
1992	56,193	63,286	72,379
1993	50,387	57,301	67,015
1994	52,252	62,304	82,844
1995	56,902	70,365	55,262
1996	59,156	67,947	49,968
1997	59,747	68,146	73,363
1998	62,629	65,082	81,083
1999	70,705	83,656	97,108
2000	68,342	80,190	104,260
2001	74,074	81,071	81,007
2002	82,070	92,467	120,934
2003	96,214	106,714	132,090

3. Right to Buy Sales

<i>Year</i>	<i>Market Price</i>	<i>Selling Price (RTB)</i>	<i>Discount (%)</i>	<i>Number of Sales</i>
1981	14,711	8,351	44.4	74
1982	15,729	8,761	37.6	33
1983	17,427	9,793	43.7	30
1984	18,610	11,004	40.8	26
1985	20,612	11,785	42.7	21
1986	20,531	10,937	46.8	47
1987	21,688	12,012	45.0	51
1988	22,411	11,856	46.6	57
1989	25,855	13,646	46.8	63
1990	30,231	15,705	47.5	26
1991	31,438	16,964	46.2	40
1992	33,481	17,683	47.2	31
1993	34,569	18,489	46.5	58
1994	36,170	18,934	47.8	50
1995	37,883	19,665	48.2	47
1996	38,461	21,928	42.9	32
1997	39,250	21,404	45.1	43
1998	40,198	21,441	46.6	48
1999	40,674	22,912	43.6	23
2000	38,193	18,519	51.4	35

Appendix 3 The Housing Needs and Affordability Model

Background to Model

The model reported in Chapter 8 can be described as an ‘affordability based needs model’, and has been developed by Glen Bramley over a period of a decade. It has recently been used to inform the Home Ownership Task Force and Barker Inquiry into Housing Supply exercises in England as well as underpinning two studies for Communities Scotland, most recently *Local housing need and affordability model for Scotland – Update*, (Communities Scotland Report 34, July 2004).

It is a systematic model based on secondary data and reasonable assumptions, which applies consistent calculations to consistent datasets. It integrates demographic components of household growth with market analysis and data on the existing supply. It calculates need and supply as *annual flows* (so many household/dwelling units per year) for each study area and aggregates to regions or nations as whole. Key numbers in the model are consistent with national totals contained in household projections and national surveys, including in the current version the Scottish Household Condition Survey and the Family Resources Survey.

The model deals only with the need for additional units of social or affordable housing and does not address all issues of house condition or suitability, particularly within the social rented sector; in this sense it is only a partial assessment of the totality of needs for housing investment.

Model Logic

The *basic needs model* may be set out as follows:

$$N = (H + 0.33 \times M) \times A + s \times O + Q \times W - R$$

Where

N is net need for additional affordable housing (units per year)

H is gross new household formation (households per year)

M is net inward migration (households per year)

A is the proportion of new/young households able to buy in the market

S is the national average proportion of owner occupiers moving to social housing each year

O is the number of owner occupier households

Q is a annual quota, set at 0.10 in the baseline model

W is the backlog stock of households with existing needs which may require a move into social housing

R is the number of net relets of social housing, excluding new build and all transfers within the social sector

This model is consistent with (if slightly simplified from) the recommended summary needs assessment methodology contained in the DETR (2000) *Local Housing Needs Assessment Guidance* (Table 2.1). Because the model is based on affordability, it is well-adapted to the supplementary task of estimating the potential need/demand for LCHO provision (or other forms of intermediate tenure between market purchase and social renting)

The *software platform* for the model is SPSS for Windows (Release 11.5) which runs on PC. New data inputs are generally prepared on Excel worksheets and then converted to SPSS format and matched to the main dataset.

A range of data are required to drive the model, and so far as possible these refer to 2004 or as near as possible to that date (e.g. 2001 in the case of Census data).

Incomes

Income levels and distributions are *modelled*, using parameters are based on the *Family Resources Survey* (FRS data for Scotland covering 2000-2002 (repriced to a 2004 basis). The key parameters of median gross income and the standard deviation of log of income are estimated for each of 9 household types broken down by number of workers (none, one, two+). These are obtained separately for all households and for households with a head aged under 35. The latter are used as a proxy for the key group of households which have formed relatively recently. Incomes in the model are estimated gross; a simple algorithm is used to convert between gross and net incomes. The 2004 Communities Scotland update report contains a discussion of comparisons between the model's income estimates and a number of other sources of income information, at national and local levels.

Household composition

This is based on 2001 Census Key Statistics tables for Census Output Areas, aggregated to the zones used for the study. The Census gives the proportion of households in each of the 9 types. The household composition for under-35's is derived by taking the national ratio in SHS of the proportion within this age group to the overall proportion.

Economic activity

The proportion of each household type with no, one and two+ workers are estimated.using national proportions are derived from the FRS and, at local level, predictors of the relative prevalence of no-worker and two+ worker households. The predictor indices employ a number of variables (unemployment overall and by sex, economic activity by sex and for married females and lone parents), and are calibrated using regression analysis on Census data at local authority level.

Relative income level

Income level in each zone, relative to the national (Scottish) median, is predicted using composite indices, one for working households and another for non-working

households. These composite indices take account of occupation (high and low social class, weighted by SHS income data), industry mix of workers (weighted by relative income), relative average earnings (based on 2002 NES by place of residence), incidence of low earnings (NES), incidence of part-time workers (Census), and sub-composites for wealth (class, tenure weighted by relative house prices, and two+ cars) and for deprivation (unemployment, long term unemployment, lone parents and no car).

Income distribution

For each sub-group (household type by number of workers), incomes are assumed to be distributed according to a 'lognormal' distribution. The parameters of this distribution are derived from the FRS for Scotland, as noted above, but with the median level varying according to the values of the indices described in the previous section. The model can therefore calculate the proportion of each household type below any threshold derived from housing price information.

House price threshold

House price data are available from SASINES/LVIU data provided by Communities Scotland for years up to 2003 . The lower quartile prices of all market value sales is used as the threshold of access to buy⁵⁹. The lower quartile is assumed to represent the entry level for 2-bedroom accommodation on average. However, for particular zones allowance is made for variations in the average size of owner occupier dwellings from Census data. Prices for one-bedroom and three bedroom are assumed to be at fixed ratios to this level (0.776 and 1.153 respectively). Detailed price data for 2002-03 were used, with LA-level updating to late 2004.

Households are allocated to appropriate sizes of accommodation, with couple/2 adult households split between one and two bedroom.

The affordability threshold is based on a lending multiplier of house price to gross income, using 3.5x annual income for a single earner or 0.85 times this ratio for two earners. The model applies a supplementary test, that a household should not be left with a net income of less than 120% of the Income Support/Housing Benefit 'Applicable Amount' after meeting housing costs. This so-called 'residual income' or poverty test mainly affects low priced areas, and is not significant in the CNPA area.

Gross new household formation

Gross new household formation is the number of households formed at the end of a year which did not exist separately at the beginning of the year. This is calculated from the relationship between age and the propensity to head a separate household. 2001 Census data are used to provide these propensities, which are applied to local age composition of population. The propensities used were an average of those based on local rates and those based on national rates.

⁵⁹ In practice, in this study for CNPA, price data were first grouped at postcode unit level, so the lower quartile strictly refers to unit postcodes rather than individual transactions

Net migration

Net (inward) migration is effectively derived from projected increase in the number of dwellings/households. An allowance is made for need associated with migrants, making two simplifying assumptions: (a) in- and out-migrants have similar levels of affordability; (b) migrants are better off than non-migrants and less likely to need affordable housing.

Households by tenure

Numbers of households by tenure are available from the 2001 Census Key Statistics, adjusted to take account of more recent local information. The 'constant' used to estimate the proportion of owner occupiers needing to move from owner occupation into social renting each year (0.47%) is based on SHCS data on inter-tenure moves.

LA lettings (relets)

Relets are an important component of the calculation of net need or surplus. Net relet numbers measure the number of existing local authority and housing association housing units becoming available for letting each year, after deducting those released by transfers within the social rented stock. These data were compiled from the administrative records of the local social landlords, and an average of several recent years taken where possible.