

Additional triangulation calculations in support of a 0.5% growth scenario for Argyll & Bute

The 0.5% per annum growth scenario was selected as the minimum option which would provide continuous overall growth within realistic parameters: alternative modelling on the basis of 1%, 1.5% and 2% annualised growth were deemed to be overly optimistic, particularly for the initial five year period, and the long term results of these options varied too greatly from the default scenarios produced by the NRS, based on previous historic trends.

The 0.5% scenario is justified when triangulated against the growth in occupied dwellings and actual household growth rates over the last 5 years, as illustrated in the table below.

| ARGYLL & BUTE | Total dwellings | Occupied Dwellings | Population Est. | Household Est. |
|---|-----------------|--------------------|-----------------|----------------|
| 2020 | 48,285 | 42,297 | 86,125 | 41,658 |
| 2016 | 46,801 | 40,761 | 87,130 | 41,040 |
| 2016-2020 % Change | 3.2% | 3.8% | -1.2% | 1.5% |
| Annualised change (Total Change/5) | 0.64% | 0.76% | -0.24 | 0.3% |

Considering the annualised change over the last 5 years, occupied dwellings grew by 0.76% per annum and households grew by 0.3% per annum. An approximate mid-point estimate between these two indicators would be around 0.5% growth per annum, which would allow for a degree of strategic aspiration (in setting Housing Supply Targets) as well as a conservative, minimum estimate of the impacts of the factors set out previously in supporting materials i.e. 2,000+ growth in population around Faslane base; increased in-migration due to the Rural Growth Deal and other local and national policy and financial incentives; and the anticipated increase in migration as a result of the pandemic such as new home/working patterns.

Further, reviewing the increase in occupied dwellings as a proxy indicator for household growth in the area over a longer period, i.e. since 2012/13, there was an increase of 1,950 properties which amounts to 4.6% growth over 9 years; which, when annualised, would equate to 0.5% per annum.

As previously noted, triangulating HSTs based on the in-house estimate of backlog need plus a minimum growth scenario annualised at a consistent 0.5% per annum over 10-15 years, with historic new build rates over 10 years also provides a reasonable comparison. The Scottish Government's latest figure for 10 year completions is 2,215 or an average of around 220 per annum. (This updates previous data & analysis with 2019/20 figures).

Scottish Govt. New Housing Supply Statistics, June 2021

| | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | Total |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Argyll & Bute | 343 | 145 | 191 | 359 | 216 | 102 | 269 | 144 | 186 | 260 | 2,215 |

An annualised increase of 220 new dwellings per annum equates to precisely 0.5% increase on a baseline dwelling stock of approximately 46,000. This further supports the use of this figure for the growth scenario in setting HSTs. In determining the MATHLR, our land requirement is ultimately derived from the HSTs rather than the default HNDA estimates.