

National Planning Framework 4

Highland

Minimum All-Tenure Housing Land Requirement

ASSESSMENT REPORT

Scottish Government

Planning & Architecture Division and Housing & Social Justice

September 2021

CORE OUTPUTS ASSESSMENT

1 Locally Adjusted Estimate

	Initial Default Estimate	Locally Adjusted Estimate
Highland	4,350	10,000

The locally adjusted estimate of 10,000 more than doubles the initial default estimate of 4,350. It is primarily driven by household projections.

The adjusted estimate benchmarks to a Housing Land Audit (HLA) 10 year (2010-2019) completion rate of 9,465 units, which excludes completions within the Cairngorms National Park area. The Scottish Government completions for the same period are 10,012 ([Housing statistics quarterly update: new housebuilding and affordable housing supply - gov.scot \(www.gov.scot\)](http://www.gov.scot)).

2 Household Projections (Newly-Forming Households)

The Council, in their initial response and confirmed in a supplementary submission, have chosen to use the National Records of Scotland (NRS) 2018-based high migration variant as a base for their household projections.

In their initial response, the Council highlight an 'in-year additional need'. The Council explain this as demand over and above the existing identified backlog that results from a combination of increasing housing costs (house prices and rental costs) alongside stationary incomes, and which increases the number of people unable to afford either private or affordable housing. In their supplementary submission the Council apply only the element expected to be delivered to private rental and purchase, and this results in a household projection of 5,200.

Household Projection: Default Compared to Adjusted Estimates

	Default	Adjusted	MATHLR
Highland	2,650	3,350	5,200

3 Existing Housing Need

Existing Housing Need: Default Compared to Adjusted Estimates

	Default	Adjusted ¹	MATHLR
Highland	700	4,350	2,100

In their initial response, Highland Council refer to the Highland Housing Register. This is a rules based assessment of existing need that identifies those considered to be in need of additional housing stock units. Information for April 1st 2020 indicates the following:

Reason for Inclusion in Backlog	Highland Council Area Total
A – Homeless (incl. homeless at home)	81
B – Living in a Hostel	61
C – Living in a Caravan	88
D – Living in temp. Accommodation	655
E – Living or Lodging with Friends	233
F – Living with Friends or Relatives	1,118
TOTAL	2,236

4 Flexibility Allowance

Highland Council use the default 30% rural flexibility classification.

In their initial response, the Council consider there is a requirement for further adjustment to account for the high proportion of ineffective stock relating to second homes, vacant properties and housing used for short term letting (holiday accommodation). This is because this stock does not accommodate any of the needs or demand identified. Whilst this matter is not unique to the Highland Council area, the Council is unique in quantifying and applying it to inform the MATHLR.

In discussion and the supplementary submission, the Council indicated analysis has been carried out at Housing Market Area level and that the proportion varies considerably across the Council area. The Council also propose to apply a compensatory amount only to private and owner occupied tenures. Given this tenure specific resolution and the scale at which the issue presents, this suggests the issue would be most effectively addressed through the Local Housing Strategy and the Local Development Plan process rather than through the cross-Scotland, broad approach used for the MATHLR.

¹ Includes in-year arising and ineffective stock

CORE PROCESSES ASSESSMENT

1 Using the Response Template and Excel Calculator

The Council has used the Response Template to make the case for change. This has been completed correctly and does not exceed the word limit. A copy of the Excel calculator has been submitted.

2 Housing Market Partnership and Stakeholders Involvement

The Highland Housing Market Partnership includes Highland Council Development and Infrastructure representatives as well as the Head of Planning and Environment, Head of Development and Regeneration and Head of Housing. Through the process of the Housing Need and Demand Assessment (HNDA) other stakeholders have been involved, including registered social landlords, SG Housing Investment Division (through the Highland Housing HUB) and Homes for Scotland.

The HMP agreed the adjusted estimate, but recognises that it will need reviewing against the emerging evidence of significant pressure on the Highland Council area housing market as recovery from the Covid-19 pandemic develops.

On 24 March 2021 the initial default estimate was presented to stakeholders. It was compared and contrasted with the locally adjusted estimate. An acknowledgment was given around the discrepancy between the recent history of completions and the initial default estimate.

3 Joint Housing and Planning Senior Official Sign-Off

Appropriately signed-off by housing and planning heads.

4 Statistical Evidence

The Council has used some robust source of information including:

- NRS 2018-based high-migration household projections
- Scottish Government completions data
- Scottish Government affordable housing supply statistics

The have also used a range of in-house data sources including:

- The Highland Housing Register
- The Council Tax Register

5 Policy Evidence

The Council highlight that house builders demonstrate confidence in developments detailed in the 2020 Housing Land Audit (HLA) and through continuing housing deliveries on existing and new sites. They note the latest available house price information confirms continuing increasing prices and estate agents confirm strong interest and enquiries in Highland Council area properties. The Council also refer to sustained levels of net in-migration to the area.

MINIMUM ALL-TENURE HOUSING LAND REQUIREMENT (MATHLR)

For the reasons specified above the proposed MATHLR is:

	MATHLR
Highland	9,500