Housing Need and Demand Assessment

Aberdeen City and Shire

2017

Final

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1. Introduction

Purpose

1.1 The Town and Country Planning (Scotland) Act 1997 requires local and strategic planning authorities to plan for land use in their area, including the allocation of land for housing. The Housing (Scotland) Act 2001 places a responsibility on local authorities to prepare a Local Housing Strategy supported by an assessment of housing need and demand and the provision of related services. The Housing Need and Demand Assessment (HNDA) provides a common evidence base to enable these statutory obligations for Aberdeen City and Shire local authority areas to be met.

1.2 The HNDA will be regularly updated and monitored with a full review on a five year cycle. This HNDA replaces the previous Assessment prepared for the area in 2010, and updated in 2011.

1.3 The Scottish Government's HNDA Practitioner's Guide (2014) expects HNDAs to inform:

- Housing Supply Target
- Stock management
- Housing investment
- Specialist provision

1.4 The HNDA for Aberdeen City and Aberdeenshire aligns closely to the structure and good practice set out in the Practitioner's Guidance.

Structure and Governance

1.5 The HNDA has been agreed by the Housing Market Partnership (HMP). This group comprises lead officers for housing and planning from Aberdeen City Council, Aberdeenshire Councils and the Aberdeen City and Shire Strategic Development Planning Authority.

1.6 Following agreement by the HMP, the HNDA is to be approved for submission to the Scottish Government's Centre for Housing Market Analysis (CHMA) for their consideration.

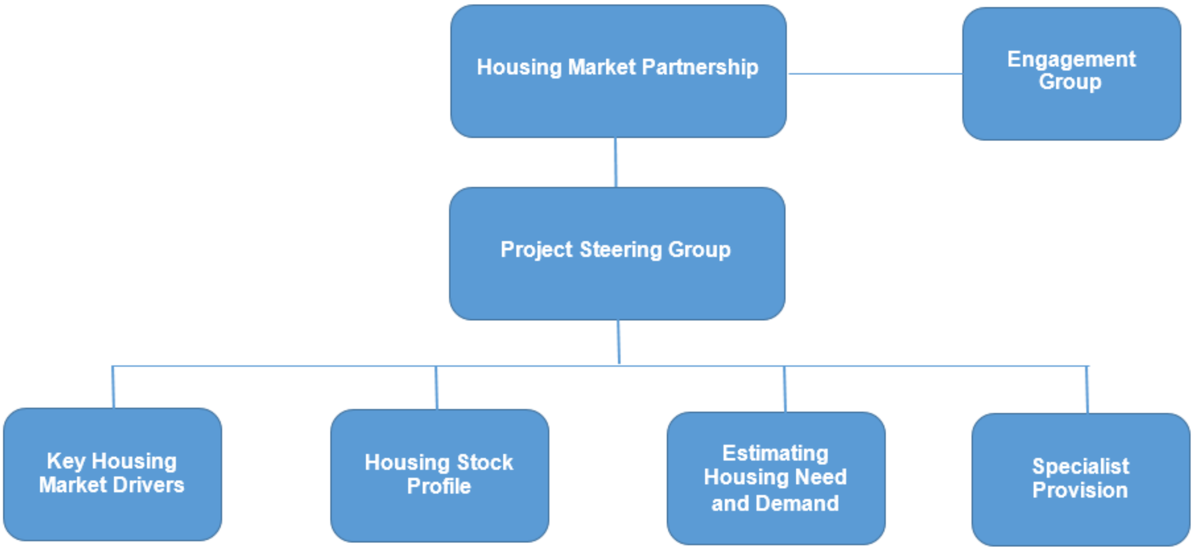
1.7 The Scottish Government's Department for Planning and Environmental Appeals (DPEA) has previously commented that, where the CHMA has confirmed that an HNDA is robust and credible, the approach used will not normally be considered further at a Development Plan Examination.

1.8 A Project Steering Group has managed the production of the HNDA. This group comprised officers for housing, planning, information and research from both Aberdeen City and Aberdeenshire Councils as well as representation from the Aberdeen City and Shire Strategic Development Planning Authority. The Cairngorms National Park Authority (CNPA) were involved at an early stage to ensure that their interests were represented. It was agreed that they would be kept informed of progress with the project and that an appendix would be developed to provide any key and relevant information disaggregated to the Aberdeenshire boundary of the park authority (refer to appendix 1). This was important to ensure that the Park Authority is able to collate information from the four HNDAs produced covering part of their area.

1.9 Working groups were set up for each chapter in the HNDA: Key Housing Market Drivers, Housing Stock Profile and Pressures, Estimating Housing Need and Demand, Specialist Provision. These were made up of officers from both councils and the SDPA as appropriate.

1.10 In the interests of partnership working and wider engagement, an Engagement Group was established. This group consisted of a wide range of partners from the public, registered social landlords (RSLs), housebuilding and financial sectors. Full membership lists and minutes of meetings for this and the other groups listed above can be seen in appendix 4.

Figure 1: Organisational Structure

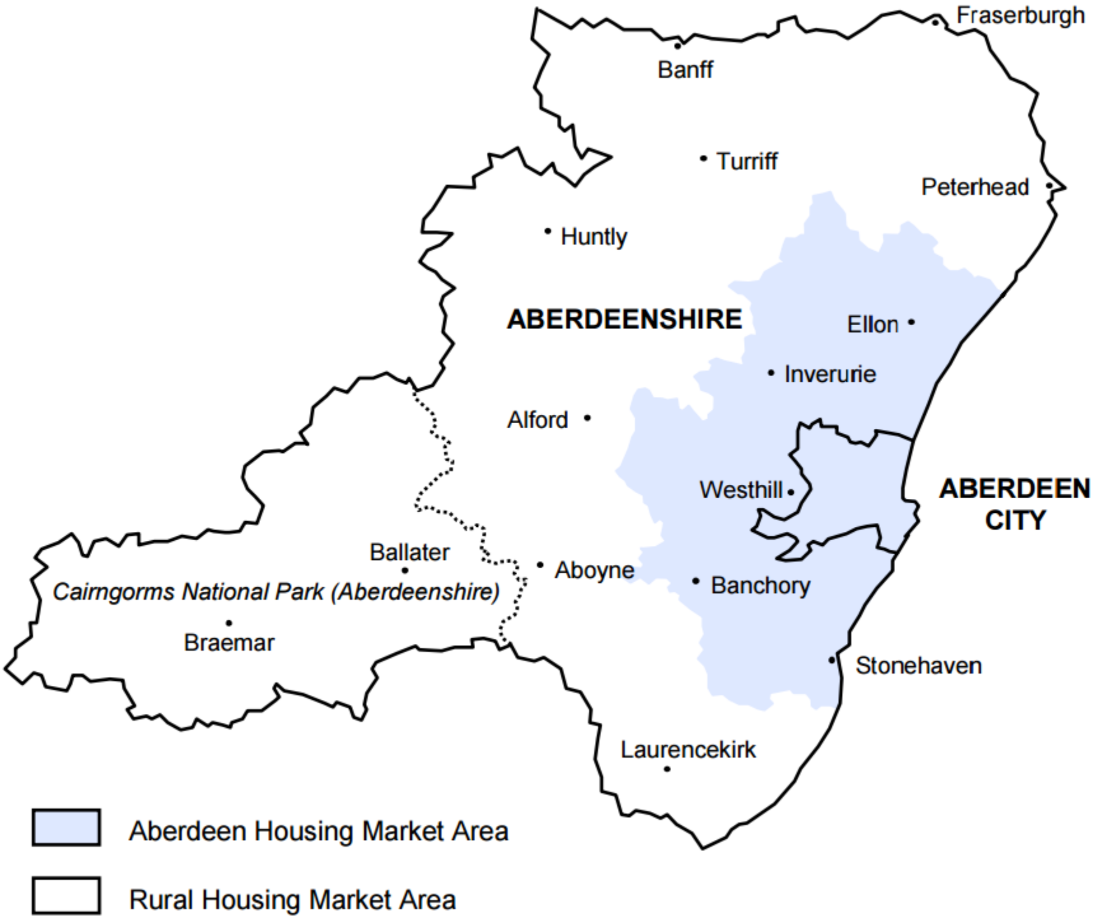


1.11 In addition, the HNDA was a standing item on the agendas of the Aberdeenshire Housing Strategy Group and the Aberdeen City and Aberdeenshire Affordable Housing Forums during 2015 and 2016 to both update partners and allow them to feed into the development of the assessment.

Housing Market Areas

1.12 Scottish Planning Policy (2014, para 111) defines a Housing Market Area (HMA) as a "geographical area where the demand for housing is relatively self-contained". The HNDA identifies two housing market areas within the Aberdeen City and Shire area: the Aberdeen Housing Market Area (AHMA) and the Rural Housing Market Area (RHMA). The existing housing market areas were reviewed in August 2015. It was found that there were no significant changes in travel-to-work areas or housing market activity to justify any change in the boundary between the two housing market areas. Therefore the Project Steering Group agreed to retain the existing areas. A copy of the review, its methodology and findings can be found in appendix 2.

Figure 2: Housing Market Areas



Quality Assurance

1.13 The HNDA has adhered to quality assurance principles to ensure that the findings have been reached transparently using clear methodologies. Wherever possible official and recognised data sources have been used. Any local data have been checked and cleaned to the satisfaction of the HMP. Where there is a number of competing sources of data, triangulation has taken place to ensure that only the most credible data are used in the HNDA. Any non-prescribed sources from the HNDA practitioner guidance have been triangulated or justified where possible.

2. Key Housing Market Drivers

2.1 The purpose of this chapter is to analyse demographic trends, affordability trends and wider economic trends. These trends are reviewed where appropriate and available from 2001 to 2017.

Demographic Trends

Population Change

2.2 National Records of Scotland's (NRS) latest population estimates are for mid-2015. Table 2.1 shows that the population of Aberdeen City and Aberdeenshire in 2016 was 492,030, which was 53,180 more than in 2001. This is equivalent to an increase of 12.1%, which is a higher rate of growth than for Scotland as a whole, which saw an increase of 6.7% over the same period.

2.3 In the Aberdeen Housing Market Area (HMA), the population increased by 13.1% while in the Rural HMA the increase was smaller at 9.7%. At present, 71% of the population of Aberdeen City and Shire live in the Aberdeen HMA and 29% lives in the Rural HMA. This proportion has barely changed since 2001.

Table 1: Population estimates 2001-2016

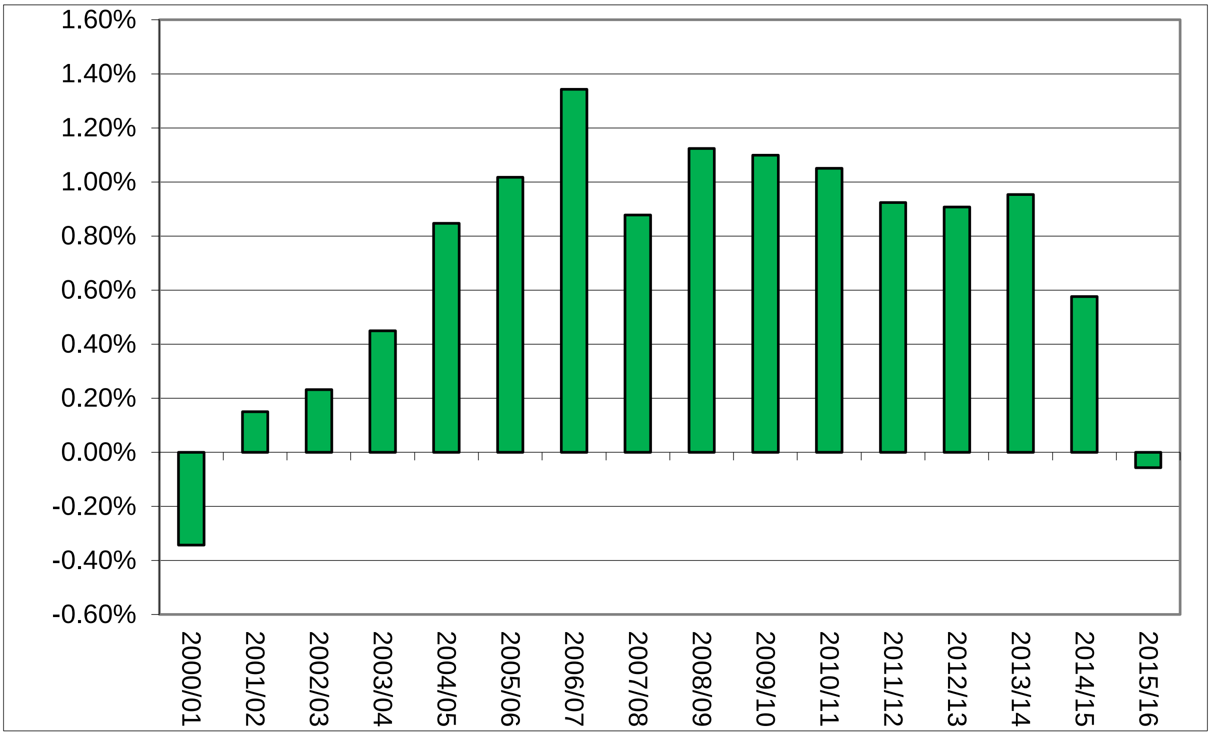
	2001	2016	Change	% Change
Aberdeen City	211,910	229,840	17,930	8.5%
Aberdeenshire	226,940	262,190	35,250	15.5%
Aberdeen City and Shire	438,850	492,030	53,180	12.1%
Aberdeen HMA	309,461	350,080	40,619	13.1%
Rural HMA	129,389	141,950	12,561	9.7%
CNP (Aberdeenshire)	3,130	3,040	-90	-2.9%
Aberdeenshire (excl CNP)	223,810	259,150	35,340	15.8%
Aberdeen City and Shire (excl CNP)	435,720	488,990	53,270	12.2%
Rural HMA (excl CNP)	126,259	138,910	12,651	10.0%
Scotland	5,064,200	5,404,700	340,500	6.7%

Source: National Records of Scotland Mid-Year Population Estimates (2017)

2.4 Population growth has been significantly higher in Aberdeenshire than in Aberdeen City. However, the Aberdeen HMA population has increased by more than the Rural HMA, evidencing the fact that population growth in Aberdeenshire has been strongest in areas close to the city.

2.5 Figure 3 shows that since 2001 Aberdeen City and Aberdeenshire has experienced strong annual population growth. In the early part of this period the population in Aberdeen City fell whilst that in Aberdeenshire increased. From 2004 to 2015 the population has increased in both Council areas. As discussed in 2.11-2.16, this has been largely driven by a sharp rise in net inward migration.

Figure 3: Annual change in Aberdeen City and Shire population 2000 to 2016



Source: NRS Mid-year Population Estimates (revised following the National Records of Scotland: 2011 census (2016))

2.6 It is important to note, however, that the estimated population of the area fell during 2015/16 (the most up-to-date available), the first time this had happened since 2000/01.

Age Structure

Table 2: Population Age Structure, 2016

	All Ages	0-15	16-24	25-29	30-34	35-44	45-54	55-64	65-74	75+
Aberdeen City	229,840	15%	13%	11%	9%	13%	13%	11%	8%	7%
Aberdeenshire	262,190	19%	10%	5%	6%	13%	16%	13%	11%	8%
Aberdeen City and Aberdeenshire	492,030	17%	11%	8%	7%	13%	14%	12%	9%	7%
Aberdeen HMA	350,080	16%	12%	9%	8%	14%	14%	12%	9%	7%
Rural HMA (incl CNP)	141,950	18%	10%	5%	6%	12%	16%	13%	11%	8%
CNP (Aberdeenshire)	3,040	13%	9%	4%	4%	10%	16%	16%	15%	12%
Aberdeenshire (excl CNP)	259,150	19%	10%	5%	6%	13%	16%	13%	11%	8%
Aberdeen City and Shire (excl CNP)	488,990	17%	11%	8%	7%	13%	14%	12%	9%	7%
Rural HMA (excl CNP)	138,910	18%	10%	5%	6%	12%	16%	13%	11%	8%
Scotland	5,404,700	17%	11%	7%	7%	12%	15%	13%	10%	8%

Source: National Records of Scotland (2017)

Table 3 Percentage Change Age Groups 2001-2016

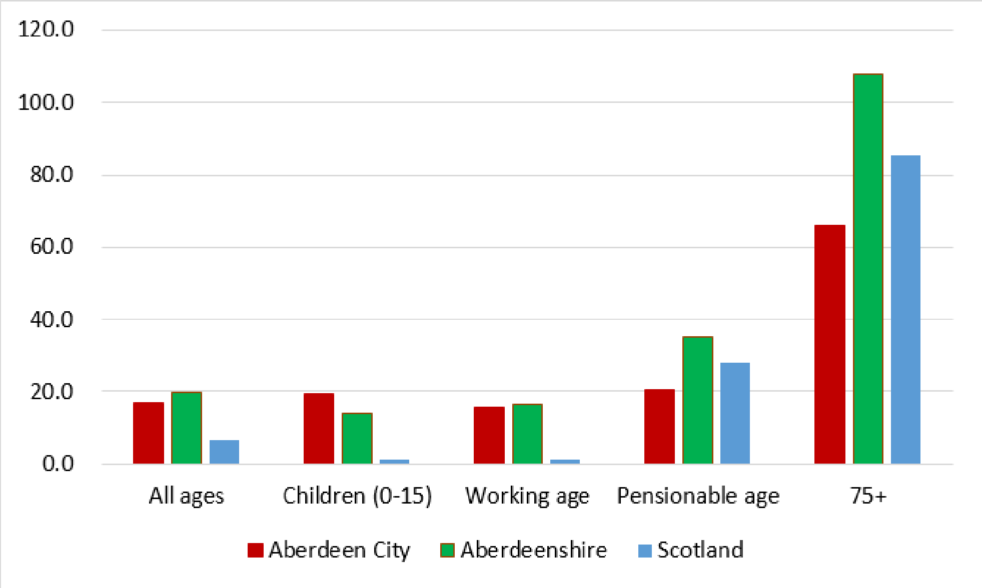
% Change 2001 - 2016	All Ages	0-15	16-24	25-29	30-34	35-44	45-54	55-64	65-74	75+
Aberdeen City	8%	-1%	0%	46%	18%	-4%	5%	26%	6%	9%
Aberdeenshire	16%	3%	16%	18%	-4%	-6%	17%	40%	55%	37%
Aberdeen City and Aberdeenshire	12%	1%	7%	35%	7%	-5%	11%	34%	31%	23%
Aberdeen HMA	13%	3%	4%	41%	16%	-2%	9%	37%	25%	22%
Rural HMA incl CNP	10%	-4%	16%	15%	-14%	-12%	17%	28%	42%	24%
Scotland	7%	-6%	7%	19%	-8%	-15%	16%	26%	25%	23%

Source: National Records of Scotland (2017)

2.7 As shown in Table 2, the age structure of Aberdeen City and Aberdeenshire is broadly similar to that of Scotland.

2.8 Aberdeen City and Aberdeenshire have experienced different changes in the age structure of their population between 2001 and 2016. Most noticeably Aberdeen City experienced a growth rate of 31.9% in its 25-34 age group compared to 5.5% in Aberdeenshire. Aberdeenshire experienced almost three times the growth rate of Aberdeen City in its 55+ population.

Figure 4 Projected percentage growth rates in different age groups 2014-39



Source: National Records of Scotland (2017)

Working age and pensionable age and over, estimated from State Pension Age. As set out in the 2014 Pensions Act, between 2014 and 2018, the state pension age will rise from 62 to 65 for women. Then between 2019 and 2020, it will rise from 65 years to 66 years for both men and women. A further rise in state pension age to 67 will take place between 2026 and 2028. Between 2044 and 2046, state pension age will increase from 67 to 68. The UK Government plan to review state pension age every five years in line with life expectancy and other factors.

Population Projections

2.9 The NRS population projections are 2014-based. Projections are not a prediction of what will happen in the future but express what would happen based on a range of assumptions – and are heavily reliant on past trends. A range of scenarios are produced by NRS but for simplicity most of the analysis below will be based on the 'Principal' projection.

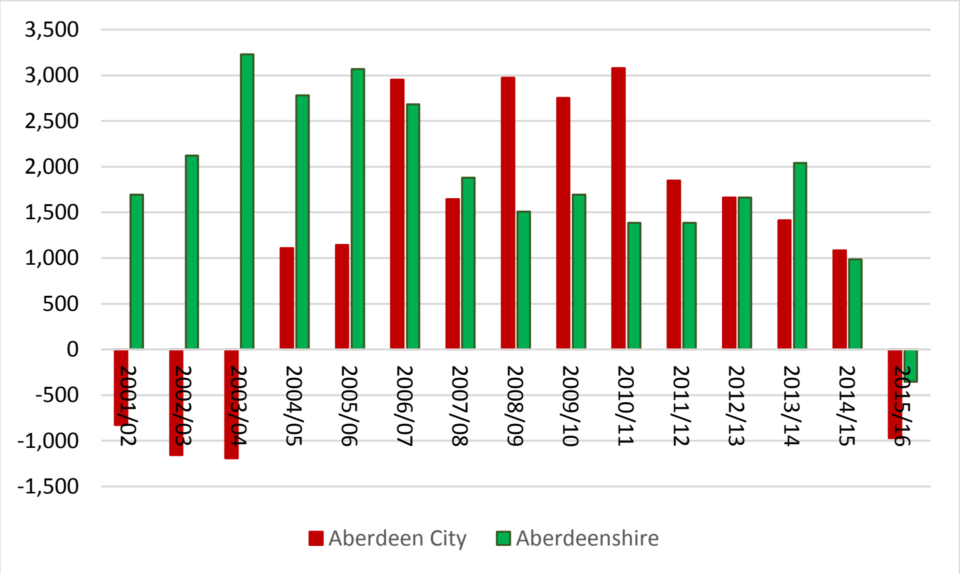
2.10 Over the next 25 years from 2014 to 2039, Aberdeen City and Aberdeenshire are both projected to have significant population increases above the overall Scottish growth rate. The projected growth rate for Aberdeen City and Aberdeenshire overall is 18%. To put this into context, the growth rate over the last 25 years (1989-2014) for Aberdeen City and Shire was 16%.

2.11 Not all age groups are projected to grow at the same rate. **Figure 4** shows the differences between different age groups. Broadly speaking, growth in the under 15 population is much stronger in Aberdeen City whilst growth in the 65+ population is stronger in Aberdeenshire.

Migration

2.12 Until 2015/16, net migration into Aberdeen City and Aberdeenshire had been positive for every year since 2004/05, as it has been for Scotland as a whole.

Figure 5: Net migration, Aberdeen City and Aberdeenshire 2001-2016



Source: National Records of Scotland (2017)

2.13 However, during 2015/16 there was a net out-migration in both Aberdeen City and Aberdeenshire, a loss of 1,323 people.

2.14 Table 4 shows migration flows for Aberdeen City and Aberdeenshire for 2015-16.

- Both councils saw a net outmigration of population over the year, with a net outflow in Aberdeen City (-969) and Aberdeenshire (-354).

- Net migration was positive in relation to the rest of the world but was negative in relation to both the rest of Scotland and the rest of the UK.

- Net migration from the rest of the world was particularly significant for Aberdeen City.

Table 4 In, out and net migration 2015-16 Aberdeen City and Aberdeenshire

	In-migration			
	Total	**within Scotland**	**Rest of UK**	**Overseas**
Aberdeen City	12305	6177	1971	4157
Aberdeenshire	8157	5935	1244	978
	Out-migration			
	Total	**within Scotland**	**Rest of UK**	**Overseas**
Aberdeen City	13274	8841	2750	1683
Aberdeenshire	8511	6003	1846	662
	Net-migration			
	Total	**within Scotland**	**Rest of UK**	**Overseas**
Aberdeen City	-969	-2664	-779	2474
Aberdeenshire	-354	-68	-602	316

Source: National Records of Scotland (2017)

Migration within Scotland

2.15 Looking more closely at NRS estimates of the migrants that moved within Scotland during 2015-16:

- Of the 8,841 migrants that moved away from Aberdeen City and stayed within Scotland, 41% moved to Aberdeenshire (3,596). Edinburgh and Glasgow together accounted for another 23% of the outward moves, with Highland, Angus and Fife being the next favourite destinations.

- Of the 6,003 migrants that moved away from Aberdeenshire but stayed within Scotland, 39% moved to Aberdeen City (2,349). Angus and Moray together accounted for another 16% of outward moves, with Edinburgh, Glasgow and Highland being the next favourite destinations.

- Of the 6,177 migrants that came to Aberdeen City from elsewhere in Scotland, 38% came from Aberdeenshire (2,349). People moved from all areas into Aberdeen, with the next highest numbers coming from Edinburgh (10%), Glasgow (7%) and Highland (6%).

- Of the 5,935 migrants that moved to Aberdeenshire from elsewhere in Scotland, 59% came from Aberdeen City (3,596). People moved from all areas into Aberdeenshire, with the next highest numbers coming from Angus (5%), Moray (5%), Highland (4%) and Edinburgh (3%).

2.16 Between 2001 and 2014, there have been fluctuations from year to year in the numbers moving from Aberdeen City to Aberdeenshire and vice versa, but there has been no substantive change in the pattern of flows. On average, around 3,500 people moved to Aberdeenshire from Aberdeen City each year with around 2,200 people moving in the other direction from Aberdeenshire to Aberdeen. Over the same period there was a net outmigration of 17,970 people from Aberdeen City to Aberdeenshire, an average of 1,380 people each year. For the last four years, however, the number of people moving into Aberdeenshire from Aberdeen has been steadily increasing and in 2013/14 rose to over 4,000 for the first time.

2.17 The National Records of Scotland: 2011 census (2016) records the numbers of wholly moving households. This term refers to households where all members had moved from one address to another in the year before the Census.

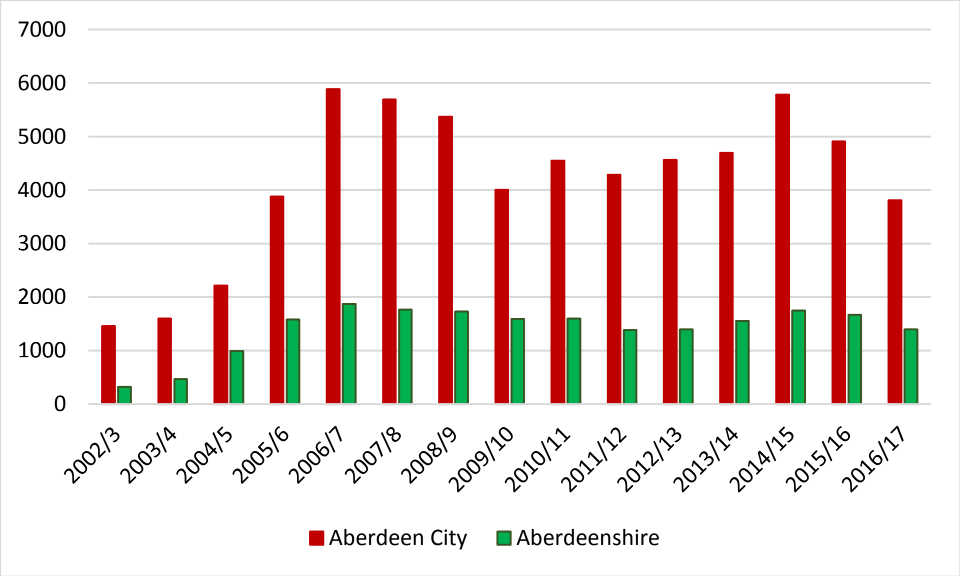
- For Aberdeen City, more households with dependent children moved into the area than moved out, 843 compared to 804. There was a greater net effect from households without dependent children, with 4,142 moving in whilst 2,318 moved out.

- Aberdeenshire also experienced net growth from wholly moving households with dependent children, but the effect was much stronger with 1,047 households with dependent children moving into the area compared to 502 who left. However it had a net loss of households without dependent children; 2,180 such households left whilst 1,931 moved in.

Migrant Workers

2.18 The number of National Insurance Number (NINo) registrations to overseas workers in Aberdeen City and Shire between 2002/03 and 2014/15 is summarised in Figure 6. These figures reinforce NRS estimates that Aberdeen City has experienced much higher rates of in-migration from individuals coming from abroad than Aberdeenshire. They also show the sharp increase in net in-migration that occurred subsequent to the 2004 enlargement of the European Union (EU) following the accession of A8 and A2 countries[1] to the EU.

Figure 6 National Insurance Registrations to Migrant Workers 2002-2017 (financial years)



Source: DWP (2016)

2.19 The latest figures indicate that between 2002 and 2015, 67,220 migrant workers resident in Aberdeen City and Shire were allocated a National Insurance number[2] of whom:

- 44,680 (75%) resided in Aberdeen City and 15,040 (25%) in Aberdeenshire.
- 35,120 (52%) originated from the 13[3] EU accession countries, including 18,250 from Poland.

[1] A8 = Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. A2 = Bulgaria and Romania.
[2] Note that National Insurance Number registration statistics are helpful in giving the current location of applicants but cannot tell us if people then move to a different area once the number has been issued.
[3] Includes Cyprus, Malta and Croatia

- 12,130 (18%) originated from other EU countries, particularly the Republic of Ireland, France, Germany and Spain. In the last four years the number of migrants from Spain, Portugal and Italy has noticeably increased.

- 61% of migrants from the EU accession countries registered in Aberdeen City as did 85% of those from EU15 countries.

- 80% were under 35 years of age at the point of registration, including 39% who were under 25 years.

Ethnicity

2.20 The National Records of Scotland: 2011 census (2016) is the most comprehensive source of information on ethnicity. Table 5 shows that in 2011 21,939 people from a non-white ethnic background lived in the Aberdeen City and Aberdeenshire Area. This equated to 4.6% of the population, slightly above the comparable rate of 4.0% for Scotland.

2.21 In 2011, as in 2001, around 80% of residents from a non-white ethnic minority who lived in Aberdeen City and Aberdeenshire, lived in Aberdeen City, reflecting a much greater inflow of people from non-white ethnic minority backgrounds into the City. The largest non-white ethnic minority group, in both Aberdeen City and Aberdeenshire, comprised people who described their ethnic group as Asian, Asian Scottish or Asian British.

Table 5 Ethnic Groups in Aberdeen City and Aberdeenshire, 2011

		Number	% of population
Aberdeen City	White ethnic groups	204,715	91.9%
	All other ethnic groups	18,078	8.1%
	All People	222,793	
Aberdeenshire	White ethnic groups	249,112	98.5%
	All other ethnic groups	3,861	1.5%
	All People	252,973	
Aberdeen City and Aberdeenshire	White ethnic groups	453,827	95.4%
	All other ethnic groups	21,939	4.6%
	All People	475,766	
Aberdeen HMA	White ethnic groups	316,485	93.9%
	All other ethnic groups	20,442	6.1%
	All People	336,927	
Rural HMA	White ethnic groups	137,342	98.9%
	All other ethnic groups	1,497	1.1%
	All People	138,839	

Scotland	White ethnic groups	5,084,407	96.0%
	All other ethnic groups	210,996	4.0%
	All People	5,295,403	

Source: National Records of Scotland: 2011 census (2016) (Table KS201SC) Table includes CNP data

2.22 There has also been considerable growth in non-British white ethnic groups throughout Aberdeen City and Aberdeenshire, largely as a result of immigration from the EU Accession States. In particular 2.1% of the population describes itself as 'White: Polish' and 3.4% as 'Other White'. . Again they are more strongly represented in Aberdeen City than in Aberdeenshire overall, but there are some settlements in Aberdeenshire, particularly in the north, where they form a proportionately larger group than in the City.[4]

Household Trends

2.23 Since 2001, the numbers of households in Aberdeen City and Aberdeenshire have increased at a faster rate than for Scotland as a whole. 213,688 households lived in the area in 2014, 14% more than in 2001. In Scotland the increase was 10%.

2.24 The rate of growth in the numbers of households in Aberdeen City has been much less than in Aberdeenshire and is a little lower than in Scotland overall. Aberdeenshire's population has exceeded Aberdeen City's since 1991 but only since 2010 have there been more households in Aberdeenshire than in the city.

Table 6 Households in Aberdeen City and Shire 2001-2016

	2001	2016	Change 2001 - 16	Percentage change 2001 - 16
Aberdeen City	96,948	106,749	9,801	10.1%
Aberdeenshire	90,887	110,296	19,409	21.4%
Aberdeen City and Aberdeenshire	187,835	217,045	29,210	15.6%
Scotland	2,194,564	2,451,869	257,305	11.7%

Source: NRS Estimates of Households and Dwellings in Scotland, 2016

[4] Fraserburgh, Banff and Turriff have a greater proportion of White:Polish people than Aberdeen City and Peterhead and Fraserburgh have a greater proportion of people in the White:Other grouping.

Table 7 Dwellings in Aberdeen City and Shire 2001-2016

	2001	2016	Change	% Change
Aberdeen City	105,030	115,080	10,050	9.6%
Aberdeenshire	97,014	116,421	19,407	20.0%
Aberdeen City and Aberdeenshire	202,044	231,501	29,457	14.6%
Scotland	2,320,642	2,575,667	255,025	11.0%

Source: NRS Estimates of Households and Dwellings in Scotland, 2016

Household Composition and Tenure

2.25 In 2011 the composition of households living in Aberdeen City and Aberdeenshire was broadly comparable to that of Scotland, although the former had a slightly higher proportion of couples, including couples with dependent children. This position had not changed significantly since 2001.

2.26 There were however noticeable difference between the two authorities. Relative to Aberdeen City and Scotland, in Aberdeenshire there were high proportions of couples, including couples with dependent children, and low proportions of single adult households. Although the numbers have changed, the overall pattern of household structure remains similar to that of 2001.

Table 8: Composition of households in Aberdeen City and Aberdeenshire 2011

Household type	Aberdeen City	Aberdeenshire	Aberdeen City and Aberdeenshire	Aberdeen HMA	Rural HMA	Scotland
Single Adult Aged < 65	27%	15%	21%	23%	15%	22%
Single Adult Aged 65+	11%	12%	12%	11%	13%	13%
Couple, No Children (inc.people aged 65+)	19%	30%	20%	20%	22%	18%
Lone Parent with Dependant Child(ren)	5%	5%	5%	5%	5%	7%
Lone Parent, All children non-dependent	3%	3%	3%	3%	3%	4%
Couple with Dependant Child(ren)	16%	24%	20%	19%	22%	17%

Couple, All children non-dependant	5%	8%	6%	6%	7%	6%
Other	15%	12%	14%	14%	13%	13%
All Households	103,371	104,714	208,085	149,459	58,626	2,372,777

Source: National Records of Scotland: 2011 census (2016)   Table includes CNP data

2.27 Between 2001 and 2011 the number of households in Aberdeen City increased by 6,358 or 6.6% and the number of households in Aberdeenshire increased by 13,978 or 15.4%.

2.28 The growth of single person households accounted for 43% of the city's growth and 34% of Aberdeenshire's growth.

2.29 The number of households containing a couple with dependent children increased slightly over this period, by 1.6% in the city and 5.4% in Aberdeenshire. The proportion of all households that they represent remained unchanged in Aberdeen City at 16% and fell from 27% to 24% in Aberdeenshire.

2.30 The number of households containing couples with no dependent children increased by 38% in Aberdeenshire and 29% in the city. In Aberdeenshire most of this growth was in couple households with no children rather than in couple households with non-dependent children. In Aberdeen City the number of couple households with non-dependent children actually fell.

Household Projections

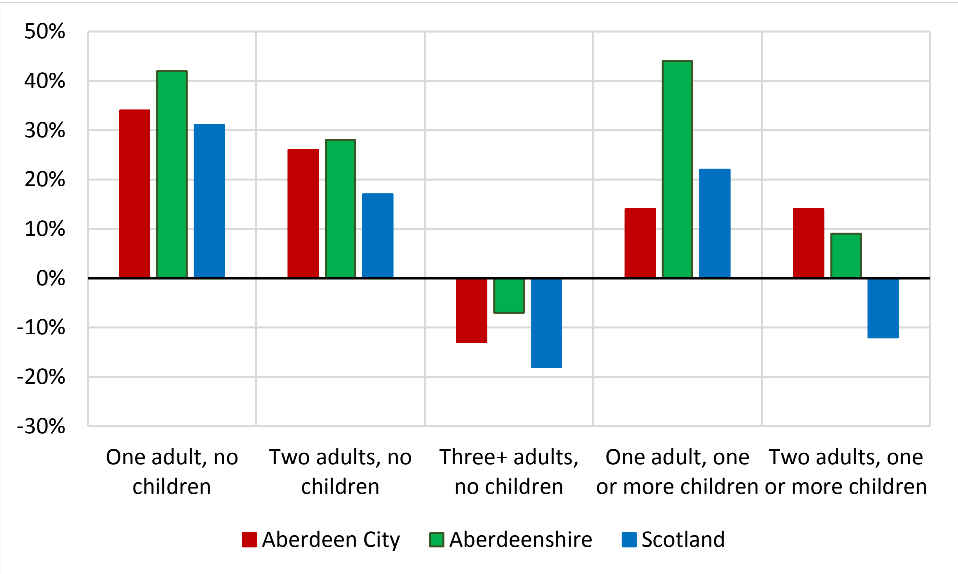
2.31 NRS produces household projections covering a 25 year period using three levels of net migration. In all three projections Aberdeen City and Aberdeenshire are expected to see an increase in household numbers. The range of growth for Aberdeen City is 15% to 33% and for Aberdeenshire is 20% to 30%. For Aberdeen City and Aberdeenshire as a whole the projected range of household growth is 17% to 31%. The equivalent figures for Scotland are 10% and 19%. To put this into context, growth in the number of households in Aberdeen City and Aberdeenshire over the previous 25-year period (1989-2014) was 29%.

2.32 According to the Principal Household Projections, Aberdeen City and Aberdeenshire are both expected to gain significant numbers of households over the next 25 years. Aberdeen City is expected to see its numbers of households rise by 24% and Aberdeenshire by 25%.

2.33 For both authorities the change in the projected number of households is greater than the change in the projected population. Aberdeen City's population is projected to increase by 17% and Aberdeenshire's by 20% over the same period. The numbers of different types of households are expected to increase at different rates. In particular there is a high rate of growth expected in the number of single person households.

2.34 There is significant percentage growth in 'One adult, one or more children households' in Aberdeen City and Aberdeenshire. However this is from a fairly low base. In 2012 they form 4.3% of all households and in 2037 4.5%. The growth in the number of 'Two or more adults, one or more children' households is largely concentrated in the city. The number of this type of household in Aberdeenshire is projected to change only slightly.

Figure 7 Projected percentage change in household type, 2014 - 2039



Source: 2014-based Household Projections, National Records of Scotland

Tenure

2.35 Considering Aberdeen City and Aberdeenshire together, the tenure profile of households is roughly similar to that of Scotland with a slightly larger owner occupied sector and a slightly smaller social rented sector.

2.36 However, there are major differences between the two authorities. Aberdeenshire has a substantially greater owner occupied sector than either Aberdeen City or Scotland and correspondingly smaller social and private rented sectors.

Table 9: Tenure of households in Aberdeen City and Aberdeenshire

	Aberdeen City (%)	**Aberdeenshire (%)**	**Aberdeen City and Aberdeenshire (%)**	**Scotland (%)**
Owner occupied	57.3%	72.6%	65.0%	62.0%
Social Rented	24.4%	16.1%	20.2%	24.3%
Private Rented	17.0%	9.4%	13.2%	12.4%
Living rent free	1.4%	1.8%	1.6%	1.3%

Source: National Records of Scotland: 2011 census (2016)

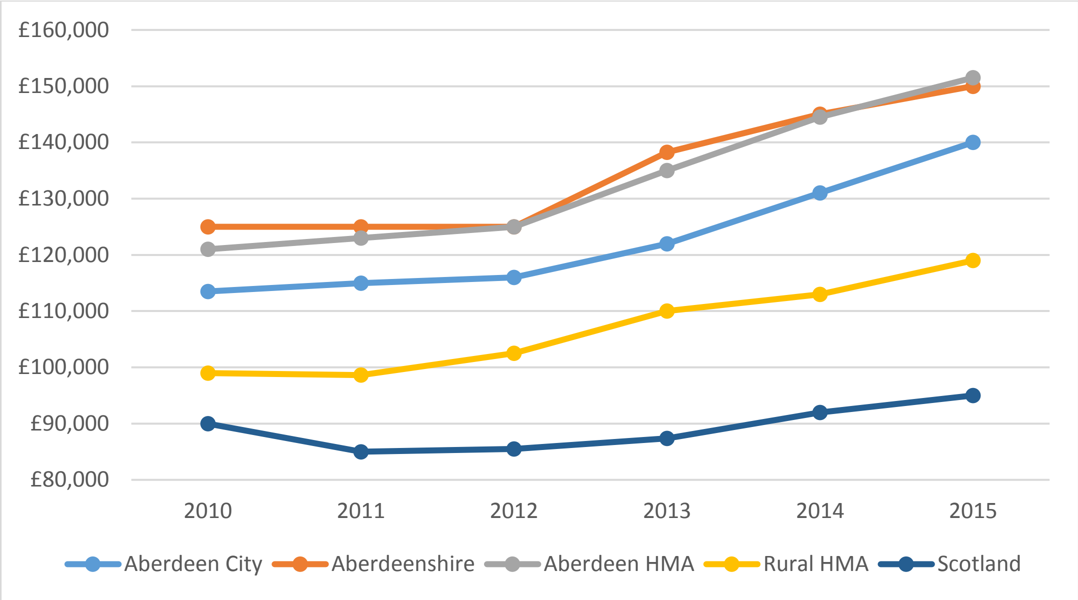
2.37 Aberdeen City and Aberdeenshire have seen strong population growth in recent years and this is projected to continue. Most of this growth has been fuelled by high levels of net in-migration. However, the projected level of growth ('Principal' projection) is substantially higher than the long-term average level of growth experienced over the last 25 years. The level of realism attached to this projection must be determined in the context of the rest of this chapter and the decline in net in-migration already reported in both council areas above.

Affordability Trends

House Prices

2.38 Lower quartile[5] house prices for the period from 2010 to 2015 are shown on Figure below.

Figure 8 - Lower Quartile House Price 2010-2015



Source: Registers of Scotland (2016)

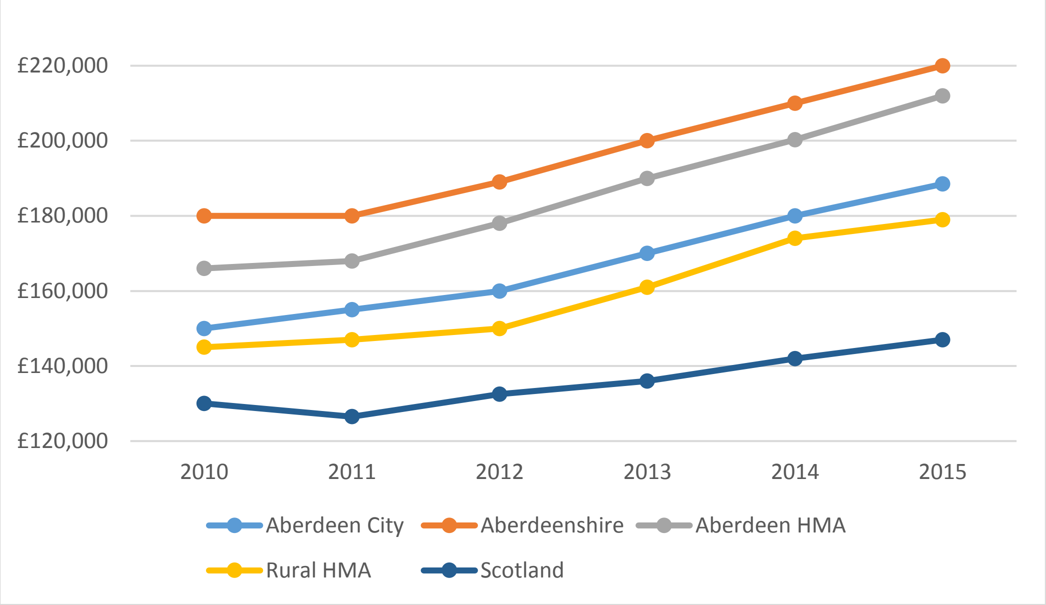
2.39 Lower quartile house prices are considerably higher in Aberdeen City and Aberdeenshire than in Scotland as a whole. In the Aberdeen HMA the lower quartile house price in 2015 was 59% higher than Scotland, £151,500 compared with £95,000. The lowest prices in the area are found in the Aberdeenshire Rural HMA but even here the lower quartile price is 25% higher than Scotland.

2.40 Lower quartile prices in Scotland fell by nearly £5,000 between 2010 and 2011 and have risen slowly since then, with the 2015 figure just 6% higher than it was in 2010. In contrast, most parts of Aberdeen City and Shire have seen significant increases over the period. In the Aberdeen Housing Market Area the lower quartile house price in 2015 was 25% higher than in 2010. Only some parts of the Rural HMA saw a very slight decrease in 2011 but since then the upward trend has continued and prices there are now 20% higher than in 2010.

[5] Lower quartile house price data is the average price in the lowest quarter of all house prices.

2.41 Median house prices are shown in Figure 9.

Figure 9 Median House Price 2010-2015



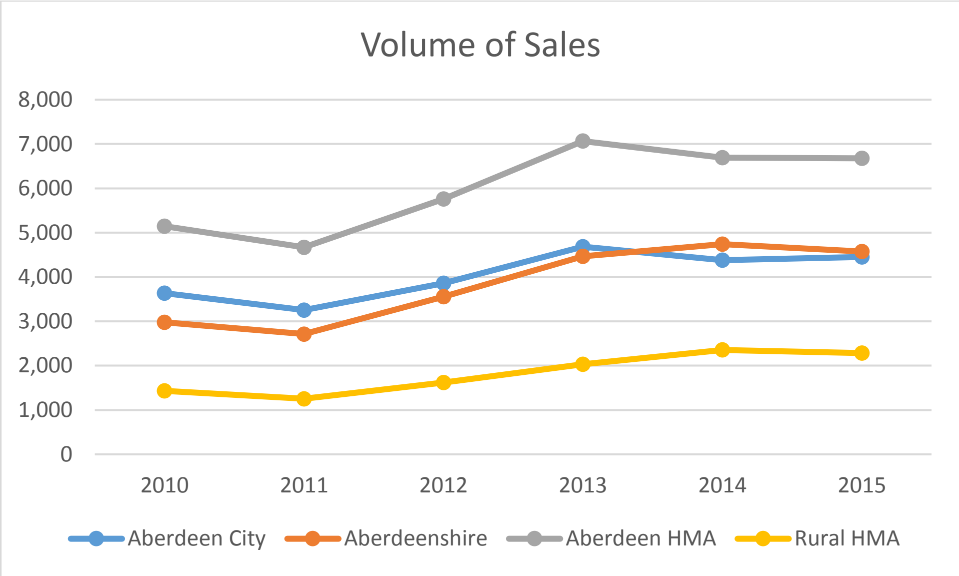
Source: Registers of Scotland (2016)

2.42 Median house prices show a similar pattern with increases across all areas throughout the five year period and are significantly higher than the Scottish median. In Aberdeenshire the median price in 2015 was 50% higher than in Scotland as a whole at £220,000, while in Aberdeen City it was 28% higher. Despite lower prices in the Rural HMA, the median was still 22% higher than the national average.

Volume of Sales

2.43 The volume of sales over the last five years is shown in Figure below.

Figure 10 Volume of Sales 2010-2015



Source: Registers of Scotland (2016)

2.44 All parts of the area saw a decrease of around 10% in the number of sales in 2011 although this was much less than the drop of 35% across Scotland. From 2011 to 2013 sales steadily increased again. Between 2013 and 2015 however, the volume of sales decreased slightly in Aberdeen City (-5%) and the Aberdeen HMA (-6%). While house prices have continued to rise in this period, the changing trend in the volume of sales is starting to show the impact of falling oil prices on the housing market in Aberdeen City and the surrounding area. Sales continued to increase in the Rural HMA (12%) and in Scotland (20%) between 2013 and 2015.

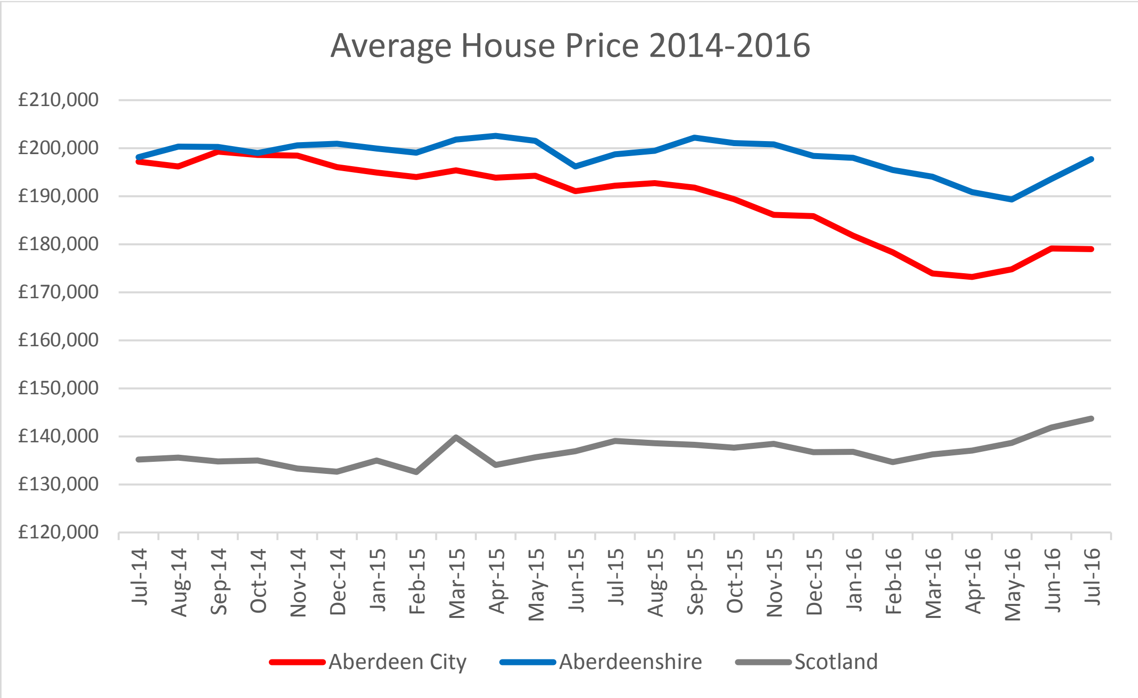
2.45 In 2015 Aberdeen City and Aberdeenshire had similar numbers of sales, slightly more in Aberdeenshire (4,576 compared to 4,455in the City). The Aberdeen HMA had nearly three times as many sales (6,676) as the Rural HMA (2,283).

Recent Trends in the Housing Market

2.46 The fall in oil price from 2014 and the resulting uncertainty within the local economy is inevitably having an impact on the housing market in Aberdeen City and Aberdeenshire. Alongside the drop in price, there has been the increase (and proposed increase) in the supply of student accommodation (see 5.49) and the impact of LBTT to take into account. Comprehensive data on individual sales is not yet available for 2016 which would allow for detailed analysis by area. However, figures at the local authority level indicate a significant change in the trend for growth which had been seen up until mid-2014.

2.47 Sales figures from Registers of Scotland show a significant decrease in average house prices since 2014, particularly in Aberdeen City where the average price fell by almost £20,000 over the period (Figure)

Figure 11 Average House Price 2014-2016

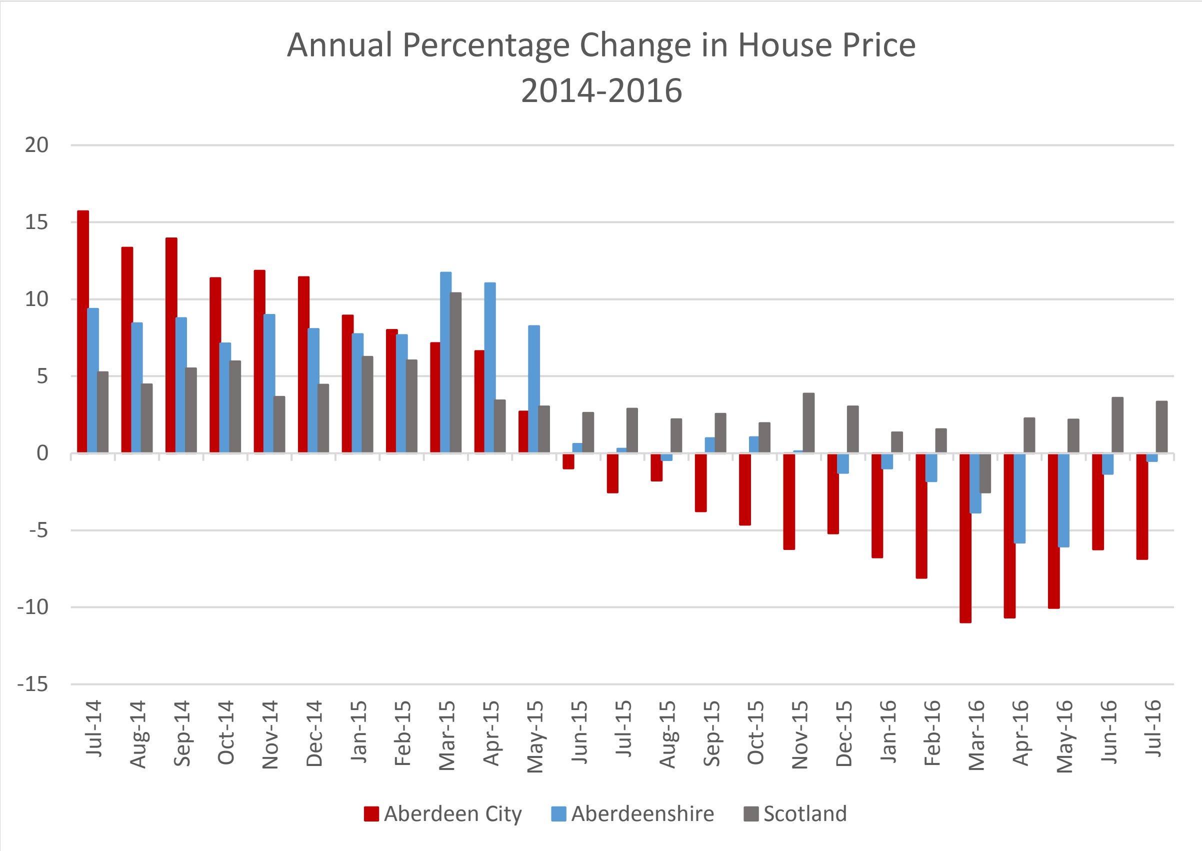


Source: Registers of Scotland (2017)

2.48 The number of residential sales has also fallen substantially over this period, with sales of properties in the year to June 2017 at 8,060, down 29% from the year to June 2014 (11,308).

2.49 Figure 12 looks at the annual percentage change in house price and this demonstrates that there has been a major shift in Aberdeen City and Aberdeenshire from a trend for growth in house prices to one of decline. This is in contrast to the situation in Scotland as a whole where prices generally continued to increase over the period.

Figure 12 - Annual Percentage Change in House Price 2014-2016



Source: Registers of Scotland (2017)

2.50 Initially, it was the middle to higher end of the market which was most affected by the downturn while the market for flats and smaller houses remained stronger. In part this may have been due to the higher levels of taxation for more expensive properties resulting from the Land and Buildings Transaction Tax (LBTT) introduced in spring 2015. However, even before this came into force there were indications of a slowdown in the higher end of the market in this area, in contrast to the rest of Scotland where there was an increased level of activity as people rushed to complete transactions before the tax changes. This suggests that the changing local economic and market conditions have been of more significance than the LBTT in driving the fall in prices and transactions in Aberdeen city and Aberdeenshire.

2.51 The most recent figures[6] from late 2015 and the first half of 2016 indicate that the downturn in prices and volume of sales is now also affecting the market for flats and smaller houses.

[6] http://landregistry.data.gov.uk/app/ukhpi

2.52 The length of time properties take to sell can be an indicator of changing trends in the housing market. When the market is buoyant, properties will sell more quickly. There is some available data on this[7] although it should be treated with some caution as it does not cover all properties and can be skewed by issues on a small number of individual properties.

2.53 Table 10 shows the change in the average length of time properties spent on the market since the oil price began to fall. It can be seen that particularly in Aberdeen City and some of the surrounding towns such as Westhill, Portlethen, Banchory and Ellon there have been very significant increases in the length of time properties have spent on the market before being sold. Towns in the more peripheral north and west of Aberdeenshire have not seen such a marked change but all locations showed an increase. This data is derived from a three monthly moving average of unsold properties in each location. Although it is not possible to triangulate this source, it supports figure 10 and the trend is repeated in 14 different towns.

Table 10 Average Length of Time on Market (days)

Area	July 2014	Feb 2017	Change July 14 - Feb 17
Aberdeen City	39	153	+292%
Aberdeenshire	71	162	+128%
Banchory	54	191	+254%
Banff	149	188	+26%
Ellon	33	161	+388%
Fraserburgh	68	149	+119%
Huntly	78	134	+72%
Inverurie	61	152	+149%
Macduff	95	247	+160%
Peterhead	88	143	+63%
Portlethen	41	157	+283%
Stonehaven	44	137	+211%
Turriff	135	141	+4%
Westhill	23	131	+470%

Source: home.co.uk (2017)

[7] Home.co.uk

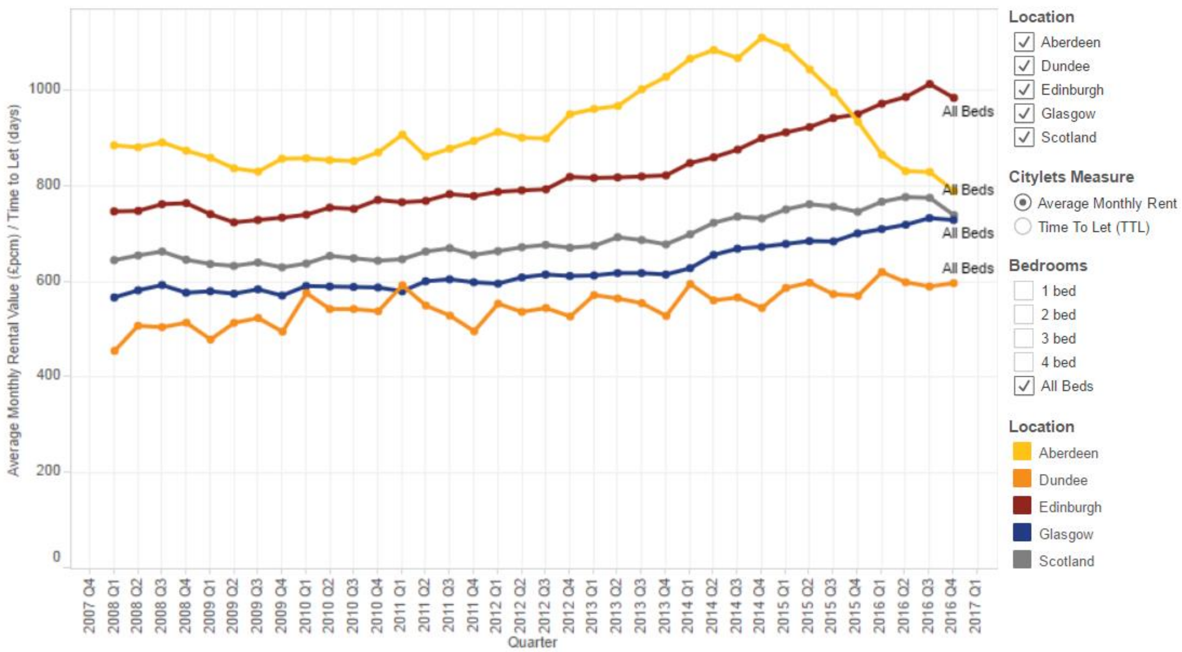
Private Rents and Social Rents

2.54 Data on private rents and turnover in the private rental sector is typically stronger in cities than in smaller urban settlements. The following paragraphs draw on data from Citylets and the Scottish Government, supplemented by data sourced from the websites of estate agents across Aberdeenshire.

2.55 Citylets (Figure 13) demonstrates private rental trends across Scotland. Of particular interest is Aberdeen's downward curve since Q4 2014 and a 29% fall in rents between Q4 2014 and Q4 2016. Citylets also indicates that the Aberdeen average time to let has more than trebled during this period to 52 days.

2.56 Private rental costs in Aberdeen exceeded the other three largest Scottish cities and the Scottish average for the past decade. At the end of 2014 rental costs were approximately 52% more than the Scottish average and 23% more than Edinburgh but fell substantially throughout 2015 to levels comparable with Edinburgh. During the first half of 2016 the order has reversed. Although rental costs are still 7% higher than the Scottish average, Edinburgh is now more expensive. This information can be triangulated by the Scottish Government broad rental market area trends in table 12 below.

Figure 13 Trends in Private Rents in Aberdeen and other Scottish Cities



Source: Citylets (2017)

2.57 Prevalent Local Housing Allowance Rates (LHA) are indicated in Table below:

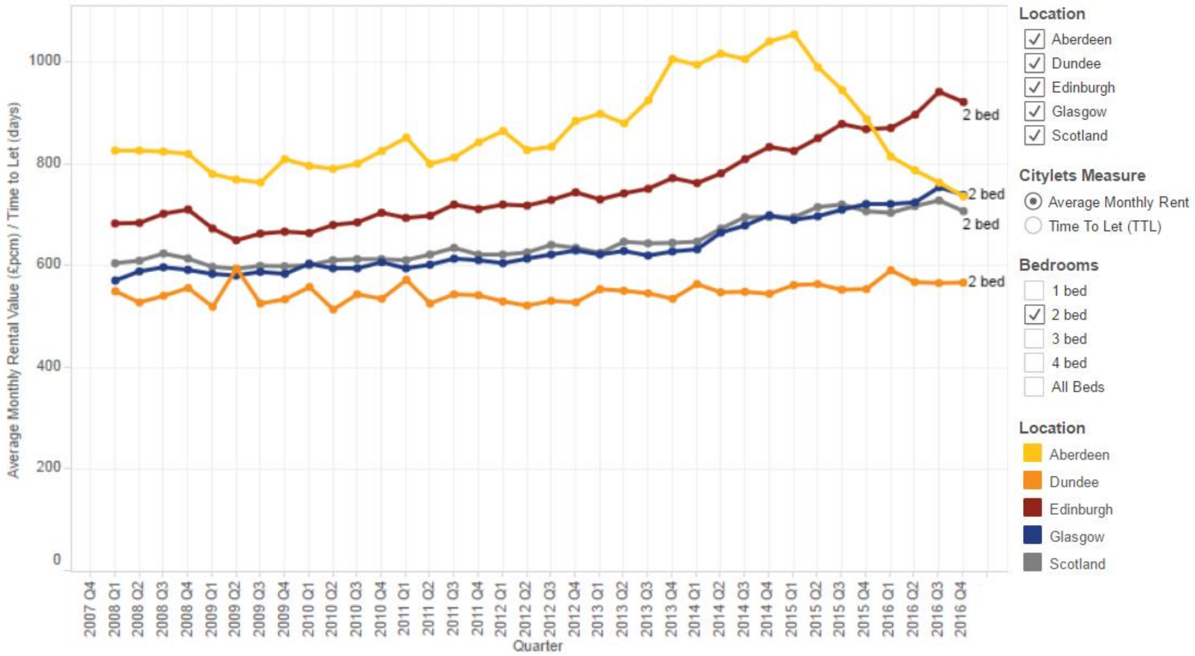
Table 11 Weekly Local Housing Allowance Rates April 2015 - March 2016

Broad Rental Market Area	1 bed shared	1 bed	2 bed	3 bed	4 bed
Aberdeen City and Aberdeenshire	£75.63	£127.25	£162.24	£184.94	£235.97

Source: Scottish Government LHA Rates (2016)

2.58 The LHA for a 2 bedroom property is £8,436 per annum, £1,008 lower than the average advertised Citylets 2 bedroom property at £9,444 per annum in Aberdeen (Q2 2016).

Figure 14 Price Trends for 2 bed properties in Private Rental Sector



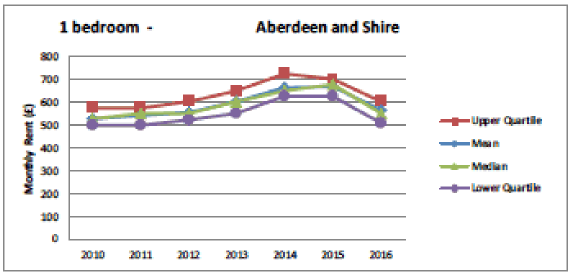
Source: Citylets (2017)

2.59 The Scottish Government produces a profile on the 'Aberdeen and Shire' broad rental market area. This sets out rent levels from 2010 to 2016.

Table 12 – 2010 to 2016 Rent profile for Aberdeen city and Aberdeenshire

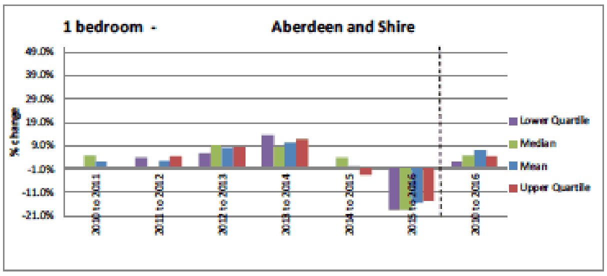
1 Bedroom Properties - Quartile Measures:

	2010	2011	2012	2013	2014	2015	2016
Lower Quartile	500	500	520	550	625	625	510
Median	525	550	550	600	650	675	550
Mean	529	540	555	600	664	667	566
Upper Quartile	575	575	600	650	725	700	600



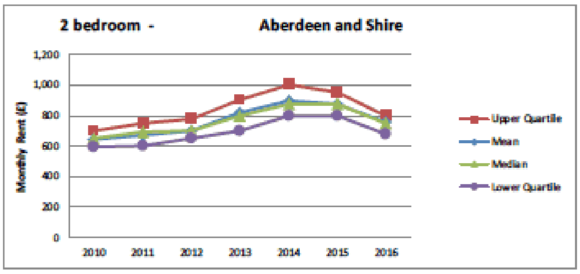
1 Bedroom Properties - Annual changes and 6-yr cumulative change:

	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2010 to 2016
Lower Quartile	0.0%	4.0%	5.8%	13.6%	0.0%	-18.4%	2.0%
Median	4.8%	0.0%	9.1%	8.3%	3.8%	-18.5%	4.8%
Mean	2.2%	2.7%	8.1%	10.6%	0.5%	-15.2%	7.0%
Upper Quartile	0.0%	4.3%	8.3%	11.5%	-3.4%	-14.3%	4.3%



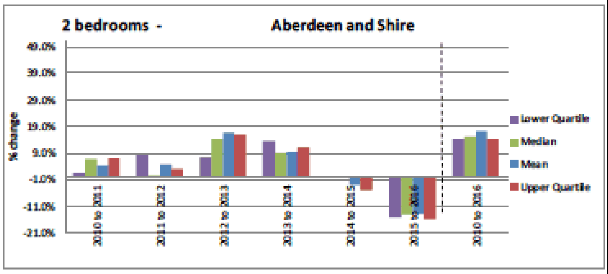
2 Bedroom Properties:

	2010	2011	2012	2013	2014	2015	2016
Lower Quartile	590	600	650	700	795	795	675
Median	650	695	700	800	875	875	750
Mean	643	671	701	819	898	874	754
Upper Quartile	700	750	775	900	1,000	950	800



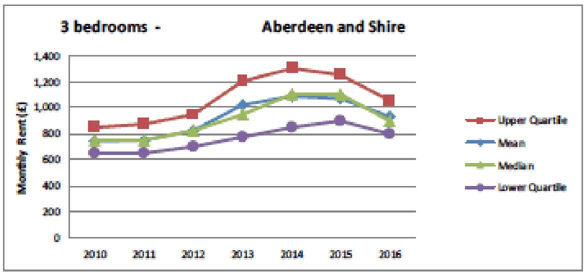
2 Bedroom Properties - Annual changes and 6-yr cumulative change:

	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2010 to 2016
Lower Quartile	1.7%	8.3%	7.7%	13.6%	0.0%	-15.1%	14.4%
Median	6.9%	0.7%	14.3%	9.4%	0.0%	-14.3%	15.4%
Mean	4.4%	4.6%	16.8%	9.6%	-2.7%	-13.7%	17.4%
Upper Quartile	7.1%	3.3%	16.1%	11.1%	-5.0%	-15.8%	14.3%



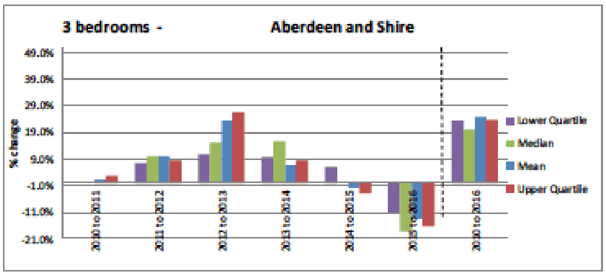
3 Bedroom Properties:

	2010	2011	2012	2013	2014	2015	2016
Lower Quartile	650	650	700	775	850	900	800
Median	750	750	825	950	1,100	1,100	900
Mean	744	753	827	1,019	1,089	1,072	930
Upper Quartile	850	875	950	1,200	1,300	1,250	1,050



3 Bedroom Properties - Annual changes and 6-yr cumulative change:

	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2010 to 2016
Lower Quartile	0.0%	7.7%	10.7%	9.7%	5.9%	-11.1%	23.1%
Median	0.0%	10.0%	15.2%	15.8%	0.0%	-18.2%	20.0%
Mean	1.2%	9.8%	23.2%	6.8%	-1.5%	-13.3%	25.1%
Upper Quartile	2.9%	8.6%	26.3%	8.3%	-3.8%	-16.0%	23.5%



Source: Scottish Government (2016)

2.60 This shows that consistently across one, two and three-bedroom properties, rent levels have dropped significantly since reaching a peak in 2014. This reinforces the evidence gathered from Citylets above.

2.61 Since January 2015 on a monthly basis rental information has been sourced from the websites of a number of estate agents across Aberdeenshire to try and build a better picture in relation to the cost and availability of private rentals outside the City. It is however difficult to obtain a robust picture of the private rental sector in the Rural HMA as properties tend to be advertised through informal networks such as word of mouth and in local shops. Nonetheless Table 13 below still provides an indication of advertised rental levels across the RHMA.

Table 13 Illustrative Rural HMA Private Rents 2015

	1 bed	2 bed	3 bed	4 bed
Rent per month	£388 - £530	£488 - £750	£395 - £767	£750 - £850

Source: Aberdeenshire Council (2016)

2.62 Council rents are outlined in Table 14. Although Aberdeen City's rent is higher than the Scottish average, it is still lower than rentals within the private rented sector and the LHA rate.

Table 14 Weekly social rents

	2013/14	2014/15	2015/16
Aberdeen City Council	£73.25	£73.71	£78.87
Aberdeenshire Council	£65.37	£68.53	£70.76
Scotland	£67.96	£71.01	£72.90

Source: Scottish Housing Regulator (2016)

2.63 The fall in oil prices and the current difficulties of the local economy seem to have affected the local housing market particularly including the private rental sector across both Aberdeen city and Aberdeenshire. These trends are most pronounced in the Aberdeen HMA. Currently there appears to be an over-supply of private rental property in Aberdeen city. The fall in private rent levels has had an impact on the viability of mid-market rental schemes and the window below the market level has either reduced or disappeared depending on location.

Income and Affordability

2.64 Table 7 shows lower quartile and median incomes. Incomes across the area are higher than for Scotland as a whole. The highest incomes are in

Aberdeenshire, or more specifically in the Aberdeenshire part of the Aberdeen HMA where median incomes are almost 50% higher than the Scottish median.

Table 7 Lower Quartile and Median Income

	Lower Quartile	Median
Aberdeen City	£16,253	£28,891
Aberdeenshire	£17,911	£37,997
Aberdeen HMA	£17,221	£31,773
Rural HMA	£16,037	£31,413
SDPA	£16,883	£31,670
Scotland	£14,504	£26,520

Source: Heriot Watt Income Model (from HNDA tool 2015)

2.65 Comparing income with house price indicates how affordable housing is to the population. The HNDA tool uses an assumption that a household can afford to buy a house if the price is no more than four times annual income. This is using the lower quartile for both house prices and income.

2.66 Table 8 shows the ratios between 2014 house prices and income for both lower quartile and medians. Buying a house is unaffordable if the ratio is more than four.

Table 8 House Price to Income Affordability Ratios

	Lower Quartile Price/ Lower Quartile Income	Lower Quartile Price/ Median Income
Aberdeen City	8.1	4.5
Aberdeenshire	8.1	3.8
Aberdeen HMA	8.4	4.5
Rural HMA	7.0	3.6
SDPA	8.0	4.3
Scotland	6.3	3.5

Source: Registers of Scotland, Heriot Watt Income Data (2015)

2.67 It is clear that using this measure of affordability, households with lower quartile income cannot afford to buy a lower quartile property in any part of the area. Lower quartile house prices are generally between seven and nine times higher than lower quartile incomes. In the Rural HMA, lower quartile housing is affordable only for those with a median income. In Aberdeen City and the Aberdeen HMA, even with a median income, lower quartile house prices are more than four times income. This illustrates the affordability challenge across Aberdeen City and Aberdeenshire, but particularly within and close to Aberdeen.

2.68 Notwithstanding the above, there is however evidence of considerable variation within each local authority and housing market area so if households were willing to move to a different part of the area it may be possible to find more affordable housing Figure 15 and Figure 16 below show how lower quartile prices vary between datazones across the area.

2.69 In Aberdeenshire the lowest prices (less than £100,000) are found mainly in the Rural HMA, in towns such as Peterhead, Fraserburgh, Huntly and Turriff and also in the more peripheral rural areas. The most expensive housing (lower quartile price in excess of £300,000) is mainly in the Aberdeen HMA, to the south and west of Aberdeen City.

2.70 In Aberdeen City, the lowest prices are found in areas such as Middlefield, Torry, Tillydrone and Kincorth with the most expensive housing in the south and west of the city.

2.71 Very few datazones in either Aberdeen City or Aberdeenshire have lower quartile house prices less than £100,000.

Figure 15 Lower Quartile House Price 2014 – Aberdeenshire

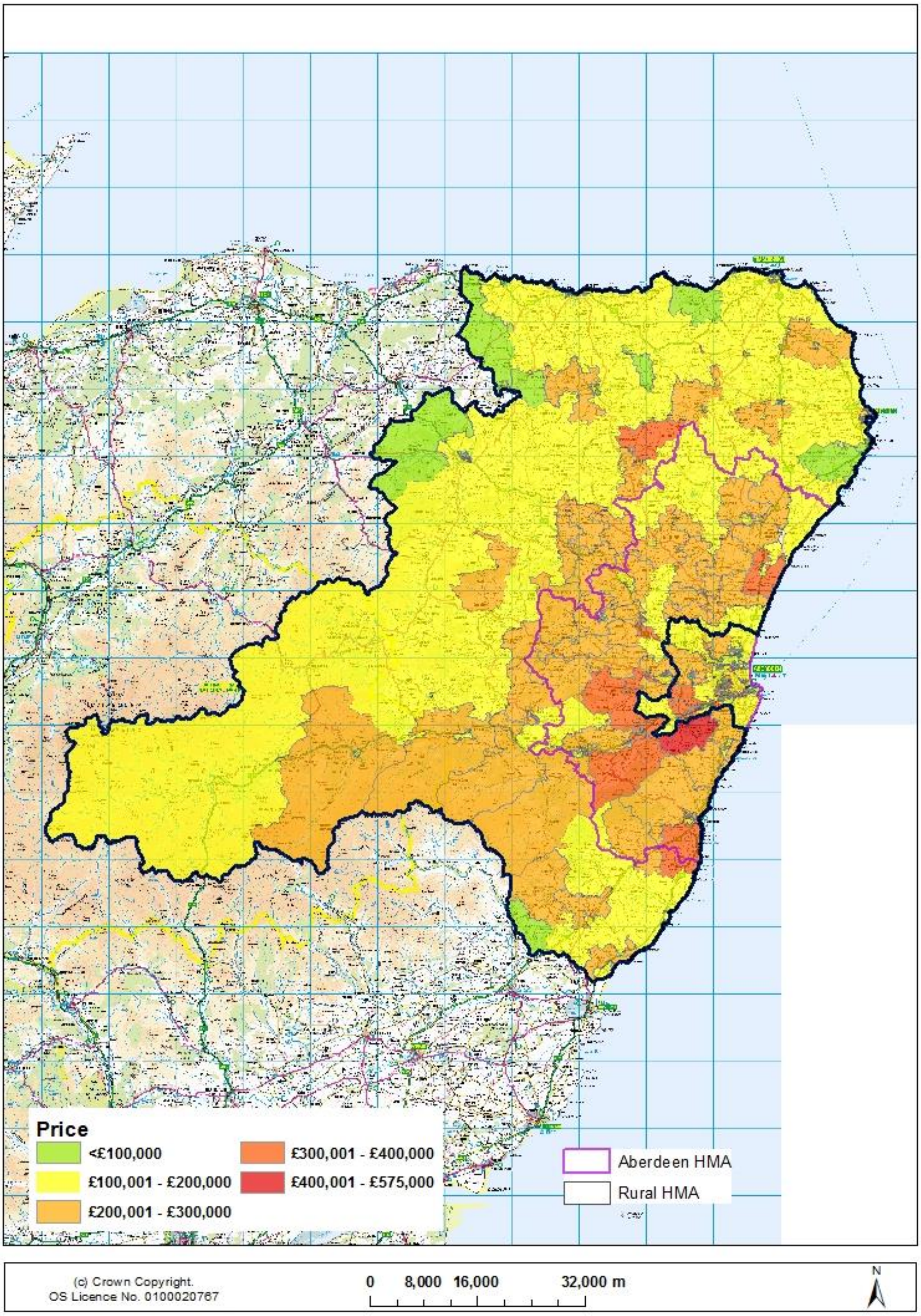
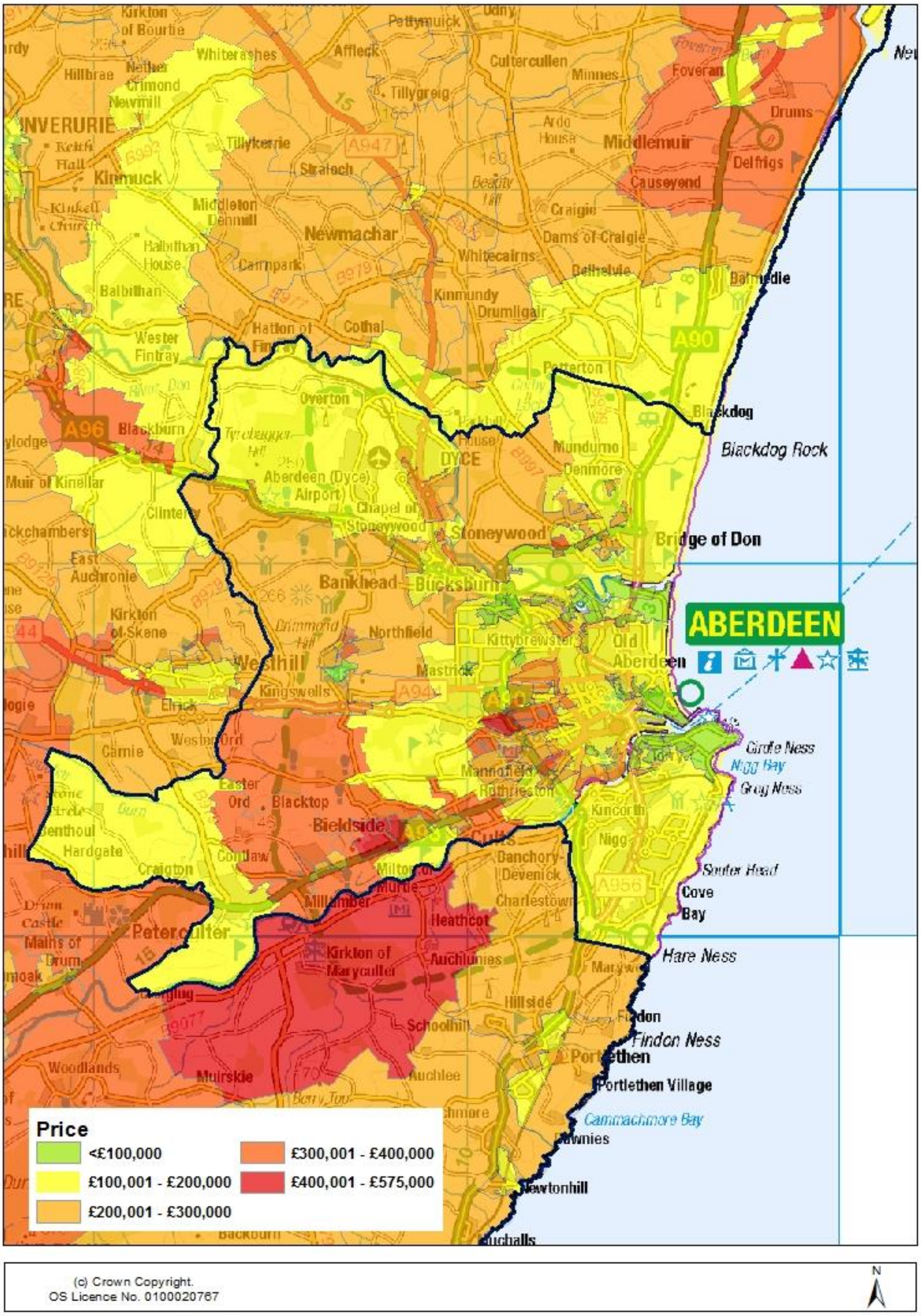


Figure 16 Lower Quartile House Price 2014 – Aberdeen City



Source: Sasines (2014)

2.72 The Scottish Government suggest that an affordable rent should not exceed 25% of gross household income[8]. Table 17 and Table demonstrate the affordability pressures across both housing market areas for households with lower quartile and median incomes. Note that a combination of sources has been used and not all data is available for all geographies.

2.73 Those on lower quartile incomes cannot afford to access the private rented sector in any part of the area. For those on median incomes, only parts of the RHMA have affordable rental prices. Citylets rent levels are unaffordable even for those with median incomes.

Table 9 Cost of Renting two-bed property as Percentage of Lower Quartile Income

	Local Housing Allowance	Citylets Average	RHMA Estimate
Aberdeen City	52%	65%	-
Aberdeenshire	47%	-	-
Aberdeen HMA	-	62%	-
Rural HMA	-	-	46%
SDPA	50%	-	-

Source:

Private Rents and Social Rents*, Heriot Watt Income Data (2016)*

[8] http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/hnda/HNDAPG

Table 18 Cost of Renting two-bed property as Percentage of Median Income

	Local Housing Allowance	Citylets Average	RHMA Estimate
Aberdeen City	29%	37%	-
Aberdeenshire	22%	-	-
Aberdeen HMA	-	34%	-
Rural HMA	-	-	24%
SDPA	27%	-	-

Source:

Private Rents and Social Rents, Heriot Watt Income Data (2016)

2.74 These findings are consistent with research undertaken in 2015 on the affordability of housing for key workers[9]. It found that 69% of households in the Aberdeen HMA and 47% in the Rural HMA could not afford the market rent for a two-bed property. This is based on the assumption that rent should not exceed 25% of household income.

Mortgage Rates, First Time Buyers, Interest Rates

2.75 Since 2009, UK average interest rates on variable rate loans have remained fairly flat, now at 2.34%, whilst fixed rate loans have shown a decrease falling from around 6% to 2.68%[10].

2.76 As at Q4 2015, the average Loan To Value ratio for a First Time Buyer (FTB) is 84% compared to 75% for a Home Mover. Furthermore FTBs in Scotland still face a significant deposit barrier in relation to buying a property with the average deposit being in the region of £19,000, equivalent to around 58% of average annual FTB income[11].

2.77 On 4 August 2016, the Bank of England (BoE) cut the base rate from 0.5% to 0.25%, the first change since March 2009. Although there is consensus that interest rates will rise again, there is a great deal of uncertainty about when

[9] Arneil Johnson Aberdeen Affordability Briefing Paper 2015
[10] http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/statistics
[11] http://www.gov.scot/Topics/Built-Environment/Housing/supply-demand/chma/statistics

that might be with latest predictions suggesting it may not be until 2019[12]. However, when interest rates do go up, house purchase will become even less affordable.

Affordability Trends Conclusions

2.78 It is clear that across both housing market areas there are significant problems with affordability. Market housing for sale is unaffordable in most parts of the area even for households with average incomes. For households on lower incomes, house purchase is affordable only in a few parts of Aberdeen City and the Rural HMA.

2.79 In most parts of Aberdeen City and Aberdeenshire, households would need to find very large deposits in order to be able to access the mortgage finance necessary to buy on the open market.

2.80 The scale of the gap between what is affordable and current house prices needs to be considered when deciding what contribution discounted new build housing for sale might make to meeting housing need. Discounting by 10% or 20% is unlikely to have much impact. Similarly, the cost of shared ownership housing needs to be to be very much below market value if it is to allow those currently priced out of the market to access housing for sale.

2.81 Private sector rental costs follow the same pattern as house prices with rents unaffordable in most parts of the area for households with average or below average incomes.

2.82 There is recent evidence that rents in the City have fallen quite rapidly in response to the local economic situation and this may improve affordability. This indicates that rent levels may be more responsive to market conditions than house prices. However, if landlords do not think they will make sufficient profit from renting they may decide to sell their properties instead so there is a limit to how far rent levels will fall.

Regional Productivity

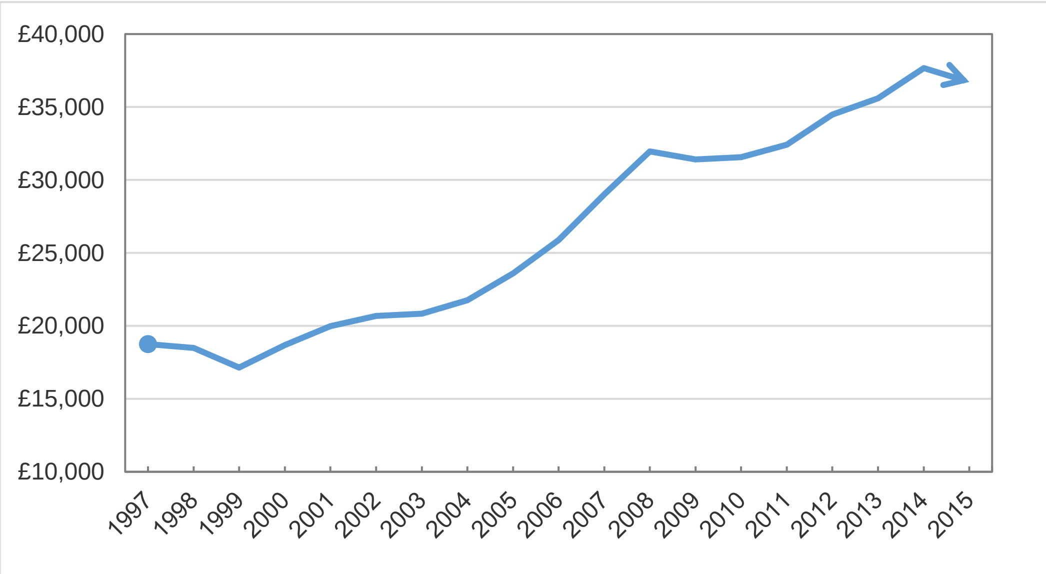
2.83 Gross Value Added (GVA) is good indication of a region's economic performance and overall economic well-being. Published figures lag some way behind events on the ground, which is particularly problematic for

[12] http://www.telegraph.co.uk/personal-banking/savings/latest-interest-rates-predictions-first-rise-in-august-2019/

Aberdeen City and Shire at the current time. Figures published by ONS at the end of 2016 indicate:

- In 2015, Aberdeen City and Aberdeenshire[13] had a GVA per head of £36,726. This was the fifth highest figure in the UK, after Inner London, and the second highest in Scotland, following Edinburgh City
- However between 2014 and 2015, GVA per head in Aberdeen City and Aberdeenshire decreased by 25% from £37,669. Over the same period the UK total growth, and Scotland's growth was 1.8%. Aberdeen City and Shire was one of only two regions in Scotland to see negative growth over this period, the other being in Falkirk.

Figure 17 NE GVA per head 1997 – 2015



Source: ONS, Regional Gross Value Added (Income Approach) per head of pop at current basic prices (2016)

2.84 Mackay Consultants produce monthly reports on the condition of the economy of the north east of Scotland. This includes estimates on the region's economic output and draw on a range of local and national sources. Figure 18 shows that economic output has been, overall, steadily increasing in the north east from December 2012 to May 2017. However, the rate of growth has slowed

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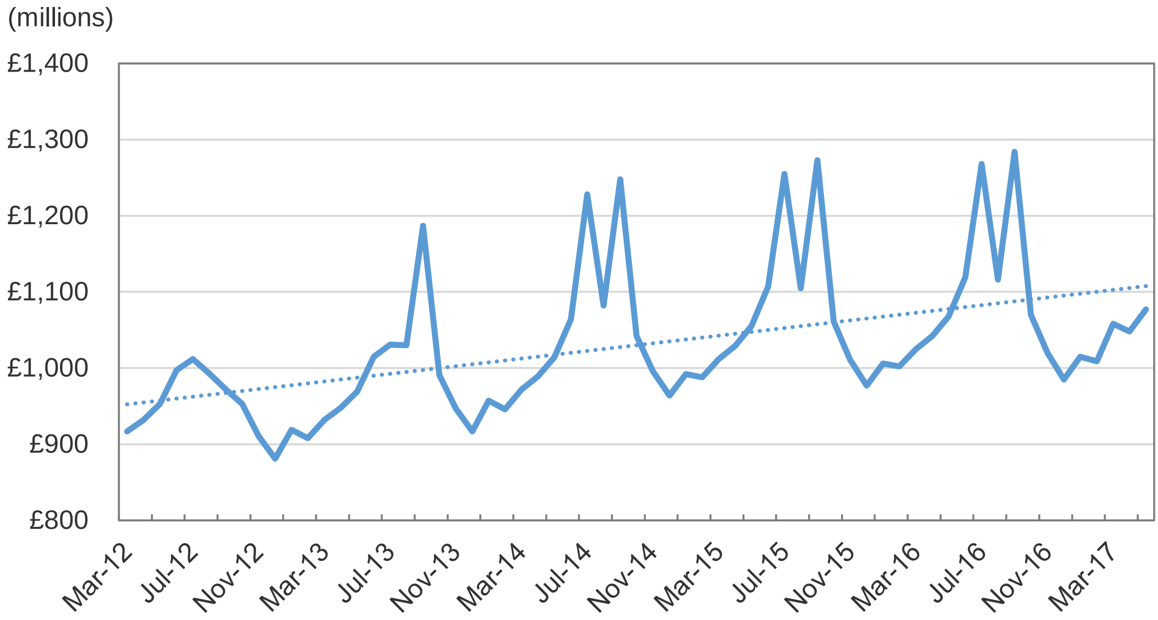
[13] North Eastern Scotland NUTS 2 Area (Nomenclature of Territorial Units for Statistics). Source www.ons.gov.uk/publications Regional Growth Value Added (Income Approach)

substantially over the last two years, from 4% in the year to May 2014 to 1% in the year to May 2017.

Figure 18 NE Scotland Estimated Economic Output March 2012–May 2017



Source: North East Scotland Monthly Economic Reports, Mackay Consultants (2017)

Structure of Local Labour Market

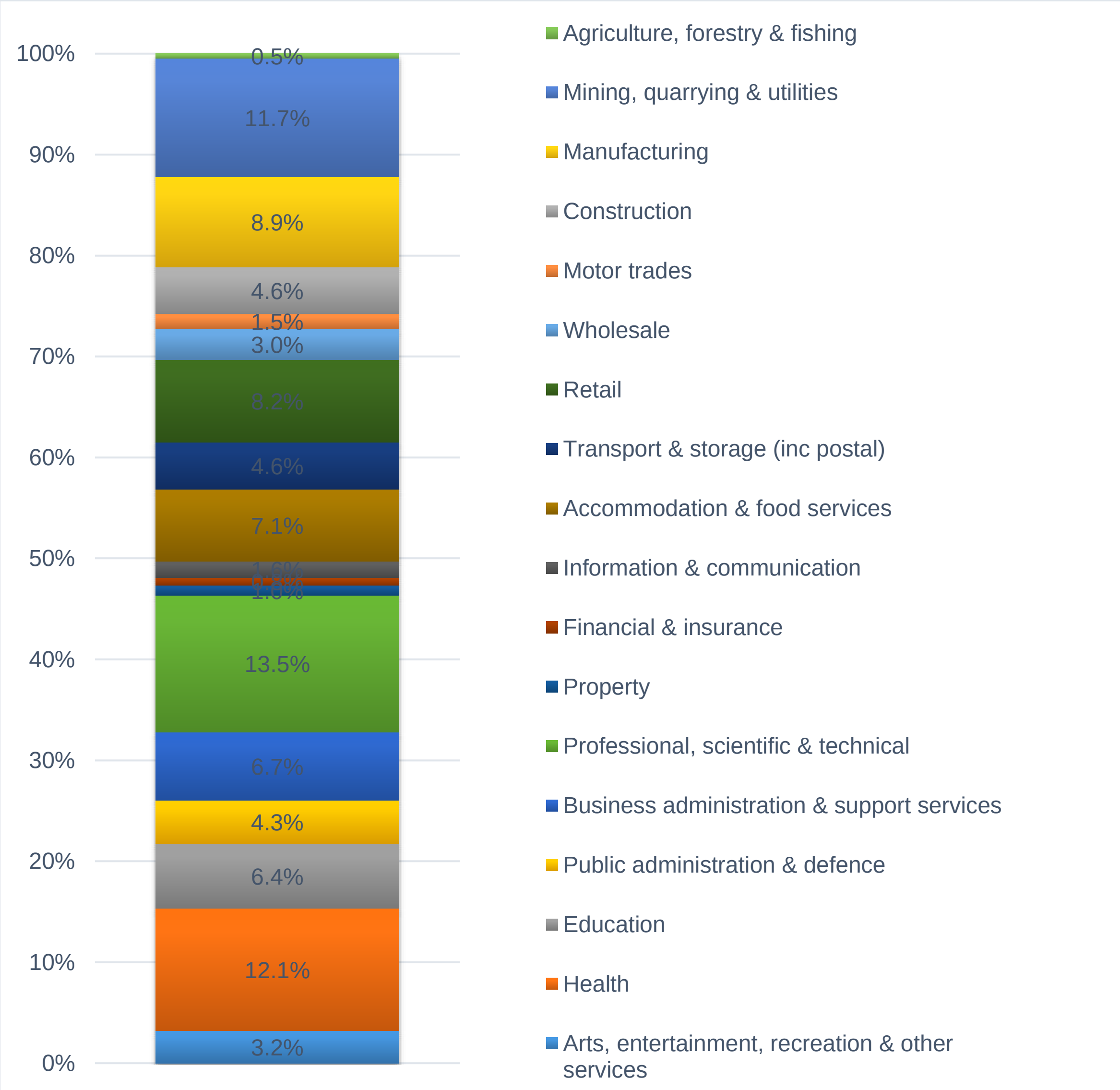
2.85 The largest employment sector in Aberdeenshire City and Shire in 2015 was the professional, scientific and technical sector which equated to 13.5% of all jobs in the region. This sector includes employment relating to legal, accounting, management consultancy, engineering and scientific research activities. The high level of employment in this sector reflects the regional focus on research and development, primarily centred round the oil and gas industry but also related to life sciences.

2.86 The region also has a high proportion of the population employed in the mining, quarrying and utilities industry, at 11.7% (this rises to 15.1% for City employment levels). This sector includes activities relating to petroleum and gas extraction and the associated support services.

2.87 Health related employment is also regional significant with 12.1% of the employment regionally in this sector. This includes employment at the regional hospital Aberdeen Royal Infirmary, medical and dental practices and, care and social work activates.

2.88 Regionally there is very low reliance on the public sector. Only 16.6% of those in employment in the North East work in the public sector. This is significantly lower than the national average of 24.7% (NOMIS, Business Register and Employment Survey, 2015).

Figure 19 Employee Share by Industry, Aberdeen City and Shire 2015



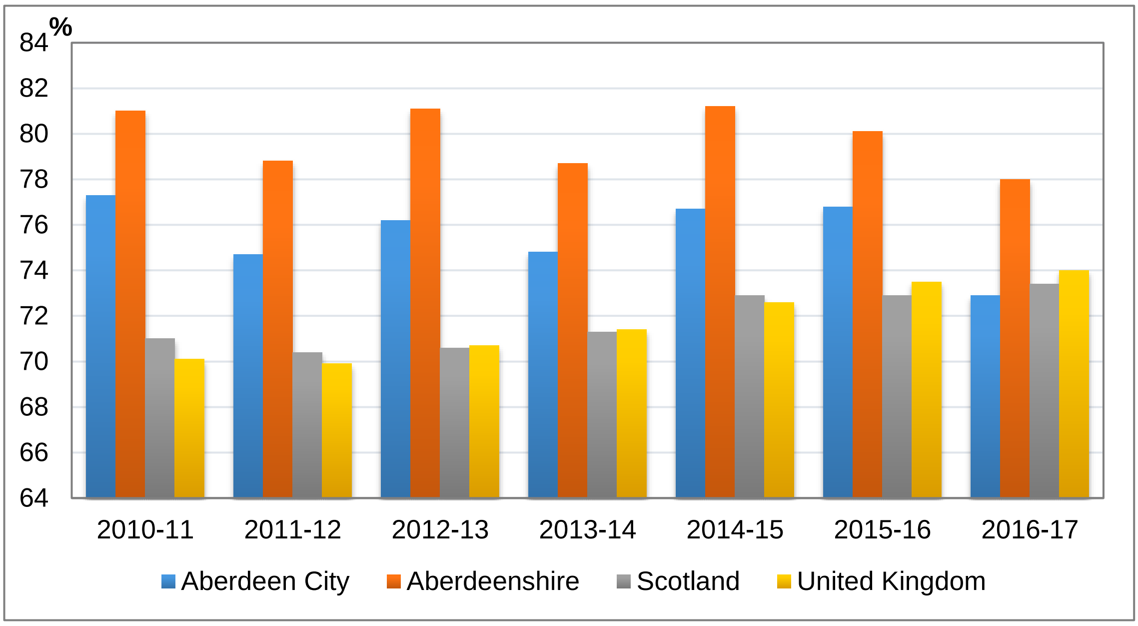
Source: Business Register and Employment Survey (2013), Via nomis

Economic Activity

2.89 Economic activity rates reflect the number of people either employed or actively seeking employment. In the year to March 2016 the economic activity rate in Aberdeen City and Aberdeenshire stood at 77.6% and 82.9% respectively. This is higher than the Scottish average of 76.9% and the UK average of 77.8%.

2.90 For the first time between April 2016 and March 2017 employment rates in Aberdeen City fell below the Scottish and UK averages to 72.9%, a 5% decrease on the previous year. While rates still remain high in Aberdeenshire, the authority also experienced a 3% decrease, while Scotland and the UK both saw a 1% increase in employment over this time.

Figure 20 Employment Rate for Working Population 2010-2017



Source: Annual Population Survey, via nomis (2016)

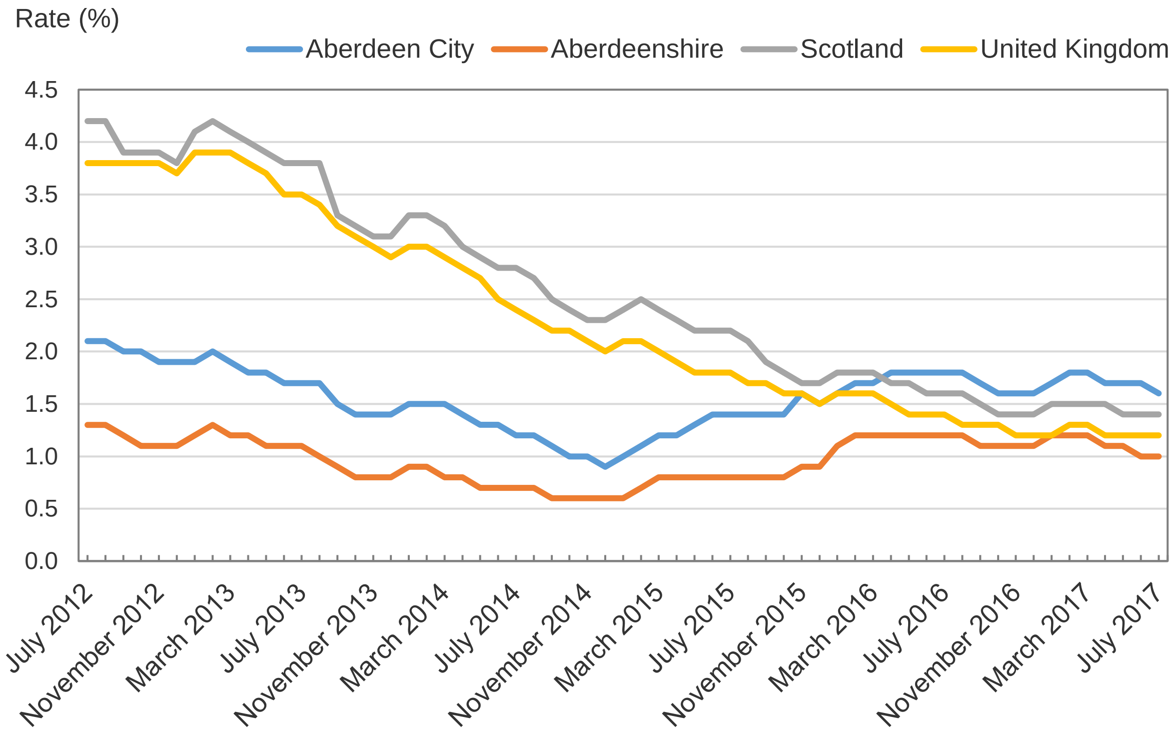
Unemployment

2.91 The unemployment level is a strong indicator of short-term changes in the local economy. Official figures on unemployment which take into consideration economic activity are published annually. To consider more recent developments in the local economy the less comprehensive measure of those claiming Job Seeker Allowance (JSA) has been provided.

2.92 As is demonstrated in Figure 21 until the end of 2014 the JSA claimant rate in Aberdeen City and Shire was, overall, steadily declining. This trend was mirrored on national, although the average JSA claimant rate for Scotland was significantly higher than that experienced in the North East.

2.93 However from January 2015 the claimant rate for residents of both Aberdeen City and Aberdeenshire has been steadily increasing, while both Scotland and the UK have continued to see an overall decline. This rate of increase has been more significant in Aberdeen City where by November 2015 the claimant rate in the City matched the UK national average and in April 2016 it exceeded the Scottish average.

Figure 21 Claimant Rate (JSA) July 2012 - July 2017



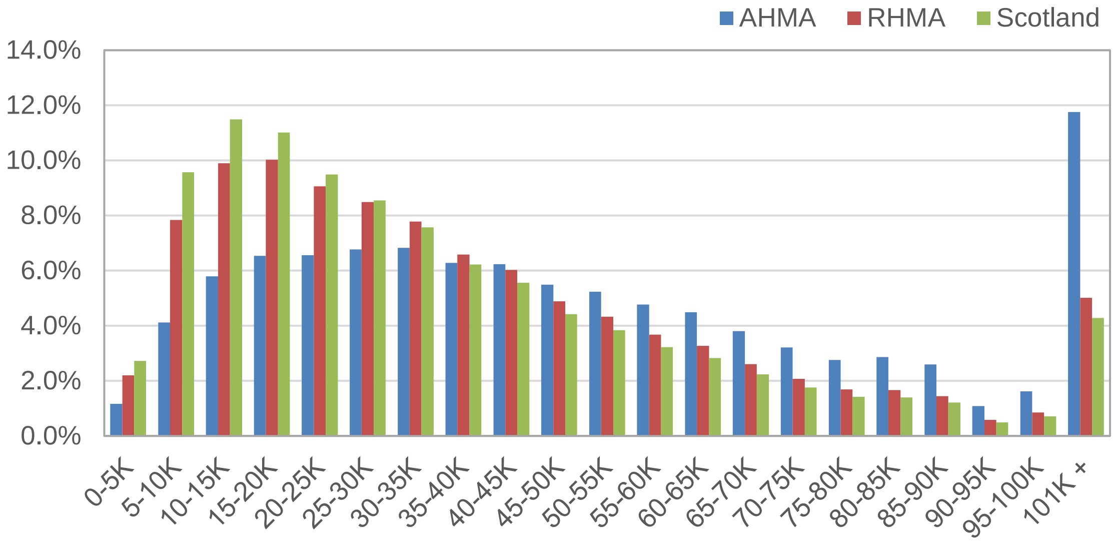
Source: Claimant Count, NOMIS (2017)

Income

2.94 CACI Paycheck data has been used to provide an overview of annual household income by housing market area. This data set differs from the figures used in the HNDA tool which have been sourced from the Heriot Watt income estimates. While the CACI data is more recent, due to the incremental banding it is not suitable for the detailed calculations used by the HNDA tool. The following is therefore intended to supplement the information provided in the tool, rather than replace it.

2.95 According to CACI Paycheck in 2017, 21% of households in the Aberdeen HMA and 24% in the Rural HMA had a gross annual income from all sources of less than £15,000. This compares to 27% in the comparable Scotland wide figure. At the other end of the spectrum, 36% of households in the Aberdeen HMA and 29% in the Rural HMA had an income of over £40,000. This compares to 26% of households in Scotland. Figure 22 shows the average household income by £5,000 band, while incomes over £101,000 are grouped together. The spike in the Aberdeen HMA for incomes over £101,000 can be explained largely due to the presence of the oil and gas industry.

Figure 22 Average Household Income by Housing Market Area 2017



Source: CACI Paycheck, 2017. © [1979]/ [1996] – 2017 CACI Limited. This report shall be used solely for academic, personal and/ or non-commercial purposes.

2.96 The Annual Survey of Hours and Earnings (ASHE) is the Scottish Government's preferred data source for earnings. ASHE data is not available at housing market level. It has therefore been assumed that the Aberdeen workplace earnings provide a reasonable approximation of earnings for the Aberdeen HMA as a whole, due to the high proportion of those living in the Aberdeenshire part of the Aberdeen HMA who commute into Aberdeen for work. Similarly the Aberdeenshire workplace earnings provide an indication of the distribution of earnings in the Rural HMA.

2.97 As shown in Table the median weekly wage for those working in Aberdeen City is consistently higher than the Scottish and UK averages with those working in Aberdeen on average earning £71 more per week than Scotland as a whole in 2016. Furthermore, the highest earning 25% of the Aberdeen workforce typically earned £100 more per week than the highest 25% in Scotland. It should be noted however that between 2015 and 2016 the median weekly wage in the City did fall by £9. In the same period the national wage increase by £8 (and £3in the Shire).

2.98 In Aberdeenshire, the median weekly wage for workers in the rural HMA is typically similar to the national averages. Table 19 supports the findings from the CACI data above.

Table 19 Median weekly wages by place of work 2009-2016

		2010	2011	2012	2013	2014	2015	2016
Lower Q	Aberdeen City	£405	£409	£414	£420	£416	£449	£430
	Aberdeenshire	£345	£352	£369	£361	£363	£374	£376
	Scotland	£351	£350	£356	£367	£376	£382	£390
	United Kingdom	£355	£354	£360	£368	£370	£379	£389
Median	Aberdeen City	£575	£586	£575	£606	£632	£620	£606
	Aberdeenshire	£522	£481	£500	£496	£510	£533	£536
	Scotland	£488	£485	£498	£509	£519	£527	£535
	United Kingdom	£499	£498	£506	£517	£518	£528	£539
Upper Q	Aberdeen City	£840	£856	£833	£855	£901	£870	£824
	Aberdeenshire	£712	£671	£685	£704	£690	£722	£714
	Scotland	£676	£671	£684	£698	£709	£715	£724
	United Kingdom	£705	£708	£715	£729	£733	£742	£762

Source: Annual survey of hours and earnings, Nomis (2016)

Housing Benefit

2.99 Table indicates that in May 2016 there were 24,414 housing benefit recipients in Aberdeen City and Shire, equating to 11% of the population. This remains well below the Scottish average and has changed little in recent years. However, of those in receipt of housing benefit across Aberdeen City and Shire, just 14.6% are in the private rented sector compared to 19.8% in the rest of Scotland.

Table 20: Housing Benefit Claimants, May 2016

	Tenancy Type			
	All HB claimants	% of Total Households	Social Rented Sector	Private Rented Sector
Aberdeen City	14,423	14%	12,824	1,597
Aberdeenshire	9,991	9%	8,012	1,976
City & Shire	24,414	11%	20,836	3,573
Scotland	448,185	18%	359381	88,786

Source: Housing Benefit Caseload Statistics, DWP (2016)

Deprivation

2.100 While the North East of Scotland is one of the least deprived areas in the UK there are significant geographical variations across the region, with areas of deprivation and households at high risk of poverty.

2.101 Table 21 highlights relative deprivation rates across the area according to the Scottish Index of Multiple Deprivation (SIMD2016), using the 15% threshold for identifying spatial concentrations of multiple deprivation.

Table 21: Regional Share of the Most Deprived 15% of Scotland

	Number of Datazones	Data Zones in most deprived 15% in Scotland	% of all Data zones in area
Aberdeen City	283	9	3.2%
Aberdeenshire	340	3	1.0%
City & Shire	623	12	1.9%

Source: SIMD 2016, Scottish Government (2016)

2.102 Overall deprivation in Aberdeenshire is concentrated in Fraserburgh and Peterhead. However many of the rural communities score poorly in terms of access, with 40% of the local datazones ranking in the 15% of the most deprived areas in Scotland for this domain.

2.103 In Aberdeen City the lowest ranking datazones could be found in the Torry Middlefield, Northfield, Seaton, Tillydrone and Woodside neighbourhoods.

Oil Price Drop and Impact

2.104 In Aberdeen City and Aberdeenshire, although the economy has a range of strengths and specialisms, local economic performance is intrinsically linked to the performance of the oil and gas industry. Inevitably, the recent downturn in the price of oil has had a significant impact on region's economy. In the three years prior to July 2014 the price of oil ranged from $100 to $120 per barrel (monthly averages). However, from July 2014 the price of oil per barrel has dramatically dropped, reaching its lowest price in over a decade in January 2016 at $30.70 per barrel. As shown below, this has since risen to around $50.

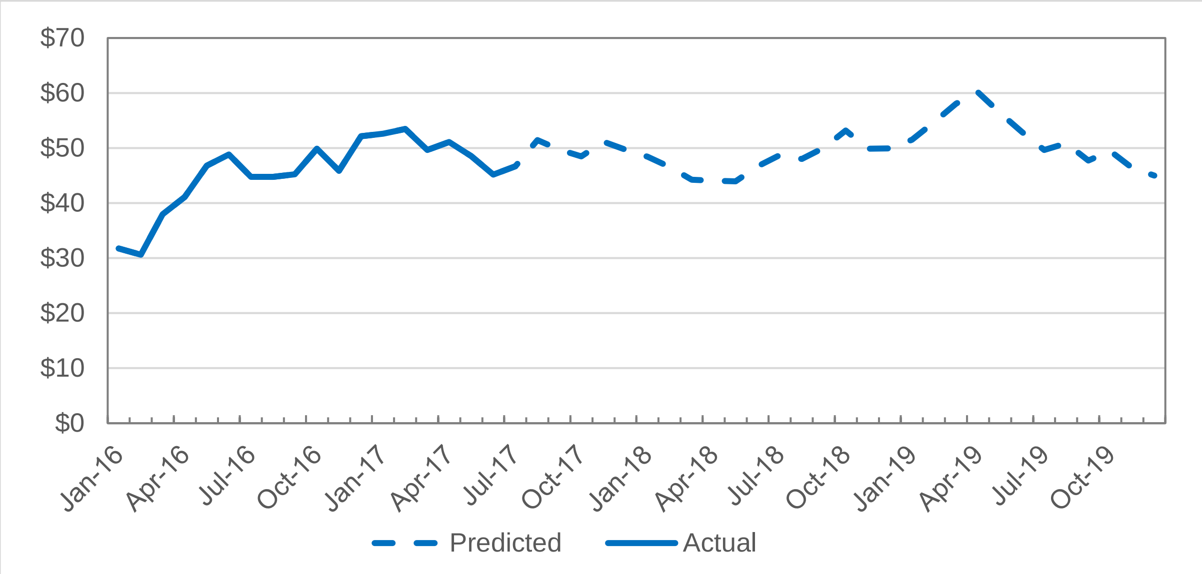
Figure 23 Brent Crude Oil Price per Barrel 2010-2017

Source: US Energy Information Administration, EIA (2017)

2.105 While difficult to predict, speculation on the direction of the oil price plays a significant role in forecasting future trends in the local economy.

2.106 According to the US Energy Information Administration the Brent spot average price per barrel is predicted to increase throughout 2016-18, reaching a high of $63 by September 2018. While this is little more than half the average barrel price experienced throughout 2011-14, the suggested upward trend would still be seen positively for industry and North East's economy.

Figure 24 Predicted Brent Oil Price per Barrel 2016-2019



Source: US Energy Information Administration, EIA (2017)

2.107 According Oil & Gas UK Activity Survey (2016) revenues for those operating in the UK Continental Shelf (UKCS) fell by 30% between 2014 and 2015.

2.108 Additionally, the Aberdeen and Grampian Chamber of Commerce (AGCC) 'Oil and Gas Survey' (November 2015) also noted that the energy industry contractors' confidence in the UKCS was at its lowest level since the survey began in 2004. Only 7% of contractors were more confident about their activities in the UKCS than they were 12 months ago, while 76% were less confident. Current confidence levels for Operators are similar.

2.109 At the same time 91% of industry operators surveyed by AGCC (November 2015) stated that the decline in the price of oil had (a detrimental impact on their business. Furthermore 59% stated they have reduced prices, 40% have lost contracts and 29% have had to introduce redundancies (North East Business Week Research, April 2015). 85% of companies surveyed predicted redundancies within their organisation will continue this year (AGCC, November 2015) However since then significant strides have been made to drive down the cost base of the oil and gas industry in the UK Continental

Shelf (UKCS), reducing the cost of a barrel of oil extracted from the North Sea. These efficiencies demonstrate the determination of the industry in the face of tough market conditions.

2.110 Recent evidence suggests that the bottom of the cycle has been reached, with a range of indicators suggesting slow increases in activity – including the housing market and airport traffic and an upturn in oil price.

2.111 Business Outlook 2017 (Oil and Gas UK, 2017) portrays a cautiously optimistic outlook for the UKCS suggesting "confidence (is) slowly returning to the basin". So far in 2017 Brent oil price has averaged at 25% higher per barrel than in 2016. The industry still faces challenges as overall investment and expenditure continue to fall however production has increased by "16% since 2014".

2.112 This outlook in generally mirrored in the Aberdeen and Grampian Chamber of Commerce's (AGCC) latest edition of the 'Oil and Gas Survey' (June 2017) with "38% of contractors reporting that they are more confident (in the industry) than they were 12 months ago". Firms however are certainly diversifying with 54% anticipating moving into renewable energy in the next 3-5 years, and 81% expecting to be involved in decommissioning in the same period.

2.113 Additional industry news suggests an overall slowing in the local economy beyond the oil and gas industry. In December 2015, 243,259 passengers used Aberdeen Airport, which was 14% less than in the same month of 2014. The airport also reported a 7% fall in helicopter passenger numbers at the end of 2015.

2.114 Hotel occupancy and average room rates have both fallen substantially since mid-2014 as demand from contractors and business travel to the area has fallen while new supply has entered the market.

2.115 Furthermore, according to the Peterhead Port Authority the total fish landings at Peterhead during 2015 was £131.4 million, 23% less than during 2014. Meanwhile, Young's Seafood, a major source of local employment in Fraserburgh lost a significant contract with Sainsburys during 2015. This has resulted in 650 job losses.

European Union Membership

2.116 The results of the referendum of 23 June 2016 on whether the UK should remain a member of or leave the European Union favoured leaving the EU by 51.9% of votes to 48.1%. While the referendum is not legally-binding, the UK Government gave notice to withdraw from the EU in March 2017, starting a two year negotiation process. The main implications for the North East of Scotland are likely to be economic and demographic. In the short term, uncertainty is predicted to negatively affect the economy. The Treasury's June 2017 summary of forecasts predicts growth of 1.6% in 2017 and 1.4% in 2018. This is consistent with the International Monetary Fund's July 2017 forecast of 1.7% in 2017 and 1.5% in 2018. Both sets of figures forecast a lower rate of growth than from prior to the referendum.

2.117 These wider UK-level issues will impact on Aberdeen City and Shire over the years to come, including the rate at which migrant workers are attracted and able to come to the area to find work. Aberdeen and Grampian Chamber of Commerce's Oil and Gas Survey (2017) advises that firms are split on the impact of leaving the European Union on recruiting talent.

	Key Issues identified in the HNDA
Demographic issues for the local housing market	1. High rate of growth in smaller and particularly single person households. 2. Significant increases in older age groups, particularly over 75s in Aberdeenshire. In Aberdeen City, stronger growth in younger age groups, particularly children. 3. Fall in oil price and impact on the local economy may significantly reduce in-migration to the area affecting future growth in population and households. These issues will be addressed through the Aberdeen City and Shire Strategic Development Plan (SDP), The Aberdeenshire Council and Aberdeen City Council Local Development Plans (LDP) and the HMP's Local Housing Strategies. The Local Housing Strategies should support people with an identified particular need to have access to appropriate affordable housing and to aids and adaptations to live as independently as possible. Consideration should be given to ensuring a sufficient supply of new build stock can meet particular needs. Both Local Housing Strategies should recognise the high rate of growth in single person households and align future investment through the Strategic Housing Investment Plans towards meeting this need where this is feasible. This should be informed by assessments of local need and be incorporated as part of the development of section 75 agreements between the local authority and developers. **<u>Housing Mix</u>** The current SDP discusses population growth, demographics, sustainable mixed communities and economic growth. It contains aims and targets relating to these subjects. In order to meet the need for new housing but also a diversity of unit size the plan has set high housing requirements in order to achieve and facilitate delivery. The SDP should continue to ensure that the issue of unit mix is addressed by the two authorities LDP's in policies which relate to diversifying the mix of units in developments of a particular scale. Both the Aberdeen City LDP 2017 and the Aberdeenshire LDP 2017 contain specific policies which relate to a mix of dwelling types. The Aberdeen City LDP 2017 Policy H4 – Housing Mix states that any proposal over 50 units must have an appropriate mix of dwelling types and sizes. Policy P1 Layout Siting and Design of the Aberdeenshire LDP's it places equal emphasis on place as it does mix. **<u>Economic impacts</u>** The current plan (and the Main Issues Report for the next SDP) recognise the need to diversify the region's economy in order to maintain population projections and meet housing supply and demand targets. Any future SDP

	and resulting LDPs will need to facilitate the Regional Economic Strategy's aims and objectives which focus on consolidating the oil and gas industry while shifting away from dependency on this sector to areas such as; food and drink, tourism and biopharmaceuticals.
Affordability issues for the local housing market	1. House prices and private sector rents are unaffordable in most parts of the area for those on low or average incomes. 2. Fall in oil price is slowing house price inflation but affordability may not improve much since incomes and employment rates also likely to fall. 3. Discounted housing for sale needs to be considerably below market prices to be affordable. 4. Private sector rents levels have fallen in response to the changing local economic situation which may improve affordability. **<u>Affordability</u>** Historically the region has benefited from high employment and above average earnings. This has resulted in higher property prices and rents. With the drop in oil prices there has been a reduction in house prices and private sector rent. However this has also resulted in a drop in the delivery of new housing. The SDP has set ambitious delivery targets of 2,500 dwellings per annum and the resulting LDPs have allocated sufficient housing land for this level of development to come forward. In addition Aberdeenshire Council has established a delivery team to assist in taking sites to market and speeding up the delivery process. The issue the region faces is the proportion of affordable housing being delivered by the private sector, under its 25% obligation, may not come forward due to the current economic climate and/or changing demographics. There is a need for both authorities and the development industry to work together on bringing forward sites and delivering the infrastructure required to facilitate this. These issues will be addressed through the Aberdeen City and Aberdeenshire Local Housing Strategies 2018-2023. Both strategies should include a focus on intermediate housing as part of the overall strategy of increasing the supply of affordable housing. These should be supported by low cost home ownership schemes such as Low Cost Shared Equity and Discounted Low Cost Home Ownership. This should also include plans

	where viable to meet the need for mid-market rent in the Aberdeen Housing Market Area while acknowledging the impacts of the downturn in the private rented sector. In addition the SDP will be reviewed and the first step is the Main Issues Report which will discuss the quantum of housing need and its potential location.
Economic issues for the local housing market	1. Fall in oil price has had significant negative impacts on the local economy both within and beyond the oil and gas sector. 2. Historically low unemployment rates now beginning to rise as redundancies continue. This will have a negative impact on income levels which in turn will increase affordability pressures. 3. Difficulty of predicting future oil prices means uncertainty for local economy and for the housing market. However, relatively stable price since April 2016 gives some confidence. These issues will be addressed through the Aberdeen City Region Deal Economic Strategy and the Economic Development strategies for both local authorities. The City Region Deal has reacted to these issues by funding research into streamlining and making the oil and gas sector more efficient. It has also helped to focus on decommissioning due to the finite life of the north sea's fields and that the region is well suited to become a leader in this field. It is the role of any future SDP and subsequent LDPs to find the required employment land for such industry to develop. As stated before the SDP and LDPs promote the diversification of the regional economy so that in the future it won't be as dependant on one sector. A future SDP MIR will discuss incorporating the Regional Economic Strategy into a future SDP. It will be important to provide a mix of housing tenures, sizes and locations to meet the housing needs of the North East in these challenging times and the SDP and subsequent LDPS will recognise this.

3. Housing Stock Profile, Pressures (and Existing Need) and Management Issues

3.1 This chapter profiles the physical characteristics of the existing stock, stock pressures and any stock management issues. It presents characteristics of the stock by size, type, location, condition and occupancy across tenures. It draws comparisons with national data and highlights differences between Aberdeen City and Aberdeenshire local authority areas. The information in this chapter does not feed into the estimates of future additional housing need set out in chapter 4. Instead it will inform future decisions on housing stock and housing-related policy in the local housing strategies.

Housing Quality

3.2 This section profiles the local housing stock by size, type, tenure, condition, occupancy, turnover and location. This analysis is presented at a local authority level and compared to national averages.

Number of Dwellings

Table 22: Number of Dwellings

Local authority	2006	2010	2012	2016	Change 2015-2016		Change 2006-2016	
					Number %		Number %	
Aberdeen City	108,618	110,968	112,073	115,080	846	0.7%	6,462	5.9%
Aberdeenshire	104,226	109,552	111,773	116,421	1,198	1.0%	12,195	11.7 %
Aberdeen City & Aberdeenshire	212,844	220,520	223,846	231,501	2,044	0.8%	18,657	8.8%
Scotland	2,416,071	2,488,496	2,515,042	2,575,687	18,085	0.7%	159,616	6.6%

Source: National Records of Scotland (2017)

3.3 The increase in dwellings in Aberdeenshire is almost double the national average for the ten year period 2006 to 2016 at 11.7%. There has been a slower increase in Aberdeen City where the change is slightly below the Scottish average at 6.6%.

3.4 Estimates of dwelling sizes are set out in the table below. In Aberdeen City and Aberdeenshire 41% of dwellings contain 1 to 3 rooms, 46% have 4 to 6 rooms and 12% have 7 or more rooms. There is a much higher percentage of dwellings with 1-3 rooms in Aberdeen City (56%) compared to Scotland (42%), whereas in Aberdeenshire, there is a much lower percentage of dwellings in that size (27%). Aberdeenshire has a much higher percentage of dwellings with 4 or more rooms, higher than Aberdeen City and the Scottish average.

Table 23: Rooms per dwelling

	1-3 rooms		4-6 rooms		7 or more rooms		Median number
Aberdeen City	56%	64,444	38%	43,730	7%	8,055	3
Aberdeenshire	27%	31,433	55%	64,031	18%	20,955	5
Aberdeen City and Aberdeenshire	41%	95,877	46%	107,761	12%	29,010	4
Scotland	42%		50%		6%		4

Source: National Records of Scotland, Characteristics of Dwellings (2017)

Types of Dwellings

3.5 There are significant differences in the mix of house types in Aberdeen City and Aberdeenshire. Aberdeen City has a predominance of flats (55%) whereas in Aberdeenshire flats only make up 12% of the dwellings. In Aberdeenshire 47% of the housing stock are detached properties compared to 11% in Aberdeen City. The predominance of flats in Aberdeen City and detached properties in Aberdeenshire stand out from the national housing mix.

Table 24: Dwelling Type

	Flat		Terraced		Semi-detached		Detached	
Aberdeen City	55%	63,294	18%	20,714	17%	19,563	11%	12,658
Aberdeenshire	12%	13,970	12%	13,970	29%	33,762	47%	54,717
Aberdeen City and Aberdeenshire	33%	77,264	15%	34,684	23%	53,325	29%	67,375
Scotland	38%		21%		20%		21%	

Source: National Records of Scotland, Characteristics of Dwellings (2017)

Housing Tenure

3.6 The National Records of Scotland: 2011 census (2016) shows 208,185 households in Aberdeen City and Aberdeenshire with the majority (135,259) being owner occupied. In the ten-year period from 2001, there has been a significant increase in owner occupied properties in the Aberdeen City and Aberdeenshire area of 11,337 with this increase solely happening in Aberdeenshire with levels of owner occupation static in Aberdeen City. Aberdeenshire has a higher percentage of owner occupied households than the Scottish average with Aberdeen City more in line with this average.

3.7 In the ten-year period from 2001 there has been a reduction of 3,540 dwellings owned by the Councils across Aberdeen City and Aberdeenshire. During this period there has been a significant increase in the RSL sector seeing an extra 2,710 households. There has been a very significant increase in the private rented sector from 15,074 to 24,388 over the ten-year period an increase of 9,314 (62%) with a significantly greater increase in Aberdeen City in the private rented sector at 74% compared to 44% in Aberdeenshire. Aberdeen City has slightly higher number of households in private rented accommodation than the Scottish average with Aberdeenshire more in line with this average.

3.8 The private rented sector has continued to grow by increasing from 9% in Aberdeen City in 2001 to 15% in 2011.

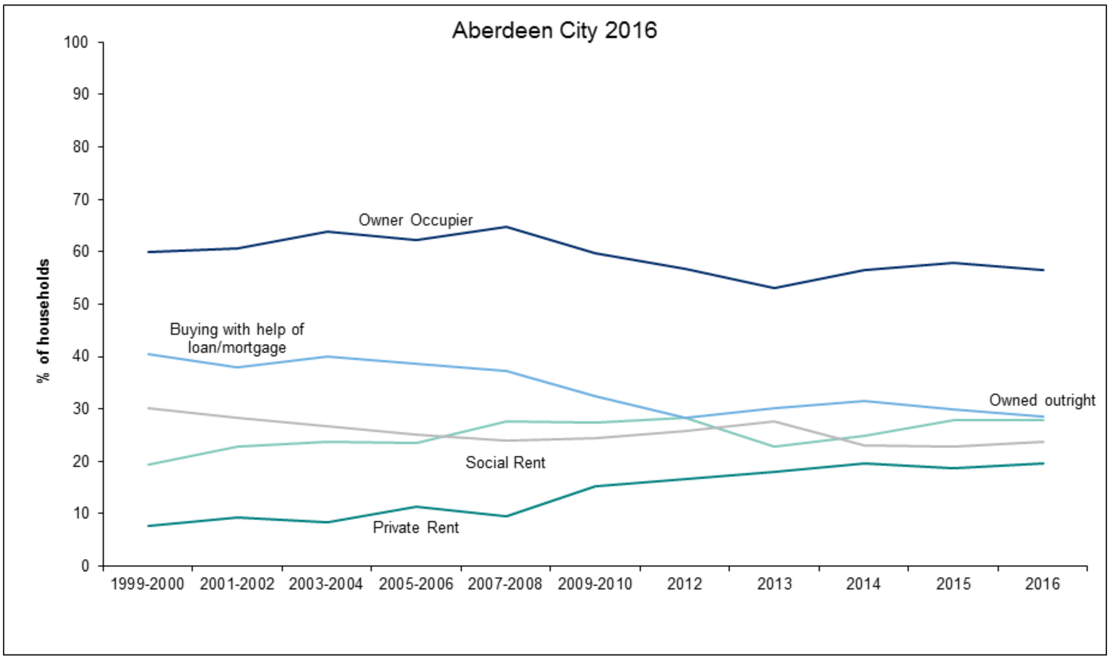
Table 25: Housing Tenure

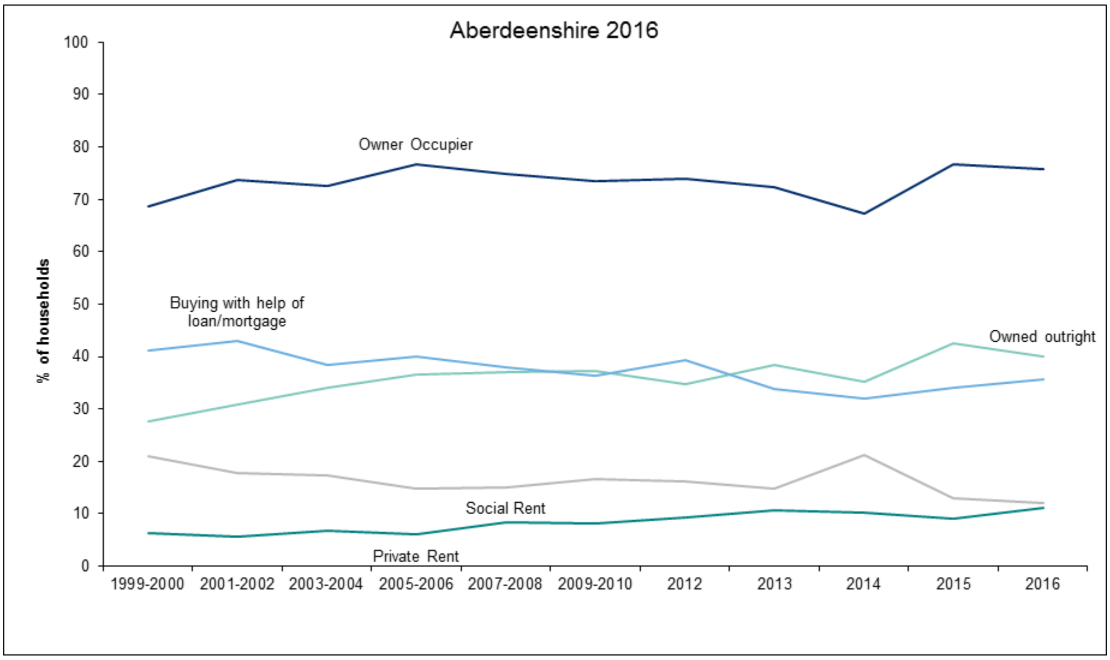
	Aberdeen City		Aberdeenshire		Scotland
Owned	57%	59,209	73%	76,050	62%
Rented: Local Authority	20%	20,942	12%	12,541	13%
Rented: Other social	4%	4,242	4%	4,353	11%
Rented: private landlord or letting agency	15%	15,630	8%	8,758	11%
Rented: other	2%	1,952	1%	1,110	1%
Living rent free	1%	1,396	2%	1,902	1%

Source: National Records of Scotland: 2011 census (2016)

3.9 Long term tenure trends for Aberdeen City and Aberdeenshire are set out in figure 25 below and, in particular, show an increase in private rent from 1999-2016.

Figure 25: Housing Tenure 1999-2000 to 2016





Source: National Records of Scotland (2017)

3.10 Compared to the national average, a higher proportion of the stock in Aberdeenshire is privately owner occupied. Meanwhile, fewer properties in Aberdeen City and Aberdeenshire are socially rented from housing associations compared to the national average. However, the overall proportion of social stock is consistent with the level for Scotland.

3.11 It should be acknowledged that data on the private sector is limited and can be affected by small sample sizes which have large confidence intervals. This is particularly the case in Aberdeenshire.

Table 26: Stock by tenure of dwellings

	Aberdeen City		**Aberdeenshire**		**Scotland**
Total number	100%	114,000	100%	115,000	100%
Total number occupied	96%	109,000	96%	109,000	96%
Total number vacant	4%	5,000	4%	5,000	4%
Total privately owned occupied	72%	82,000	81%	92,000	73%
Private owner occupied	54%	62,000	71%	81,000	58%
Private rented	18%	21,000	10%	11,000	15%
Vacant private and second homes	4%	5,000	4%	5,000	4%
Social rented	20%	22,000	11%	13,000	12%
Social rent from housing associations	4%	4,000	4%	5,000	11%

Source: Scottish Government (2015)

Dwelling Condition

3.12 The Scottish Housing Quality Standard (SHQS) is a measure of housing quality set by the Scottish Government for the social sector to achieve by 2015. While not directly applicable to private housing, it is useful to compare housing quality across tenures.

Table 27: Dwellings that fail the Scottish Housing Quality Standard

	Proportion of Area Stock	**Owner-Occupied**	**Social**
Aberdeen City	42%	44%	35%
Aberdeenshire	47%	46%	39%

Source: Scottish House Condition Survey 2013-2015 (2016)

3.13 The Scottish House Condition Survey reported a high level of SHQS non-compliance across all tenures at 42% in Aberdeen City and 47% in Aberdeenshire with little variation between owner occupied and social housing.

3.14 The Scottish Housing Regulator publishes detailed annual information on Council and RSL progress in achieving the SHQS. In 2013, 13.5% of social housing in Aberdeen City, 19.3% in Aberdeenshire and 18.3% in Scotland had to still reach the SHQS. More recent information from 2016 for Aberdeen City Council (7.7%) and Aberdeenshire Council (8.4%) showed further reduced numbers of properties failing to reach the SHQS. This is in stark contrast to the non-compliance reported through the Scottish House Condition Survey. Given the information published by the Scottish Housing Regulator is based on detailed inspection regimes by landlords, the quality of this information is likely to be far greater than the data reported through the SHCS which has in comparison a low sample size.

Table 28: Social Housing Stock that fails the Scottish Housing Quality Standard

Landlord	Total stock for SHQS	Stock failing SHQS	Proportion of Stock failing SHQS
Aberdeen City Council	22,603	2,459	10.9%
All social landlords in Aberdeen City	26,991	3,633	13.5%
Aberdeenshire Council	12,926	2,772	21.4%
All social landlords in Aberdeenshire	17,253	3,337	19.3%

Source: Scottish Housing Regulator (2016)

Housing Stock Pressures

3.15 This section will identify where stock is pressured and where stock is in low demand. This analysis will be presented for both local authorities. Both overcrowded and concealed households are considered likely to generate a need for additional housing as they are unlikely to be counted within the household projections and will not release a home for use by another household when they move on.

Over Crowded Households

3.16 Overcrowding is an important indicator of stock pressure and how well the stock is functioning with a dwelling considered overcrowded if there are insufficient bedrooms to meet the occupants' requirements under the Bedroom Standard definition.

3.17 In Aberdeen City 4% of dwellings are overcrowded which is significantly greater than the 1% in Aberdeenshire and slightly above the Scottish percentage. Overcrowding is most common in dwellings with one or two bedrooms across Aberdeen City, Aberdeenshire and nationally and is particularly a feature in social housing in Aberdeen City and as to be expected is primarily an issue for families.

Table 29: Overcrowded Dwellings by date

		Age of Dwelling		House or Flat		Number of Bedrooms	
	% of LA	Pre-1945	Post 1945	House	Flat	1 or 2	3+
Aberdeen City	5%	10%	3%	4%	6%	7%	2%
Aberdeenshire	1%	1%	1%	1%	*	3%	-
Scotland	3%	3%	3%	2%	4%	5%	1%

Source: Scottish House Condition Survey 2013-2015 (2016)
** sample size too small*

Table 30: Overcrowded Dwellings by tenure and type

	Tenure			Household Type		
	Owner-occupied	Social Housing	Private Rented	Families	Older	Other
Aberdeen City	3%	9%	10%	15%	-	4%
Aberdeenshire	-	2%	*	2%	-	1%
Scotland	2%	5%	5%	7%	1%	2%

Source: Scottish House Condition Survey 2013-2015 (2016)
** sample size too small*

3.18 Under Occupied Households

Aberdeenshire has a significantly greater percentage of under occupation of dwellings at 42% compared to 17% for Aberdeen City and 29% nationally. Under occupation is most evident in owner occupied housing with significantly lower levels in social housing. It is a characteristic which occurs significantly more for older households.

Table 31: Under Occupied Households (by dwelling characteristics)

		Exceeds Minimum Bedroom Standard by 2+ bedrooms by Dwelling Characteristics					
		Age of Dwelling		House or Flat		Number of Bedrooms	
Local Authority	**% of LA**	**Pre-1945**	**Post 1945**	**House**	**Flat**	**1-2**	**3+**
Aberdeen City	17%	13%	19%	34%	3%	-	52%
Aberdeenshire	42%	40%	42%	46%	*	-	67%
Scotland	29%	27%	30%	43%	7%	-	60%

Source: Scottish House Condition Survey 2013-2015 (2017)

Table 32: Under Occupied Households (by household attributes)

	Exceeds Minimum Bedroom Standard by 2+ bedrooms by Household Attributes					
	Tenure			Household Type		
Local Authority	**Owner-occupied**	**Social Housing**	**Private Rented**	**Families**	**Older**	**Other**
Aberdeen City	28%	3%	3%	8%	23%	19%
Aberdeenshire	52%	8%	*	24%	49%	50%
Scotland	42%	7%	12%	17%	41%	29%

Source: Scottish House Condition Survey 2013-2015 (2017)
** Other - These are all other household types which are made up of adults only and have no resident children.*

Concealed Households

3.19 A concealed family is defined as one 'living in a multi-family household in addition to the primary family, such as a young couple living with parents.

3.20 The Centre for Housing Market Analysis at the Scottish Government (CHMA) has produced estimates for local authority areas from the Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS) using 2011-2013 data. CHMA estimates show Aberdeen City with 3.4% of households overcrowded compared to 2.0% in Aberdeenshire and 2.8% for Scotland.

3.21 Aberdeenshire has 2.5% concealed households compared to Aberdeen City at 1.7% and Scotland at 2.0%. The National Records of Scotland: 2011 census (2016) revealed that there has in particular been an increase in the percentage of families aged 24 and under classed as concealed. In the Aberdeenshire Council area this is notable higher than the Scottish average and a marked increase from the 2001 Census.

3.22 Overall however the number of concealed households both nationally and at a Council level remains at around 1%. This has increased since 2001 by 0.3-0.4% with the largest rises for households aged 24 and under.

Table 33: Concealed households

Concealed Households	Aberdeen City Council	Aberdeenshire Council	Scotland
All families	1.7%	2.5%	1.2%
aged 24 and under	9.2%	15.2%	10.0%
aged 25 to 34	2.0%	3.0%	2.6%
aged 35 to 49	0.5%	0.5%	0.5%
aged 50 to 64	0.3%	0.2%	0.4%
aged 65 to 74	0.6%	0.8%	1.0%
aged 75 to 84	0.7%	0.6%	1.0%
aged 85 and over	0.5%	0.9%	1.0%

Source: National Records of Scotland: 2011 census (2016)

Profile of Council Owned Housing Stock

3.23 Together Aberdeen City and Aberdeenshire Councils own 34,896 units. These are profiled below:

Table 34: Aberdeenshire Council Stock

	Bedsit	1 bed	2 bed	3 bed	4 bed or more	Total
Aberdeenshire	38	5,063	5,194	2,468	140	12,903
Aberdeen City	875	7,336	9,864	3,723	195	21,993

Source: Aberdeen City and Aberdeenshire Councils (2016)

Table 35: Aberdeen City Council Stock

	0 bed	1 bed	2 bed	3 bed	4 bed	Total
House	91	1,566	1,707	1,861	92	5,317
High Rise	34	1,457	2,367	-	-	3,858
Tenement	724	2,893	4,378	1,173	87	9,255
4 in a block	3	620	933	557	16	2,129
Other Flat	23	800	479	132	-	1,434
	871	7,372	10,012	3,807	199	22,261

Source: Aberdeen City Council (2016)

3.24 There is significant pressure on Council stock in Aberdeen City and Aberdeenshire. Aberdeen City Council has 6,631 applicants on its waiting list while Aberdeenshire Council has 7,280 on its waiting list.[14] Within Aberdeenshire, the greatest pressure is in Garioch and on one-bedroom homes.

[14] As both Councils hold separate waiting lists, there may be some double counting where applicants have registered on both systems.

Table 36: Waiting Lists on 31 March 2017

Area	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Other	Total
Banff and Buchan	642	228	128	52	30	20	1099
Buchan	613	223	143	58	12	67	1116
Formartine	528	183	145	47	16	8	927
Garioch	1124	388	277	91	32	16	1928
K&M	611	315	209	67	25	35	1262
Marr	513	191	136	41	14	51	946
Other	1	-	-	-	-	-	1
Aberdeenshire Total	4032	1528	1038	356	129	197	7280
Aberdeen city	4013	1698	805	106	9	-	6631

Source: Aberdeen City Council and Aberdeenshire Council (2017)

3.25 The following RSLs operate in the Aberdeenshire and Aberdeen City area with a total of 9,236 self- contained RSL units and bed spaces.

Table 37: RSL Stock

RSL	Aberdeenshire	Aberdeen City	Total No. of Units
Ark Housing Association Ltd	93	23	**116**
Aberdeen Soroptimist Housing Society Ltd	-	15	**15**
Blackwood Homes and Care	25	99	**124**
Castlehill Housing Association Ltd	605	981	**1,586**
Grampian Housing Association Ltd	956	1,192	**2,148**
Hanover (Scotland) Housing Association Ltd	412	121	**533**
Langstane Housing Association Ltd	776	1,354	**2,130**
Next Step Homes Ltd	34	5	**39**

Sanctuary	741	707	**1,448**
Abbeyfield Scotland	29	-	**29**
Osprey	955	-	**955**
Cairn Housing Association	37	-	**37**
Kincardine Housing Cooperative	76	-	**76**
Total	**4,739**	**4,497**	**9,236**

Source: Registered Social Landlords (2016)

3.26 The 2014 Housing (Scotland) Act ended the right of Council tenants to buy their homes on 1 August 2016.

Size, type, tenure and location of future social housing supply

3.27 Many individuals find that their current home cannot safely meet their needs; for example after an injury or the ageing process may leave an individual unable to ascend stairs, use their bathroom safely or negotiate their front step. While looking for alternative accommodation may be an option for some people, the most common solution is to install an adaptation to their home, allowing them to continue living independently and with dignity; further discussion of adaptations in the social rented sector is set out in the Specialist Housing Provision Chapter.

3.28 It is planned to demolish 120 units within Aberdeen City Council stock.

3.29 Both Aberdeen City Council and Aberdeenshire Council have developed strategic housing investment plans for 2017-2022 which were submitted to the Scottish Government in November 2016. These identify opportunities for the following levels of new affordable housing supply:

Table 38 – New affordable housing supply by year and by type, for each LA, by HMA

	Aberdeen City	Aberdeenshire	AHMA	RHMA
2017/18	590	205	654	141
2018/19	646	780	1,110	316
2019/20	223	416	431	208
2020/21	290	130	366	54
2021/22	193	604	450	347
Total	1,942	2,135	3,011	1,066

Source: Aberdeen City and Aberdeenshire Councils (2016)

The table above shows potential affordable housing development in both local authorities. These projections are likely to vary and will be subject to the build out rate of the development industry.

3.30 The National Records of Scotland also highlight that 3,071 properties in Aberdeen City and 5,000 properties in Aberdeenshire are vacant or are second homes. Aberdeen City Council tax records show 1,547 vacant properties as at March 2016 with 655 vacant for more than 12 months. The March 2017 figure shows 2,747 vacant properties with 1,249 vacant for more than 12 months. Aberdeenshire has 1,872 long-term vacant properties. Returning some of these properties into the housing supply could help to reduce the backlog of housing need.

Table 39: Vacant Local Authority Stock

	Aberdeen City	Aberdeenshire
Temporary homeless accommodation	0.2%	0.2%
Awaiting demolition	0.3%	0.2%
Part of modernisation programme	0.3%	0.1%
In low demand area	0.3%	0.1%
Normal letting stock	1.2%	0.9%
All vacant	2.3%	1.5%

Source: Aberdeen City and Aberdeenshire Councils (2016)

	Key Issues identified in the HNDA
Housing quality	1. There are high levels of disrepair across all sectors in Aberdeen City and Aberdeenshire. This has improved significantly for the social housing stock in meeting the SHQS, but remains an issue for other sectors.
Housing stock pressures	1. There is significant pressure on social housing stock. At 31 March 2017, there were 7,280 applicants in Aberdeenshire and 6,631 in Aberdeen City on the waiting list. 2. Overcrowding in Aberdeen City is much higher than national averages. 3. A high proportion of families under 24 live in concealed households in Aberdeenshire. 4. Under occupation is highest in Aberdeenshire and is estimated at 41%. This is even more pronounced in properties with 3 or more bedrooms where 70% of the stock is under occupied.
Size, type, tenure and location of future social housing supply	1. Up to 4,077 affordable units are planned to be delivered from 2017/18 to 2021/22. These projections are subject to market conditions and the build out rates of developers. 2. The Aberdeen Housing Market Area will see up to 3,011 units (65%) of the planned affordable supply and the Rural Housing Market Area will see 1,066 units (35%) supplied over the next five years.
Sustaining communities	1. There are 8,000 vacant or second homes in Aberdeen City and Aberdeenshire. 3,349 of these are long-term vacant according to Council Tax figures. 2. Under occupation is a challenge that may present an opportunity for better use of stock in Aberdeenshire.

These issues will be addressed through the Aberdeen City and Aberdeenshire Local Housing Strategies 2018-2023. Both strategies will provide support to private rented tenants to ensure that landlords adhere to the repairing standard and provide support to landlords to ensure high management standards. Both strategies should support landlords and enable private rented tenants to appeal to the Housing and Property Chamber to meet the repairing standard if required.

The Strategic Housing Investment Plans should be of a sufficient scale to make inroads into the significant waiting lists for both local authorities. This should help to relieve the housing stock pressures identified above by increasing the supply of social rent and intermediate housing. To make the best use of the existing stock, both housing strategies should identify actions to bring empty homes back into use.

In terms of the size, type and tenure the partner Council's LDPs have carried forward the SDPs aim of sustainable mixed communities and as stated previously developed policies which aim to provide a mix of units. There will also be further exploration of build to rent, adaptive housing and alternative housing delivery models through the preparation of a new strategic development plan.

4. Estimating Future Housing Need and Demand

4.1 This chapter uses the information gathered in chapter 2 (‘Key housing market drivers’) to produce an estimate of the future number of additional housing units required to meet housing need/demand under a number of scenarios.

4.2 The estimates presented below were produced using the Excel-based ‘HNDA Tool’ (Version 2.3.3), produced by the Scottish Government’s Centre for Housing Market Analysis. The tool was designed to reduce the cost and complexity of HNDAs, as well as bring greater consistency in the approach used across Scotland. As a consequence of this, the results are not strictly comparable with the output from the previous HNDA in 2010 and the 2011 update.

4.3 The period to be covered by the Aberdeen City and Shire SDP will be to 2040, longer than the period the tool provides projected estimates for (2035). As a consequence, figures for the last five years of the plan period (2036-2040) will be produced by extrapolating from the earlier data. This final five year period will only be dealt with indicatively in the SDP (and subsequent LDPs will only address it indicatively, if at all) so this is considered to be an appropriate way of giving an indication of likely need and demand during this period.

4.4 For simplicity, the main body of the report will focus on providing information for the SDP Area, along with the AHMA and the RHMA. Information by council area will be provided in an Appendix[15], as will detailed results for individual years.

4.5 The scale of the need/demand for new housing overall is largely driven by the scale of population and household growth in the area. This in turn is dependent on a range of factors, including the current population and household structure as well as rates of economic growth, migration and incomes.

4.6 National Registers of Scotland prepare a range of population and household projections for local authority and strategic development planning authority areas. These are trend-based in the way they apportion Scottish levels of growth to smaller geographies and are therefore ‘projections’ of what <u>could</u> happen under a specific set of assumptions rather than forecasts of what is

[15] This information will be useful for the two councils as they prepare Local Housing Strategies and for the Cairngorms National Park as it collates information from the 5 HNDAs covering its area.

likely to happen. The projections use three different levels of migration – known as 'low migration', 'principal' and 'high migration' variants.

4.7 The 2012-based projections are the most up-to-date currently available within the model itself, although the 2014-based projections are now available and have been included in the model manually.

4.8 The HNDA model uses the household projections chosen to determine the scale of growth overall, while the split between need and demand is driven by the relationship between house prices (and expected changes over time) and incomes (and how these change over time, in both level and distribution). The backlog of housing need also has an impact over the early years of the projected period, although this is a relatively minor component of the total need and demand over the period to 2035.

4.9 The HNDA is an evidence-base from which different policy responses can be made. Two of the main policy responses are the setting of Housing Supply Targets and the split between 'market' and 'affordable' housing tenures. However, these decisions are not made within the HNDA itself but through the SDP and LHS. In order to facilitate this (and the required consultation and discussion), the HNDA uses a number of scenarios which are based on a range of assumptions for variables such as household growth, and incomes as well as changes in house price and rental costs. Not all of these scenarios will be equally likely but are internally consistent.

4.10 The Project Steering Group analysed the evidence presented in chapter 2 alongside the feedback received from stakeholders in the Engagement Group. As a result, five scenarios were initially modelled (in addition to the default settings of the model). However, with the publication of the 2014-based projections, this was reduced to three omitting scenarios based on past growth trends over the last 25 years and the 'principal' growth projection for Scotland as a whole[16]. The final three scenarios are therefore:

Scenario 1	Principal Growth
Scenario 2	Low Migration
Scenario 3	High Migration

4.11 The scenarios selected make use of three different household projections, the 2014-based principal, low migration and high migration variant projections –

[16] The main reason for adding these two scenarios was in recognition of the fact that growth rates over the last 25 years were lower than any of the 2012-based household projections for Aberdeen City and Shire. In addition, the 2014-based Population Projections for Scotland ('Principal') showed a population some 100,000 lower than the 2012-based projections by 2037. As a consequence, the 2014-based population projections for Aberdeen City and Shire were anticipated to be lower than those for 2012 as there would be a lower population to share round the country.

all published by National Records of Scotland specific to Aberdeen City and Shire.

4.12 The 2014-based projections by NRS suggest that growth rates across Aberdeen City and Shire will be substantially higher than the other three city regions and Scotland as a whole, as shown in Table 40 below. However, all are lower than the 2012-based projections.

Table 40: 2014-based Population and Household Projections (2014-2039)

	Household Growth (%)			Population Growth (%)		
	Low	Principal	High	Low	Principal	High
Clydeplan	8	12	16	-1	3	7
Aberdeen City and Shire	17	24	31	11	19	26
SESplan	16	22	28	8	14	21
TAYplan	8	13	18	1	7	12
Scotland	10	14	19	2	7	12

Source: National Records of Scotland (2017)

4.13 However, the pattern of growth implied by these projections (high growth in the early years but falling over time) is open to debate given the economic turbulence experienced in the area since 2014.

4.14 In the formation of detailed scenarios for the HNDA the Project Steering Group determined that a number of assumptions were considered to be constant regardless of the scenario. These are explained below.

Existing Need for Additional Housing

4.15 The HNDA tool includes an agreed methodology known as the 'Homelessness and Temporary Accommodation Pressure' (HaTAP) method.

4.16 This is calculated in two parts as follows:

Part 1 – Provide sufficient new build to ensure that there is no increase in temporary accommodation at current rates of homelessness

These are modelled estimates of the rate of social sector new build that would be needed in each Local Authority in order to a) ensure that the proportion of lets to homeless households does not exceed a fixed proportion – say 60%

and b) the number of people in temporary accommodation does not increase. Some local authorities may find that no additional new build is required for this purpose as they have reducing numbers in temporary accommodation whilst, at the same time, less than 60% of their non-transfer lets go to homeless households.

4.17 Part 2 – Provide additional new build to reduce the level of temporary accommodation over five years. This is done by taking the snapshot level of temporary accommodation at the end of the quarter and dividing this by five. The final answer is derived by adding parts one and two together.

4.18 In consultation with the Centre for Housing Market Analysis and the Engagement Group, the Project Steering Group agreed to use the HaTAP method. The alternative method outlined in the HNDA tool guidance was explored to identify existing need. This requires identifying both homeless households, including those in temporary accommodation, and households that are BOTH concealed and overcrowded. However, this requires cross-referencing different sources between national estimates and local datasets which was not considered to be an appropriate or robust method of identifying existing need.

4.19 The HATAP method identifies a backlog of 820 households across Aberdeen City and Shire, of this 560 is in the AHMA (Aberdeen City = 360; Aberdeenshire = 200) and 260 in the RHMA (all in Aberdeenshire).

Time to Clear Existing Need

4.20 The Project Steering Group agreed to use the timeframe of 10 years to clear the backlog of existing need. This was felt to be realistic in light of current build out rates in the development industry combined with levels of existing housing need and resource availability (see chapter 2).

Affordability

4.21 The Tool is set up to analyse affordability (incomes divided by house prices and rent prices) at the 25th percentile of income, house prices and rental prices. Traditionally the 25th percentile is seen to represent the point where First-Time-Buyers enter the market and where housing need and demand is most frequent. This assumption is used across each of the scenarios.

House Prices

4.22 The default setting in the Tool assumes that one can afford to purchase a house priced at the lower quartile (25% percentile of the house price distribution) if one's income is 4x greater than the house price. The 4x income is equivalent to 3.2x income with a 75% mortgage. This is based on information from the Council of Mortgage Lenders. Feedback from the Engagement Group during the development of the HNDA reinforced this default position.

Rent Choices

4.23 The Centre for Housing Market Analysis recommend that 50% of those who can afford to purchase go on to do so. This assumes, of those who can afford mortgage repayments, only 50% also have the deposit to actually go on to buy. This is based on the market situation in early 2013. The Project Steering Group has agreed this position. However, when interpreting the results it will be important to recognise that the boundary between renting in the private sector and home ownership is likely to be determined as much by cultural expectations and life stage as income.

4.24 In addition, the Tool assumes that people who spend less than 25% of their income on rent can afford to rent in the private sector. This threshold has been used historically as the threshold for affordability in the private rented sector. Where people spend between 25-35% of their income on rent the Tool assumes they can afford below market rent. This is reinforced by research carried out on the north east housing market by Arneil Johnston (2015). The Project Steering Group has agreed these positions.

4.25 This has left five further variables which have been used to construct the scenarios presented below. These are:

- Household Projections
- House Price Growth
- Rental Price Growth
- Income Growth
- Income Distribution

4.26 A summary of the scenario inputs are shown in the table below.

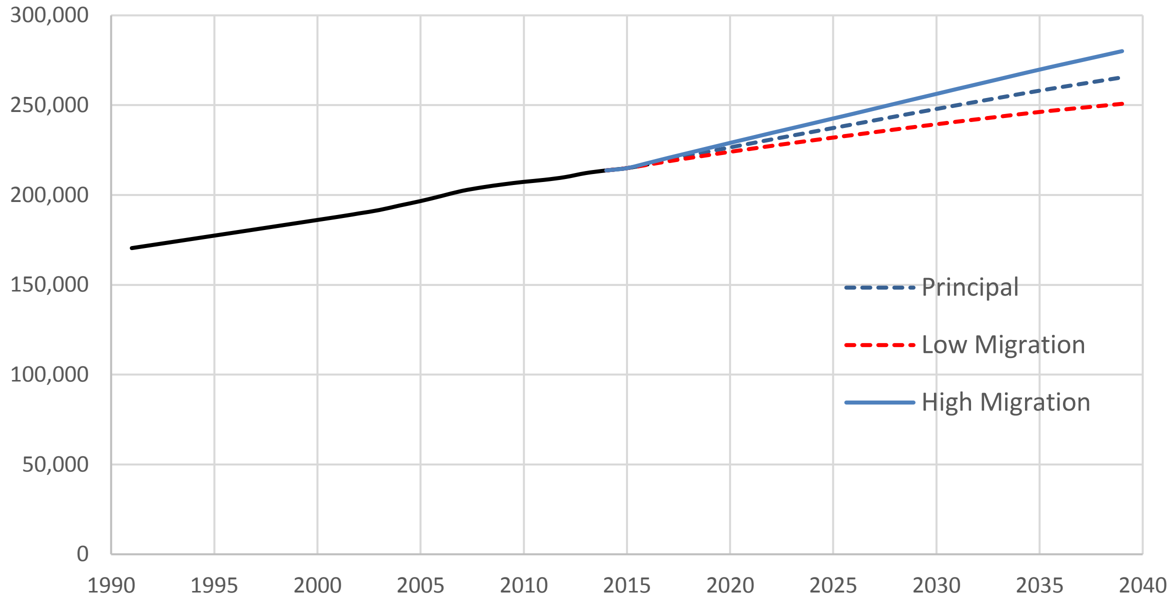
Table 41: Scenario Inputs

	Scenario 1	Scenario 2	Scenario 3
Household Projection	2014 Principal	2014 Low Mig	2014 High Mig
Clear Backlog (yrs)	10	10	10
Income Growth	Modest Increases	Slow decline	Reasonable Growth
Income Distribution	Creeping Equality	Creeping Equality	Creeping Inequality
House Price Growth	No Real Growth	Gradual Decline	Strong Recovery
Rental Price Growth	No Real Growth	Gradual Decline	Modest Increases
Implied Population Growth (2016-2035)	+91,000 (+19%)	+54,000 (+11%)	+127,000 (+26%)

4.27 Due to the timing of the preparation of the HNDA, the 2014-based projections had to be inserted manually. With these exceptions, all model inputs were available within the model itself. Figure 26 below plots the three different growth trajectories used for the scenarios.

4.28 The tool was run on a number of occasions to generate results for the SDP area as a whole as well as housing market areas and council areas for each of the three scenarios. This required a total of nine model runs.

Figure 26: Aberdeen City and Shire Household Projections – 1991-2012…2039



4.29 Summary outputs from the Tool, based on the three scenarios are set out below:

Table 42: Estimate of annual additional housing units

	Scenario 1	Scenario 2	Scenario 3
Aberdeen City and Shire SDPA	2,171	1,566	2,768
Aberdeen Housing Market Area	1,691	1,195	2,179
Rural Housing Market Area	480	371	589
Aberdeen City	1,063	679	1441
Aberdeenshire	1,107	887	1327
Affordable	48%	56%	49%
Market	52%	44%	51%

Source: HNDA Tool v2.3.3 (2017)

Table 43: Estimate of average additional annual housing units across Aberdeen City and Shire by tenure

	Scenario 1	Scenario 2	Scenario 3
Social rent	556	546	965
Below market rent	488	334	403
Private rent	440	258	659
Owner occupation	688	427	742
Total	2,171	1,566	2,768

Source: HNDA Tool v2.3.3 (2017)

4.30 The figures presented above are all annual averages for the period 2016-2035. However, the figures do vary from year to year and this more detailed information is presented in Appendix 3.

4.31 The next section of this chapter looks in more detail at each of the scenarios in terms of both the input assumptions as well as the outputs in terms of scale and tenure of housing need and demand.

Scenario – 1

Household Growth	**2014-based Principal Projection – Substantial population growth (+91k, +19%) and household growth (+52k, +24%) are experienced over the period 2014-2039. This is on the back of a very healthy economy which draws in workers from elsewhere in Scotland as well as overseas which is not hindered by the UK leaving the European Union in 2019. No contraction experienced as a consequence of the oil price falls in 2014.**
Income Growth	**Modest Increases – This household growth rate is facilitated by significant growth in incomes (+4%p.a. to 2023 and then falling back to +3%p.a. thereafter) achieved by a return to sustained higher oil prices and required to attract the workforce.**
Income Distribution	**Creeping Equality – Social pressures and legislation lead to greater equality in the distribution of wages, with those at the bottom of the income distribution doing slightly better than those at the top.**
House Price Growth	**No Real Growth – The demand for housing generated by the fast rising population gives rise to continued increase in house prices, although a well-functioning housing market ensures these are capped at the rate of inflation (+2%p.a. to 2020 and thereafter 2.5%p.a.).**
Rental Price Growth	**No Real Growth – The demand for housing generally impacts on the demand for rented accommodation, both from those moving to the area on a short/medium-term basis but also from those who cannot afford to enter owner-occupation. Less demand from students as a consequence of specific provision as well as inflation rate rises in house prices moderate rental growth (+2%p.a. to 2020 and thereafter 2.5%p.a.).**

4.32 This scenario represents a variation on the default output of the HNDA model, being based on the updated 'principal' household projection but with different income and house price assumptions. It also assumes the backlog of housing need will be removed within a 10 year period, whereas the default outputs assume a 5 year period.

4.33 In this scenario, the need and demand for new homes exceeds the levels experienced over recent decades but does not do so significantly over the period as a whole. A detailed summary of the model outputs is provided below, with further breakdowns available in Appendix 3.

Table 45: Scenario 1 model outputs (new homes per annum)

	2016-2020	2021-2025	2026-2030	2031-2035
SDP Area	2,360	2,217	2,107	2,000
Social rent	808	630	442	342
Below Market	437	464	517	533
PRS	445	444	444	425
Buyers	670	679	704	700
AHMA	1,792	1,695	1,661	1,612
Social rent	603	466	335	265
Below Market	337	365	419	440
PRS	339	340	349	343
Buyers	512	524	558	569
RHMA	568	523	446	387
Social rent	204	164	107	77
Below Market	100	100	98	93
PRS	106	104	95	82
Buyers	157	155	145	131

Affordable Housing (2016-2035)	AHMA /RHMA (2016-2035)	City / Shire (2016-2035)
48%	78% / 22%	49% / 51%

4.34 Over the first 20 year period of the projections to 2035, 48% of housing requires to be 'affordable' and a higher proportion of growth (78%) takes place in the AHMA than has historically been the case.

Scenario – 2

Household Growth	**2014-based Low Migration Projection – Continued population growth (+54k, +11%) and household growth (+37k, +17%) are experienced over the period 2014-2039 on the back of a very healthy economy which draws in workers from elsewhere in Scotland as well as overseas which is hindered by slower economic growth and the UK leaving the European Union in 2019.**
Income Growth	**Slow Decline – Incomes are generally falling (-1%p.a. to 2022 and then gradually recovering to +2.5%p.a. by 2032) as a consequence of job losses in the oil and gas industry, with replacement jobs generally not being as well paid.**
Income Distribution	**Creeping Equality – Fewer high-end wages as well as social pressures and legislation lead to greater equality in the distribution of wages, with those at the bottom of the income distribution doing slightly better than those at the top.**
House Price Growth	**Gradual Decline – The demand for housing moderates over the period to 2020 before slowly picking up again (-1%p.a. by 2020 and thereafter rising to 2.5%p.a. by 2032).**
Rental Price Growth	**Gradual Decline – The demand for housing moderates over the period to 2020 before slowly picking up again (-1%p.a. by 2020 and thereafter rising to 2.5%p.a. by 2032).**

4.35 This scenario uses the 2014-based ‘Low Migration’ household projections published by the National Records of Scotland. However, these still project high levels of growth compared to other parts of Scotland (see Table 40). It also assumes the backlog of housing need will be removed within a 10 year period, whereas the default outputs assume a 5 year period.

4.36 In this scenario, the total level of need and demand for new homes over the period to 2020 roughly equates to the levels delivered over the last 5 years (1,892 p.a.), although declines thereafter. A detailed summary of the model outputs is provided below, with further breakdowns available in Appendix 3.

Table 46: Scenario 2 model outputs (new homes per annum)

	2016-2020	2021-2025	2026-2030	2031-2035
SDP Area	1,850	1,628	1,468	1,317
Social rent	639	544	514	479
Below Market	341	329	322	341
PRS	347	294	239	160
Buyers	522	460	394	337
AHMA	1,378	1,214	1,136	1,051
Social rent	468	397	393	378
Below Market	260	252	252	269
PRS	259	219	185	134
Buyers	391	345	306	269
RHMA	471	414	332	265
Social rent	170	147	121	101
Below Market	82	78	70	72
PRS	89	75	54	25
Buyers	131	114	88	68

Affordable Housing (2016-2035)	AHMA /RHMA (2016-2035)	City / Shire (2016-2035)
56%	76% / 24%	43% / 57%

4.37 Over the first 20 year period of the projections to 2035, 56% of housing requires to be ‘affordable’, the highest of the scenarios. This scenario also sees a larger percentage of the growth taking place in Aberdeenshire.

Scenario – 3

Household Growth	**2014-based High Migration Projection – Substantial population growth (+127k, +26%) and household growth (+66k, +31%) are experienced over the period 2014-2039 on the back of a very healthy economy which draws in workers from elsewhere in Scotland as well as overseas at higher rates than in previous decades. This is not hindered by the UK leaving the European Union in 2019. No contraction experienced as a consequence of the oil price falls in 2014.**
Income Growth	**Reasonable Growth – Incomes generally rise at a very fast rate of 6% p.a. to 2024, then drop back to around 2.5% p.a. to the end of the projection period. This price signal helps to act as a magnet, drawing in significant levels of population growth.**
Income Distribution	**Creeping Inequality – High wages in the oil and gas industry continue to drive greater inequality in income distribution.**
House Price Growth	**Strong Recovery – The demand for housing increases strongly from 3.0% in 2011 to 8.0% by 2020, and then increases by 2.5% p.a. to the end of the projection period.**
Rental Price Growth	**Modest Increases – The demand for housing increases strongly but rental prices are moderated by the growth in purpose-built student accommodation over the early part of the period. Rental prices rise moderately from 2.0% in 2011 to 5.0% in 2020, then increase by 2.5% p.a. for the rest of the projection period.**

4.38 This scenario uses the 2014-based 'High Migration' household projections published by the National Records of Scotland. These project forward very high levels of growth compared to any other part of Scotland, substantially higher than has ever been achieved consistently in the past. It also assumes the backlog of housing need will be removed within a 10 year period.

4.39 A detailed summary of the model outputs is provided below, with further breakdowns available in Appendix 3.

Table 47: Scenario 3 model outputs (new homes per annum)

	2016-2020	2021-2025	2026-2030	2031-2035
SDP Area	2,875	2,785	2,735	2,679
Social rent	1,099	1,045	903	819
Below Market	464	423	386	335
PRS	581	629	691	735
Buyers	731	689	756	789
AHMA	2,209	2,157	2,176	2,175
Social rent	835	799	713	661
Below Market	362	332	309	274
PRS	448	490	551	598
Buyers	564	536	603	642
RHMA	665	628	559	504
Social rent	264	246	189	158
Below Market	102	90	77	61
PRS	133	139	140	137
Buyers	166	152	153	147

Affordable Housing (2016-2035)	AHMA /RHMA (2016-2035)	City / Shire (2016-2035)
49%	79% / 21%	52% / 48%

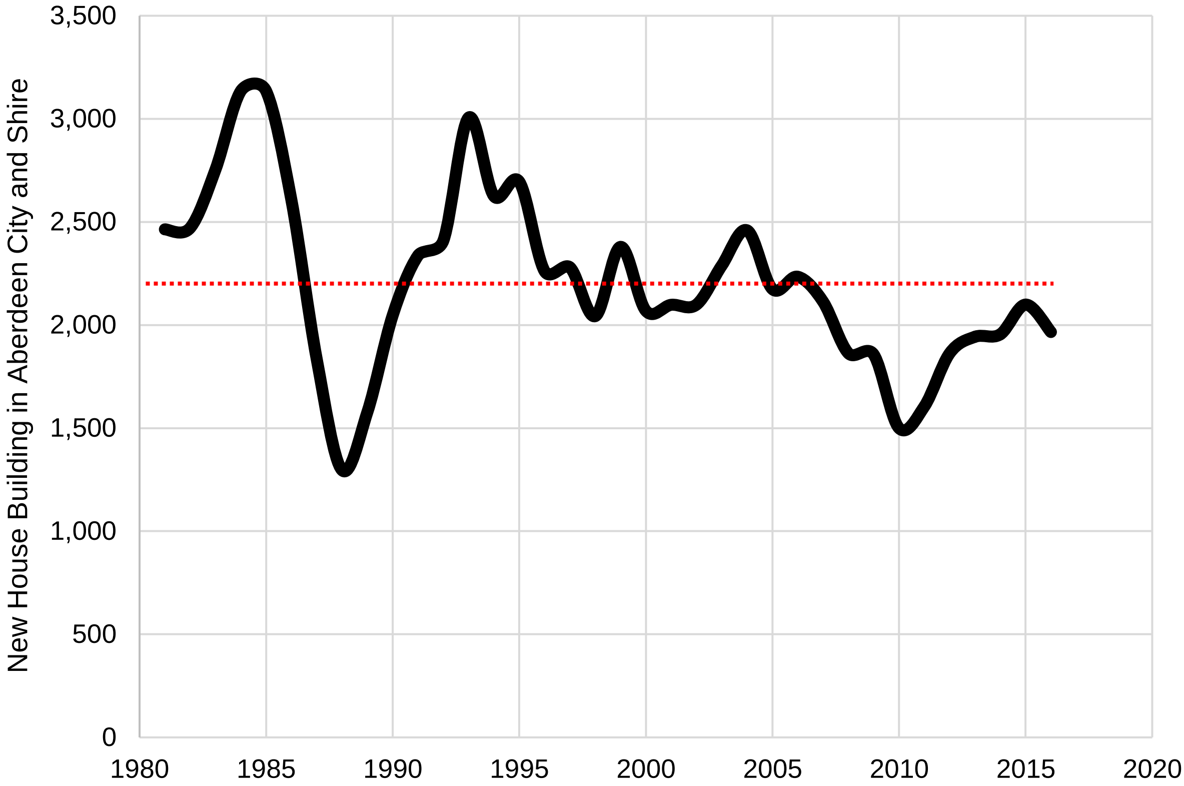
4.40 Over the first 20 year period of the projections to 2035, 49% of housing requires to be 'affordable' and a higher proportion of growth (79%) takes place in the AHMA than has historically been the case, largely because growth in Aberdeen City is faster than growth in Aberdeenshire.

4.41 All scenarios generated give rise to very high levels of need for affordable housing (both social rent and below market rent), levels well in excess of 25%[17] and well in excess of recent trends in terms of delivery. Conversely, private sector delivery has been generally higher than the figures projected above.

Historic House Building Rates

4.42 Historic house building rates are an important yardstick to use when interpreting the output from the various scenarios. Figure 26 below presents house building in Aberdeen City and Shire since 1981 and shows both significant falls in production as well as increases in production over this period, with these cycles largely following the state of the oil and gas industry as well as the wider UK economy.

Figure 27: House building trend since 1981



Source: Aberdeen City and Shire Housing Land Audit (2017)

4.43 Over the last 5 years, the Aberdeen City and Shire Housing Land Audit (2017) shows that house building has increased every year, averaging 1,892 across

[17] The benchmark level set in Scottish Planning Policy (2014).

Aberdeen City and Shire but rising to 2,099 in 2015, before falling to 1,966 in 2016. Completions have averaged 1,399 in the AHMA and 493 in the RHMA. This period was characterised by a recovery from the global recession triggered by the banking crisis of 2007/08. Average completions in Aberdeen City over this period stand at 735, while those in Aberdeenshire stand at 1,157. However, the projected completions in the 2016 Housing Land Audit suggest that Aberdeen City will be completing more than 50% of the new homes over the next five years. It can be seen that very few years have seen completion rates exceed 2,500 p.a. and none since 1995. A figure of over 3,000p.a. has only been reached three times in 35 years, in 1984, 1986 and 1993. The long-term average over this 35 year period is 2,216 and around 2,200 if the most extreme 10 years are excluded from the calculations.

4.44 It is important to recognise that these levels of house building relate to historic levels of economic activity and migration and are not a perfect guide to future levels of construction. Indeed, the volatility of the house building industry around mean production levels is an important factor to take into account when setting a policy framework.

4.45 A number of core results can be identified from the above analysis.

4.46 Levels of need for affordable housing are significant under every scenario. This relates both to the percentage of households requiring affordable housing (48-56%) but also the absolute number (between 877 and 1,368pa).

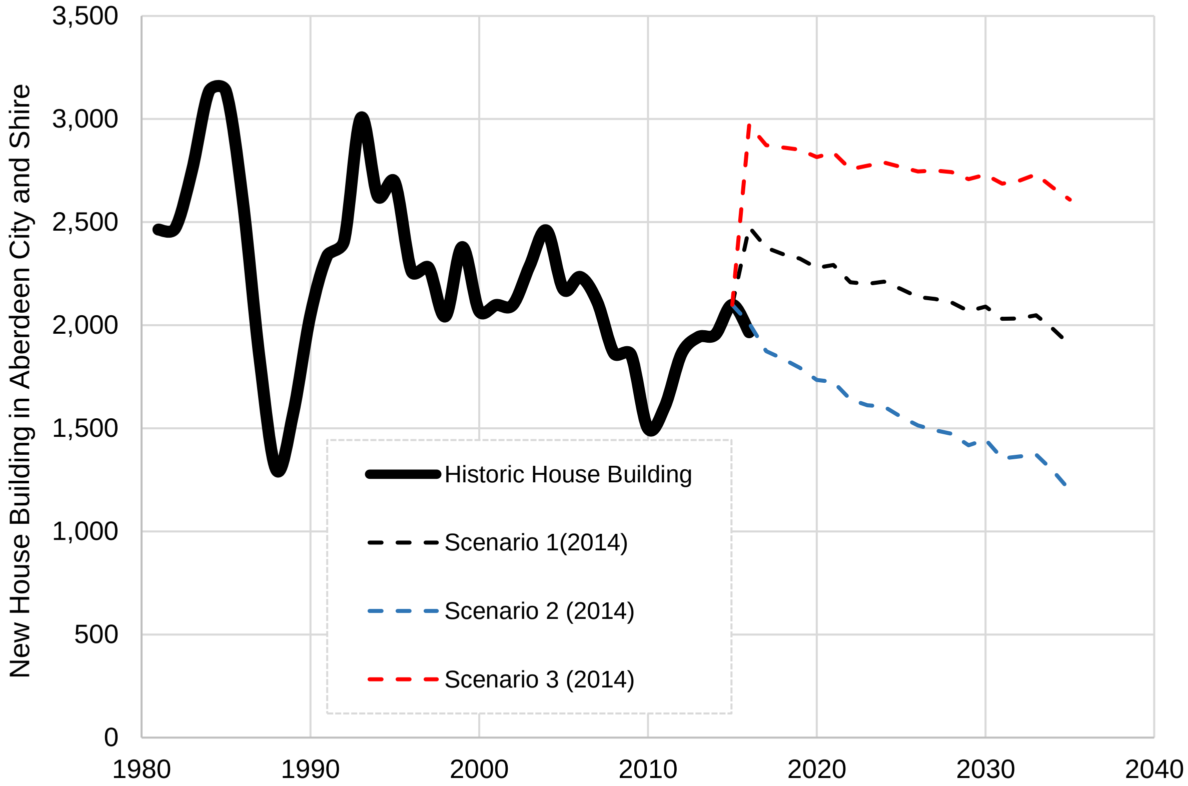
4.47 Secondly, each of the three main scenarios project falling levels of need and demand over time. In reality, given the economic challenges evidenced in earlier chapters it is more likely that with economic recovery will come an increasing need and demand over time – potentially starting on a trajectory similar to the low-migration scenario but moving towards the principal and high-migration scenario over time.

4.48 Thirdly, the social rented tenure is significant in all scenarios identified. However, the provision of this tenure is expensive and very dependent on Scottish Government grant funding. Maximum use will need to be made of this but under many scenarios there will be considerable challenges being able to deliver anywhere near the required level on a consistent basis. The challenge of being able to secure sufficient land for this level of affordable house construction will also be challenging given the terms of Scottish Planning Policy.

4.49 Fourthly, the private rented sector is suggested as having an important role to play in meeting future needs, although there are no clear mechanisms for being able to deliver this through the planning system at the current time.

4.50 This chapter has presented the model outputs from a number of scenarios relating to housing need and demand over the period to 2035. Each scenario has its own strengths and weaknesses but it will be for the Strategic Development Plan and Local Housing Strategies to take the information contained in this assessment and use it to inform the setting of Housing Supply Targets to the next plan period.

Figure 28: House building trend since 1981 and projected rate of housing need and demand based on the HNDA scenarios



	Key Issues identified in the HNDA
LHS and Development Plan	1. The three scenarios plus the ‘default’ output of the model give rise to quite different trajectories for household growth. However, in all cases the population and households in all areas are expected to increase. 2. The ‘high-migration’ scenario for the number of households to 2035 imply levels of growth well in excess of the historic average for the area. Given the state of the local economy, achieving such levels of growth would be very challenging. 3. A high level of need for affordable housing has been identified under all scenarios. The levels identified are well beyond the scope of the planning system to be able facilitate through planning policy given the constraints imposed by the market and Scottish Planning Policy. 4. Building on recent trends, the private rented sector is seen as having an important role to play in meeting future housing requirements, although tenure change within the existing stock is likely to play an important role (it being important to consider the two ‘market’ tenures together). 5. The three main scenarios present different futures for the area. It may be that a composite picture more closely reflects the current position and future aspirations for the area as we more from current economic challenges to continued future prosperity. The planning system’s ability to impose affordable housing on the market is limited by SPP and market economics. As such it will require a variety of delivery mechanisms under the LHS to help meet immediate and long term demand. The commitment of all sectors of the housing market (local authorities, private house builder and social housing providers) to identifying innovative solutions to meeting this need is strong. We will use the information provided by the HNDA to derive an appropriate housing supply target for a future strategic development plan.

5. Specialist Provision

5.1 This chapter sets out the contribution that specialist provision makes to meeting housing need and demand. It considers people with particular needs. It focuses on the need and supply of specialist accommodation to meet a range of needs to enable people to live well, with dignity and independence for as long as possible.

5.2 The purpose of this chapter is to meet the requirements of Core Output 3 as specified in the HNDA Practitioner's Guide 2014.

5.3 This chapter addresses three broad categories of need covering six types of housing or housing-related provision to support independent living. This is set out below.

Table 48: Housing Need and Type of Housing Provision

Category of Housing Need	Type of Housing Provision
Property Needs	a. Accessible and adapted housing b. Wheelchair housing c. Non-permanent housing e.g. for students, migrant workers, asylum seekers, refugees
Care and Support Needs	d. Supported provision e.g. care homes, sheltered housing, hostels and refugees e. Care/support services for independent living
Location or Land Needs	f. Site provision e.g. sites/pitches for Gypsy/Travellers and sites for Travelling Show-people, city centre locations for student accommodation

Overview

5.4 This section sets out the demographic context and provides evidence on households, health, age and older people. It is recognised that this evidence overlaps a number of the specialist provision templates and, rather than repeating this information within each template, it was decided to place it ahead of the six templates.

5.5 The National Records of Scotland: 2011 census (2016) shows 32,000 (14.4%) of the population in Aberdeen city are aged 65 and over. In Aberdeenshire it is 40,700 (16.1%). The national figure for Scotland is 16.8%. Since 2001, the number of people aged 65+ in Aberdeen decreased by 1.2%, however in Aberdeenshire it increased by 25.7% over the same period. The National Records of Scotland: 2011 census (2016) also showed an increase in the number of people aged 80 and over between 2001 and 2011. In Aberdeen city it increased by 13.6% to 9,100; Aberdeenshire increased by 30% to 10,300. This accounts for 4.1% of the population across both local authority areas.

5.5.1 NRSO shows a projected increase in the population of pensionable age between 2014 and 2039 by 20.5% in Aberdeen city and 35.2% in the Aberdeenshire.

5.5.2 Based on the NRSO projections, the population aged 75+ will increase significantly by 66.0% in the city and by 107.7% in Aberdeenshire from 2014 to 2039.

5.6 Household

5.6.1 In 2014, approximately 18,285 households in Aberdeen city were headed by someone aged 60 - 74. The number in Aberdeenshire is 25,682 households.

5.6.2 Household projections, which are based on the 2014 figures above, indicate a 16% increase in the number of households headed by someone aged 60 to 74 in Aberdeen city with a 13% increase in Aberdeenshire from 2012 – 2039. The Scottish average is 11%.

5.6.3 In 2014, 10,971 households in Aberdeen were headed by someone aged 75+. The projected number of households in this age group will increase by 58% in Aberdeen city to 17,339 by 2039. Similarly, Aberdeenshire had 13,650 households aged 75+ in 2014, however it is projected to increase by 98% to 27,063 by 2037.

5.7 Health

5.7.1 In 2011 proportion of the population in Aberdeen city and Aberdeenshire with one or more long term health conditions are similar at 26.5% and 26.9% respectively.

5.7.2 There has been no significant change in the numbers of people with long-term activity-limiting health problems or disability between 2001 and 2011.

In Aberdeen city it decrease from 17.5% to 16.0% and in Aberdeenshire it increased slightly from 15.3% to 15.5%.

5.7.3 The figures in March 2014 show a significant drop in the number of care homes for older people in Aberdeen city from 38 to 31. During the same period there has been only a slight drop in Aberdeenshire from 51 to 49. This has resulted in a reduction in care home places by 270 (15.3%) in Aberdeen City and 24 (1.23%) in Aberdeenshire.

5.8 The provision of suitable housing is one of the key challenges presented by an ageing population. Older people are more likely to either live alone, or in a household where all persons are aged 65 or older. Unsuitable housing impacts directly on health and providing appropriate housing of suitable quality and standard offers the potential to reduce costs to health and social care, and allow older people to remain independent.

5.9 Property Needs

The older generation are more likely to require smaller housing and there is a requirement for local authorities to ensure that there is an adequate supply of sheltered, very sheltered and amenity housing.

5.10 It is also important to consider the locality of housing for older people; the close proximity to local services, the informal support network of older people is likely to be in their local neighbourhood, and to move vulnerable people may increase social isolation.

5.11 The key features of housing for older people are based on the standards for general needs housing with additional features which must include:

5.11.1 Barrier free access where accommodation is on the ground or first floor level or in blocks over two storeys high served by at least one lift.

5.11.2 Space standards should be the same as for one or two person general needs houses.

5.11.3 Handrails provided on both sides of all common access stairs, and on at least one side of all common access areas and passages.

5.11.4 Bathroom doors are either sliding or capable of opening outwards, and fitted with locks operable from the outside and have floors with a non-slip finish. Handrails are fitted beside the WC and bath/shower.

5.11.5 Appropriate heating system in place with light switches and socket outlets fixed as per legislation.

5.11.6 A warden and a community alarm service is provided.

5.12 Very sheltered housing has all the features for sheltered housing with additional special bathroom facilities, 24 hour on site support and the provision of a hot meal each day.

5.13 Technology plays an increasing role in everyday life and is being integrated into housing service development transforming service delivery. Features such as telecare and assistive technologies are being rolled out to all sheltered and very sheltered facilities in the social rented sector.

5.14 More flexible support packages through the use of electronic assistive technology systems are needed to improve the quality of life for vulnerable older people to enable them to maintain their independence. This can assist early discharge from hospital, avoid admission to residential or nursing homes and provide additional support to cares. In 2011 the number of clients aged 65+ using community alarms and telecare systems in the city was 1,700 and 2,303 in Aberdeenshire.

5.15 General housing stock will continue to meet the needs of the vast majority of the older population.

5.16 The key aim of the Integration of health and social care set out through the Public bodies (Joint Working Act (2014) is to enable independent living where appropriate. Across Aberdeen city and Aberdeenshire there has been a gradual reduction in the provision of care homes for the elderly and this will increase demand for homes designed for older people or housing that can be adapted to meet their needs.

5.17 There is a limited range of housing options for older people other than sheltered housing or residential care. There is a lack of affordable housing of suitable size and design to suit this client group. Building new affordable housing to meet older people's needs is a priority to enable downsizing where appropriate and provide homes that are accessible and adaptable.

Social Care Services

5.18 One of the Scottish Government key drivers in the integration of health and social care is 'shifting the balance of care' towards independent living in the community and reducing the use of institutional care settings. Older people want to live in their own homes for as long as possible, rather than in hospitals and care homes and this is support through the following policy documents and legislation. The key aim of the Public Bodies (Joint Working) (Scotland) Act 2014 is to address the challenges associated with the current health and social care system in Scotland including the need to respond to an ageing population and shifting the balance of care from acute to community-based facilities.

5.19 Aberdeen City and Aberdeenshire Councils, RSLs and other housing organisations make a contribution to achieving many of the National Health and Wellbeing Outcomes and this is reflected in the Housing Contribution Statements. It shows the important role the provision of suitable housing (including housing with care or support) plays in helping to "shift the balance of care" and promote independent living for as long as possible in the community.

5.20 In April 2016, health services and local authorities formally integrated services to provide a more joined-up and person centred approach to health and social care, enabling independent living where appropriate. National health and wellbeing outcomes and associated joint strategic commissioning plans and housing contribution statements provides a practical framework and set an ambitious agenda to improve the health and wellbeing of people across Scotland within a challenging context of an ageing population, public sector budget constraints, technological change and increasing expectations. Further evidence will be gathered locally to inform the locality plans within both Aberdeen city and Aberdeenshire. Housing is at the heart of independent living and can improve the lives of vulnerable and older people and significantly reduce health and care costs.

Accessible and Adapted Provision

National Policies

5.21 There is a range of national legislation and policy that will have an impact on the provision of accessible and adapted housing.

- Public Bodies (Joint Working) (Scotland) Act 2014
- Equality Act 2010
- Self-Directed Support (Scotland) Act 2013
- The Town and Country Planning (Scotland) Act 1997
- Age, Home and Community: A Strategy for Housing for Scotland's Older People 2012-2021
- Reshaping Care for Older People: A Programme for Change 2011-2021
- Scotland's National Dementia Strategy 2013-2016
- All Our Futures: Planning for a Scotland with an Ageing Population 2010
- Shifting the Balance of Care
- Improving the Design of Homes to Assist People with Dementia

Local Policy

5.22 This includes:

- Aberdeen City and Aberdeenshire Health and Social Care Strategic Plan Housing Contribution Statements
- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeen City and Aberdeenshire Schemes of Assistance

Property Needs

5.23 In Aberdeen city and Aberdeenshire there is a wide variety of accessible and adapted property types. These include housing that is ground level access or lift access, housing for varying needs, wheelchair accessible, ground-level, barrier-free; accessible kitchens and bathrooms; sheltered, very sheltered and extra care housing. Specific interventions include community alarms, low level appliances, ramp access, dementia friendly design features, adaptations, Tele Care and assistive technology.

5.24 These types of housing are suitable for:

- Older people

- People with disabilities
- People with dementia
- Bariatric clients

Evidence

5.25 The tables below show the local authority stock that is suitable for people with particular needs.

Table 49: Adapted Stock

	Sheltered Housing	OT Shower	GF Bathroom	GF Bedroom	Ambulent Disabled	Wheelchair Accessible	Ramps
Banff and Buchan	292	791	993	745	113	145	204
Buchan	189	653	922	710	122	118	68
Formartine	438	845	349	272	144	368	54
Garioch	297	568	620	478	78	165	40
Kincardine and Mearns	73	377	542	466	128	51	34
Marr	229	513	342	269	99	192	34
Total for Aberdeenshire	1,518	3,747	3,768	2,940	684	1,039	434
Aberdeen city	2,065	-	-	-	86	516	-

Source: Aberdeenshire Council and Aberdeen City Council (2016)

5.26 In addition to the above, Aberdeen City has 1,900 other specially adapted housing units.

Table 50: Medical adaptations completed by a selection of local social landlords

Landlord	2014/15	2015/16	2016/17
Aberdeen City Council	714	956	1,208
Aberdeenshire Council	707	374	724
Castlehill Housing Association	88	89	51
Grampian Housing Association	88	83	75
Langstane Housing Association	40	62	58
Osprey Housing	25	24	19
Total	1,622	1,588	2,135

Source: Scottish Housing Regulator ARC Returns (2017)

5.27 Adaptations are consistently shown to deliver better outcomes at a lower cost, providing a better quality of life for service users and their carers. Older people are more likely that any other group to require adaptations to their homes in order to live independently. Adaptations across all housing sectors are provided to meet identified need as required. Despite the prospect of a tightening fiscal environment for the public sector, budgets for adaptations will need to be maintained or increased in future years as demand increases to avoid more costly interventions in acute settings.

Table 51: Dwellings requiring adaptations

Dwelling and Household Characteristics	Aberdeen city	Aberdeenshire
Total	**1%**	**2%**
Pre-1945	1%	3%
Post-1945	1%	1%
House	1%	-
Flat	1%	-
1 or 2 Bed	1%	5%
3+ Bed	1%	-
Owner-occupied	1%	1%
Social housing	1%	6%
Private rented	-	-
Older household	-	5%
Family household	2%	-
Other household	1%	1%

Source: Scottish House Condition Survey (2016)

5.28 The table above shows that Aberdeen city dwellings require fewer adaptations than the Scottish average of 3%. Higher proportions of Aberdeenshire one or two-bed properties, social housing and older households require adaptations. It should be noted that the sample sizes in the Scottish House Condition Survey are relatively small.

5.29 There is a significant projected increase in the number of older households especially those aged 75+. The move away from residential care to enabling people to maintain their independence, will have major implications for housing and health and social care services and may result in a higher level of investment in adaptations being required to assist older people maintain their independence. Table 50 shows a high of 2,135 medical adaptations carried out by local registered social landlords in 2016/17 and this level of demand is anticipated to continue.

5.30 Given the relative lack of funding for such provision, it is crucial that providers reduce costs by standardising house types and ensuring that the new build process for particular needs is as efficient as possible. Health and social care providers should be involved at an early stage to influence the design of proposed development before such changes become highly expensive. This also helps to accelerate the steps required between identifying a client requiring an adapted home and moving into that home further down the line.

5.31 There is a limited range of housing options for older people other than sheltered housing or residential care. There is a lack of affordable housing of suitable size and design to suit this client group. Building new affordable housing to meet older people's needs is a priority to enable downsizing where appropriate and provide homes that are accessible and adaptable.

Engagement

5.32 Engagement has taken place with partners on the Particular Needs Strategic Outcome Group to help inform the evidence gathered in chapter 5.

Wheelchair Accessible Housing

National Policies

5.33 There is a range of national legislation and policy that will have an impact on the provision of wheelchair accessible housing.

- The Building (Scotland) Act 2003
- Lifetime Homes Standard
- Housing for Varying Needs Standards

Local Policy

5.34 This includes:

- Aberdeen City and Aberdeenshire Health and Social Care Strategic Plan Housing Contribution Statements
- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeen City and Aberdeenshire Schemes of Assistance

Property Needs

5.35 Wheelchair accessible housing includes adaptations such as low level appliances, wider door openings, barrier-free bathroom/shower access/ kitchen access, outside space with wider entrance and suitable surfaces, and car parking facilities.

5.36 These types of housing are suitable for people who use wheelchairs now and in the future. This section overlaps significantly with the accessible and adapted provision template above.

Evidence

5.37 There are 516 units of Aberdeen City Council housing stock and 1,039 units of Aberdeenshire Council housing stock that is wheelchair accessible (table 51 above). With all affordable new build meeting Housing for Varying Need standards, these should be flexible enough to meet the needs of wheelchair users if required. Going forward it is important that social housing providers are able to provide wheelchair accessible housing to take account of the shift in the balance of care.

5.38 There are 100 applicants on the Aberdeenshire Council housing waiting list and 72 on the Aberdeen City Council waiting list who are wheelchair users. The projected levels of new supply forecast in 3.27 above indicate that both

Councils are well placed to meet this need in the short to medium term. Work is underway to better identify applicants who have particular needs to help inform future planning.

Engagement

5.39 Engagement has taken place with partners on the Particular Needs Strategic Outcome Group to help inform the evidence gathered in chapter 5.

Non-Permanent Housing

5.40 This section deals with non-permanent and related housing solutions for homelessness, people fleeing domestic violence, students, asylum seekers and refugees and key workers.

National Policies

5.41 This includes:

- The Homeless Persons (Scotland) Regulations 2010
- Strategy for the Private Rented Sector in Scotland
- Housing Practitioner's Guide to Integrating Asylum Seekers and Refugees

Local Policy

5.42 This includes:

- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeenshire Syrian New Scots Integration Plan and Housing Strategy
- Aberdeen City and Aberdeenshire Alcohol and Drugs Partnership Strategies

Homelessness

Property Needs

Type of Need	Temporary and Permanent Accommodation
Location	• Close to local services • Close to family and support networks • On bus route
Physical	• Safe and Secure • Access to cooking Facilities • Able to have pets • Access to washing facilities • Own not shared facilities
Access and Support	• Affordable accommodation • Housing support • Housing options • Choice of accommodation • Choice of area

	• Benefit advice • Income maximisation • Information on financial inclusion, digital inclusion • Assisting to reduce fuel poverty • Access to employment advice

5.43 In considering the housing needs of those experiencing homelessness, short-term temporary accommodation needs to be distinguished from long-term settled accommodation. Considering that those experiencing homelessness are mostly single and are disproportionately likely to be suffering from poor mental and/or physical health their housing needs can be estimated by drawing from those experienced by each of these groups separately, while acknowledging that more complex interdependencies between them may well be compounding each other. For the purposes of this section it is assumed that the permanent housing needs for single people or those requiring adapted housing are documented in earlier sections and will instead focus on specific non-permanent housing needs as well as document some of the interdependencies between the two.

Evidence

5.44 The tables below show the temporary accommodation stock profile for Aberdeen city and Aberdeenshire and shows the stock profile over the last five years.

Table 52: Temporary Accommodation Stock Profile: 2017

	Bedsit	1 Bed	2 Bed	3 Bed	4 Bed	Hostel	Total
Aberdeen city	122	186	197	29	4	63	601
Aberdeenshire	7	137	145	60	1	26	376
Banff and Buchan	2	32	45	9	0	0	88
Buchan	2	35	35	9	0	18	99
Garioch and Formartine	4	29	34	27	0	8	102
Kincardine and Mearns and Marr	0	34	30	20	1	0	85

Source: Aberdeen City Council and Aberdeenshire Council (2017)

Table 53: Aberdeen city Temporary Accommodation Stock Profile 2012/13 – 2016/17

	Temp Flats	Hostel	B&B	Hotel	PSL	Supported Flats	Total
2012/13	296	60	30	0	86	60	532
2013/14	297	60	30	0	101	59	547
2014/15	315	60	30	61	103	37	606
2015/16	349	63	30	27	139	56	664
2016/17	325	66	15	0	156	56	618

Source: Aberdeen City Council (2017)

Table 54: Aberdeenshire Temporary Accommodation Stock Profile 2012/13 – 2016/17

	Leased RSL	Hostel	B&B*	PSL	Council Stock	Total
2012/13	40	26	92	9	293	460
2013/14	35	26	72	0	301	434
2014/15	35	26	72	0	297	430
2015/16	36	26	65	0	313	440
2016/17	34	26	36	0	343	439

*Source: Aberdeenshire Council (2017) *B&B usage based on households in accommodation at year end*

5.45 In recent years the numbers of homeless presentations has fluctuated in Aberdeen city but has broadly stayed in the same range. The increase in number of presentation in 2016/17 was largely because of a change in recording following discussion with the Scottish Housing Regulator. There have been more presentations from 16 and 17 year olds as well as from those in the private sector which includes both tenants and owners. This latter change probably reflects the downturn in the local economy. Aberdeenshire's presentations have fallen from 2012/13 to 2016/17, mirroring the national trend.

Table 55: Homeless Presentations 2012/13 to 2016/17

	2012/13	2013/14	2014/15	2015/16	2016/17
Aberdeen city	1,370	1,319	1,517	1,285	1,490
Aberdeenshire	1,415	1,229	1,205	1,133	1,107
Scotland	40,036	36,819	35,946	34,926	34,100

Source: Aberdeen City and Aberdeenshire Councils (2017)

5.46 Neither local authority has formal future predictions of future homeless presentations. Evidence from CRISIS in 2017 suggest that core homelessness in Scotland will increase by 3.4% between 2016 and 2021. Applying this increase to Aberdeen city's 1,490 presentations in 2016/17 would see an additional 51 presentations and in Aberdeenshire would see an additional 38 presentations by 2021.

5.47 Both local authorities however have continued to see a steady number of individuals approaching for housing advice and these have not seen a corresponding decrease. The reasons for these approaches can often be traced back to a lack of affordable housing manifesting itself in issues of affordability of private sector rents or overcrowding. In addition, welfare reform changes arising from the UK Welfare Reform Act 2012 are likely to have a significant impact on homeless temporary accommodation. The Scottish Government has published new guidance on housing options which is expected to have an impact on future numbers of people presenting as homeless. In light of these changes, the falling trend is unlikely to be maintained and may bottom out or increase which will continue to place pressure on temporary accommodation. In Aberdeenshire based on current and existing need, it is estimated that a further 30 units of temporary accommodation would enable the local authority not to have to rely on bed and breakfast accommodation in the instances where it is not the most suitable option. Pressure on the waiting list is most pronounced in Inverurie, Stonehaven, Peterhead, Ellon and Fraserburgh. In Aberdeen City it is estimated that demand for temporary accommodation will reduce as a result of the housing options and prevention approach to reduce the requirement to use bed and breakfast accommodation. At this moment there are no plans to increase the number of units or bed spaces for temporary accommodation. Both local authorities should continue to monitor closely the number of presentation and assessments.

People fleeing domestic violence

5.48 Aberdeen City and Aberdeenshire Council's principles relating to housing anyone fleeing from domestic violence is to provide a safe and secure environment for them in the immediate crisis – including provision of safe temporary arrangements, accessing and maintaining their tenancy where the household wishes to do so and it is safe to do so, and to provide practical and emotional support to move on to their own tenancies.

Property Needs

Type of Need	People Fleeing or at Risk of Domestic Violence
Locational Needs	• Close proximity to local services • Near children's schools • Close to family , friends and support networks • A safe distance away from abuser if required
Physical Needs	• Access to safe temporary housing when necessary • Access to safe secure permanent housing • Safety or panic alarms
Access and Support	• Affordable accommodation • Housing support • Housing options • Choice of accommodation • Choice of area • Benefit advice • Income maximisation • Information on financial inclusion, digital inclusion • Assisting to reduce fuel poverty • Access to employment advice • Access to schools and college

5.49 **Table 56: Homeless presentations: reason as fleeing from domestic abuse and relationship breakdown in 2016/17**

Dispute within household: violent/abusive					
	2012/13	2013/14	2014/15	2015/16	2016/17
Aberdeen city	95	100	205	180	228
Aberdeenshire	171	130	131	125	126
Relationship breakdown: non-violent dispute					
Aberdeen city	250	250	320	275	394
Aberdeenshire	206	164	168	168	181

Source: Aberdeen City Council and Aberdeenshire Council (2017)

5.50 Grampian Women's Aid is currently commissioned to provide accommodation and support to women fleeing domestic violence in both local authority areas. GWA also run their "Pathway From Abuse Project" which assists and supports individuals or families for up to 6 months with one to one support, counselling, community learning classes, job search support, and support to maintain an existing or new home. There are currently no such service for men in the same position. Police Services work in partnership with local authorities and other agencies to ensure the safety of anyone fleeing domestic violence, as well as Social Work Services and Health Services. Police Scotland provides access to victim support services which provide emotional and practical support, along with information regarding the criminal justice system. Aberdeen Cyrenians' Domestic Abuse Support and Accommodation Project (DASAP), in partnership with Aberdeen City Council's, provides an intensive three-month support service and accommodation for men and women fleeing domestic violence in Aberdeen City. DASAP assists in gathering information for statutory assessment of homelessness or discretionary move, provides support to maintain an existing tenancy where it is desired and safe to do so, and provides practical and emotional support to move into and maintain a new tenancy. In recent years and at 30 October 2017, Grampian Women's Aid provides:

- Aberdeen city block of flats comprising 6 flats of 1-3 bedrooms
- Aberdeen city 4 scatter flats comprising 2 x 1-bedroom and 2 x 2-bedroom units
- Aberdeenshire communal refuge over two floors all with en-suite shower rooms

In future years it is important to consider that provision should meet need that arises from a large geographical area across Aberdeenshire. In Aberdeen city it should be recognised that the number of homeless presentations fleeing from a violent/abusive dispute has risen significantly since 2012-2014 and these trends should be monitored in the future to ensure there is sufficient provision. In Aberdeen city, two refuges with 11 bed spaces were provided and closed at the end of 2016/17. Currently housing support is provided to residents in a tenement with 6 flats and 4 cluster flats. This new service will be reviewed to ensure it is meeting this specific need with the potential for additional support to be provided if necessary.

Student Accommodation

5.51 The number of students attending the University of Aberdeen and Robert Gordon University are detailed in table below. The combined total number of students has reduced over the six-year period by 1.5% from 31,678 in 2010/11 to 31,210 in 2016/17.

Table 57: Higher Education Student Numbers 2010/11 to 2016/17

	University of Aberdeen			Robert Gordon University		
	Total	Full Time	Part Time	Total	Full Time	Part Time
2016/17	14,500	12,035*	2,465*	16,710	10,360	6,350
2015/16	13,842	12,020	1,822	16,878	10,127	6,751
2014/15	15,196	12,157	3,039	17,199	10,200	6,999
2013/14	15,267	12,022	3,245	17,276	10,428	6,848
2012/13	16,804	13,460	3,344	16,544	10,233	6,311
2011/12	14,262	12,327	1,935	16,283	9,921	6,362
2010/11	15,933	13,214	2,751	15,745	9,727	6,018

**estimated*

Source: University of Aberdeen and Robert Gordon University (2017)

5.52 It is very difficult to predict future student numbers in Aberdeen. The relationship between student numbers and student bed spaces is not a clear one and any prediction of "the future numbers that might be needed" is not possible. Historically Aberdeen had a small supply of purpose built student accommodation provided by the two universities and some student accommodation operators such as Unite. Very significant numbers of students lived in houses of multiple occupation (HMOs) in the community. There was high demand for these HMOs with the numbers increasing over a number of years.

5.53 Very significant changes in the private rented sector have occurred in Aberdeen over recent years as a result of the downturn in the local economy. Rental values have shown very significant decline and properties are taking longer to let. It is therefore likely that students will also be living in the non HMO private rented market. The delivery of significant numbers of new private sector HMO accommodation has been a national change. Moving forward these private operators will be managing their offer to reflect national policy changes, local market conditions and demand from students. Today with the increased future delivery of new build, the less pressured local market, static student numbers the need for additional accommodation is not clear.

5.54 Between 2014 and September 2017, the council approved 4,286 bed spaces to increase provision of student accommodation across the city. The changes in the local economy is having a knock-on effect of the private rented housing market in Aberdeen. The Aberdeen University Student Advice Centre that deals with students within the private rented sector advise that the rental charges overall have been more reasonable in 2017 allowing greater choice in how students choose to live. Previously, students would expect to pay £400+ for a room in a shared flat and this year the price is on average £300-£350. The Aberdeen Student Accommodation Service has also confirmed that they have adequate provision for students within their own halls or through arrangements with their partners and have empty rooms available and no waiting list.

5.55 Significant new supply has been delivered into this segment of the market with further developments under construction and in the planning process across Aberdeen city. In addition there is increased availability and affordability in the private rented sector as set out in 2.55 – 2.64. This area of the housing market should continue to be monitored, however currently and in the near future the student accommodation sector is well served by market delivery.

Asylum Seekers and Refugees

5.56 The UK Syrian Resettlement Programme aims to secure and protect refugees and the UK; have the wellbeing of the refugee and the welcoming communities at the centre of decision making, including by delivering refugee independence and self-sufficiency to enable better social cohesion; and deliver value for money for the UK tax payer, including by minimising the burden on local and national government by securing early independence and self-sufficiency.

5.57 Both local authorities and community planning partnerships signalled a commitment to participate in the UK Home Office's Syrian Resettlement Programme (formerly the Vulnerable Persons Relocation Scheme). Subject to ongoing discussions with both governments, the scenario planning carried out so far would allow Aberdeen to accept a 5% share (100) of the estimated 2,000 refugees expected to come to Scotland as part of the 20,000 likely to be admitted UK-wide over a five year period. Aberdeen City Council is participating in the UK Home Office’s Syrian Resettlement Programme and has agreed to accept a 5% share (100) of the estimated 2,000 refugees expected to come to Scotland. Since March 2016 the council has housed 19 families (83 people) from Syria and aims to resettle a further 17 individuals to meet the city’s commitment of 100 Syrian refugees. To date, accommodation has been provided via the private sector and Registered Social Landlords. Between 2015 and 2019, Aberdeenshire Council has committed to resettling 50 families through the Syrian Resettlement Programme. At December 2016, Aberdeenshire Council has resettled 19 families with the majority in the private rented sector and further accommodation provided from Registered Social Landlords and local authority general fund HMOs.

5.58 Many of these families have high levels of health, education and literacy needs and it is important that they are resettled where they can access services. Typically intensive levels of support are required and families should be resettled on a phased basis to ensure that they receive the necessary coordination and support. Both local authorities should continue to work with services across the public and voluntary sectors to support new families and sustain tenancies. Given both local authorities' strategies to use the private rented sector to accommodate Syrian New Scots where appropriate, local authorities should match families to accommodation appropriate to their needs and may wish to minimise or avoid the use of Council social housing stock to reduce further pressure on the waiting lists for both Councils. In doing so both local authorities should take into account the findings from the Scottish Refugee Council's research (2014) into asylum accommodation.

5.59 At January 2017 discussions are ongoing at Scottish Government and UK Government levels regarding the Unaccompanied Asylum Seeking Children and Vulnerable Children's Resettlement Schemes. The housing response to any involvement in these schemes will depend on the nature of the client group which cannot be accurately identified at this stage. A range of supported housing, hostel and HMO-type accommodation will need to be considered in light what staffing resources are available to provide support where required.

5.60 Aberdeen City and Aberdeenshire Councils are not currently part of the voluntary asylum dispersal scheme. However, this is subject to change in the future if national asylum dispersal ceases to be voluntary, as per measures underpinned in the Immigration Bill, or both local authorities commit to such an undertaking. Should both local authorities become part of such a scheme, they should use the learning from the Holistic Integration Service evaluation to help accommodate and integrate asylum seekers and refugees (Strang, Baillot and Mignard, 2016).

Key Workers

5.61 Research on the need for key worker housing in Aberdeenshire Council, NHS Grampian and the private sector in the North East was carried out during 2015. At the time, it identified a clustering of 'hard-to-fill' posts in the £17- £35k salary range with market rents considered unaffordable. However, the fall in rent levels and the downturn in the oil and gas industry has significantly reduced/ eased the need for key worker housing in the North East. While rent levels are still relatively high in the Aberdeen Housing Market Area compared to the rest of Scotland, there is little evidence to suggest that the affordability of housing is a barrier to recruitment for Aberdeenshire Council, Aberdeen City Council, Police Scotland or the Scottish Fire and Rescue Service. Public sector bodies should continue to monitor the housing market and the availability of affordable accommodation for current and prospective employees.

5.62 NHS Grampian has identified specific recruitment challenges and is developing a range of key worker accommodation to meet the needs of new staff. It needs a mixed economy of key worker housing options to be available to likely candidates and that there is no “one size fits all” regarding to housing.

5.63 Current dedicated and planned provision for key workers is as follows:

- In 2015 an Aberdeen City Council owned block of 58 flats was let to numerous organisations to assist in recruiting and retaining key workers such as teachers and police officers. The initiative started well but when the downturn in the oil and gas industry resulted in a decrease in market rent, some organisations gave up their allocation of flats.
- Sanctuary Housing are developing 124 affordable homes for key workers in Aberdeen. The properties will be available to local teachers, medical staff and other key workers for mid-market rent when completed in March 2018. Demand has been slow therefore they are currently open to all applicants (subject to specified criteria) with key workers being prioritised.
- Grampian Housing Association are also to build a further 101 properties close to the hospital which will be targeted at key workers.

5.64 When these initiatives were planned, the rents in Aberdeen were some of the highest in Scotland with properties being re-let very quickly. This meant that accessing housing that was affordable was difficult. However, the housing market has now changed; rents are lower, demand for properties has reduced and there is an increased time to let properties.

Engagement

5.65 Public sector bodies have been consulted to determine the levels of need for key worker accommodation. In the private sector, Arneil Johnston (2015) carried out research with companies across a wide range of sectors.

Supported Provision

National Policies

5.66 There is a range of national legislation and policy that will have an impact on supported provision.

- Public Bodies (Joint Working) (Scotland) Act 2014
- Equality Act 2010
- Self-Directed Support (Scotland) Act 2013
- The Town and Country Planning (Scotland) Act 1997
- Age, Home and Community: A Strategy for Housing for Scotland's Older People 2012-2021
- Keys to Life: Improving Quality of Life for People with Learning Disabilities
- Reshaping Care for Older People: A Programme for Change 2011-2021

Local Policy

5.67 This includes:

- Aberdeen City and Aberdeenshire Health and Social Care Strategic Plan Housing Contribution Statements
- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeenshire Market Position Statement: Accommodation, Care and Support for Older People

Property Needs

5.68 In Aberdeen city and Aberdeenshire there is a range of supported provision. This includes sheltered housing to support independent living suitably adapted for older people with shared and communal facilities and access to a Sheltered Housing Officer and a community alarm. In addition, this includes very sheltered housing, staffed at all times to provide support and meals. This also covers care homes with personal and nursing care, and extra care housing purpose-built with staffing at all times to provide support for learning disability clients. Finally, hostel and refuge accommodation is considered as supported provision.

5.69 This is suitable for a range of different client groups:

- Older people

- People with disabilities
- People with dementia
- Bariatric clients
- Women fleeing domestic abuse
- Homeless

Evidence

5.70 The table below set out the number of dwellings provided by Aberdeen City and Aberdeenshire Councils and RSLs for older people totalling 9,663 in March 2013. This is based on the total stock of very sheltered, sheltered and medium dependency housing. This is the most up to date information held by the Scottish Government.

Table 58: Housing stock for older people

	Aberdeen City		Aberdeenshire	
	2009	**2013**	**2009**	**2013**
Very Sheltered	178	210	152	210
Sheltered	2,672	2,573	2,142	2,077
Medium dependency	554	1,031	972	109
Other dwellings with community alarm	2032	1,939	2,074	1,514
Totals	5,436	5,753	5,340	3,910

Source: SIB Returns (2015)

5.71 The total number of dwellings for older people across Aberdeen city and Aberdeenshire decreased by 10.3% from 2009 – 2013. The stock in Aberdeen city increased by 5.8%. However the decrease in Aberdeenshire was principally due to a significant decline in the number of medium dependency housing stock.

5.72 Together Aberdeen city and Aberdeenshire show a decrease of 3.4% in sheltered housing provision in line with the national trend. However, this has been offset by a 27.3% increase in very sheltered housing. This reflects the changing shape of the need in the Aberdeenshire Market Position Statement.

5.73 In January 2016 Aberdeen city had 782 applicants on the waiting list for sheltered housing (10.3% of applicants) with an average waiting time of 58.54 months for this type of accommodation. Applicants are assessed by the Housing Needs Assessment Team and their degree of need is prioritised into high, medium or low priority. Currently there are 82 applicants on the high priority list, 315 medium and 280 low priority and 22 have been assessed as requiring “social support”. Due to low demand for some of the multi – storey sheltered housing complexes an initiative has been launched which allows these properties to be let to applicants who may not require sheltered housing but would benefit from staying in this type of accommodation. There are 83 applicants on the Special Initiative list.

5.74 Aberdeen City Council is implementing the Housing for Varying Needs Review to addressed its overprovision of sheltered housing and the under provision of extra care housing. A programme for transition from sheltered to very sheltered or amenity housing began in April 2013 to gradually increase the provision per 1,000 population in Aberdeen city to 20 (currently 6.6) for Very Sheltered, 80 (currently 60.4) for Amenity and to reduce the provision of sheltered housing to 46 (currently 80.9). The 2015 figures based on S1B Returns show a reduction in the council’s provision of sheltered housing in the city to 2,042 and an increase in medium dependency housing to 1,122. The provision of very sheltered housing remains the same, however four sheltered housing blocks have been identified for upgrading to very sheltered housing standard over the next 10 years.

5.75 Aberdeenshire Council has a much higher proportion of people on its waiting list for sheltered housing compared to Aberdeen City Council. While the two systems of prioritising need are different, Aberdeenshire Council has 129 applicants assessed as Band A, which is higher than Aberdeen City Council’s 82 high-priority applicants.

Table 59: Aberdeenshire Council Sheltered Housing Waiting List, by band (A represents greatest need)

Band	A	B	C	D	Unknown
Banff and Buchan	5	26	42	34	2
Buchan	3	26	47	30	5
Formartine	6	39	68	33	4
Garioch	11	42	97	62	12
Kincardine and Mearns	6	18	25	26	10
Marr	2	19	31	38	9
Total	33	170	310	223	42

Source: Aberdeenshire Council (2017)

5.76 As the proportion of older people requiring a care home declines, it is expected that the proportion of people requiring very sheltered housing will grow. In Aberdeenshire there are opportunities for independent housing and care organisations to develop specialist care housing, particularly in Buchan and Kincardine and Mearns.

Care Homes for Older People

5.77 The table below shows a reduction in the number of care homes and care home places for older people in Aberdeen and Aberdeenshire with a loss of 294 places (8%) since 2009. The most up-to-date information is only available up to 2014.

Table 60: Care homes and places for older people

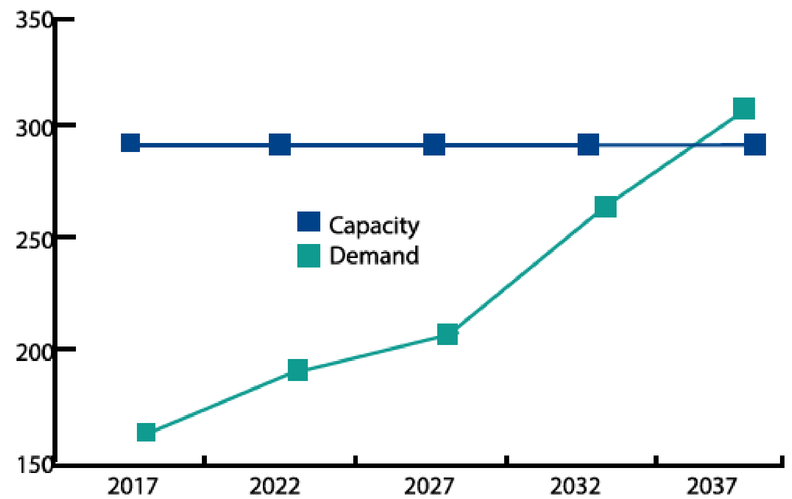
Area	**March 2009**	**March 2014**	**Difference**
Scotland	948	902	- 46
Aberdeen City	38	31	-7
Aberdeenshire	51	49	-2

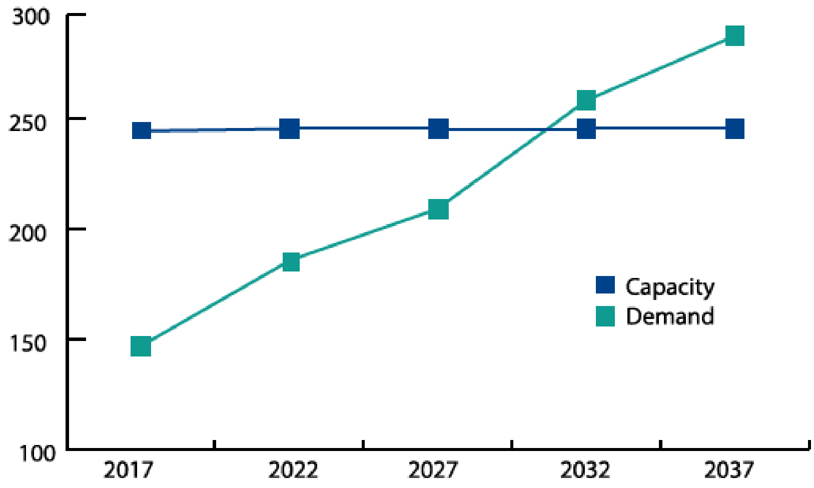
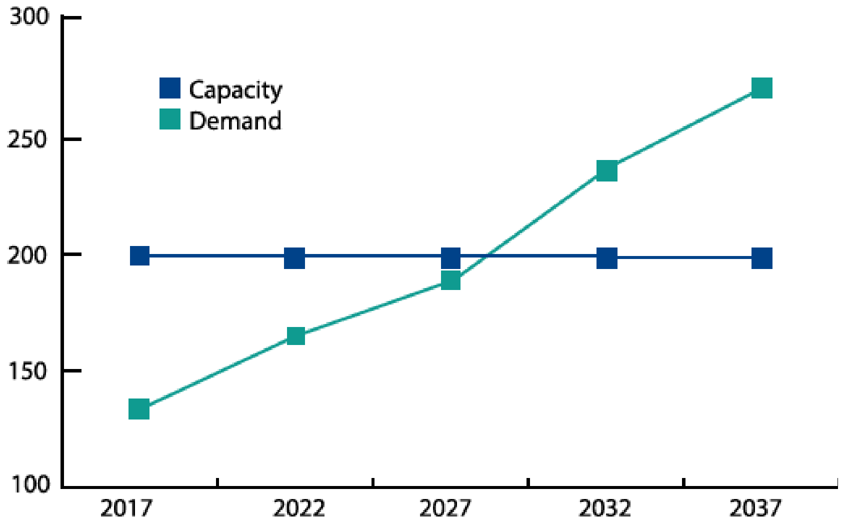
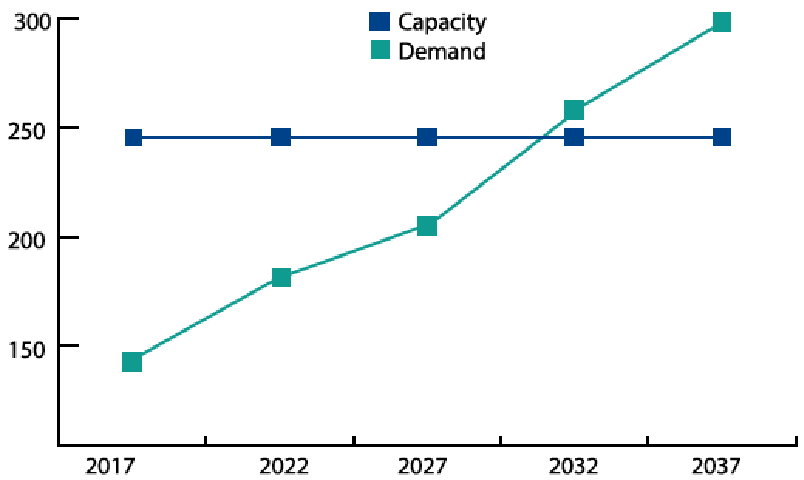
Care Home Places for Older People			
Area	**March 2009**	**March 2014**	**Difference**
Scotland	38,401	38,441	+ 40
Aberdeen City	1,758	1,488	- 270
Aberdeenshire	1,937	1,913	- 24

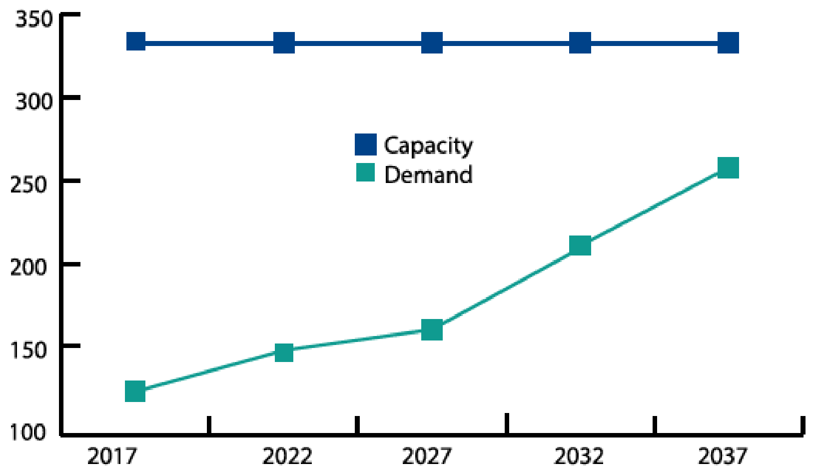
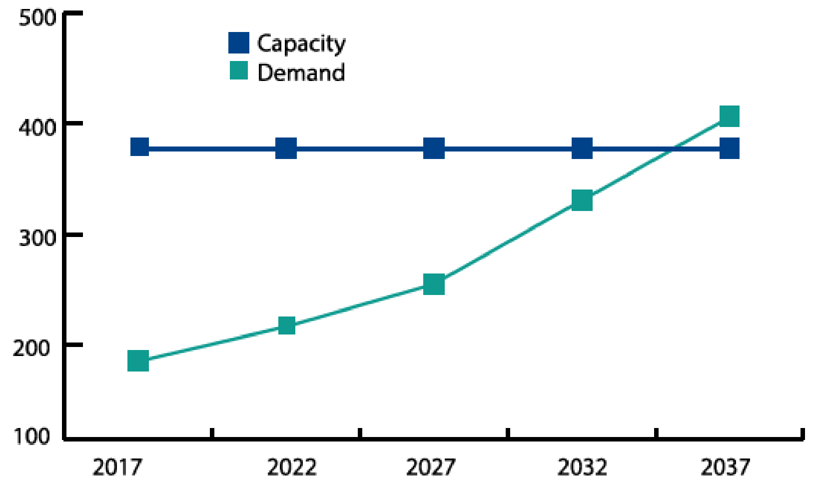
Source: Scottish Care Home Census 2000-2014

5.78 It has been assessed that currently there are more care home places across Aberdeenshire than are needed by the local population. Current provision is likely to be sufficient in most areas until 2027. After this point and from 2032 in particular, a growth in the older population is expected to cause an increase in demand which could trigger a requirement for additional placements in certain areas within Aberdeenshire.

Figure 29: Aberdeenshire Care Home Capacity and Demand 2017-2037

Area	**Projected Capacity and Demand**
Banff and Buchan	

Buchan	
Formartine	
Garioch	

<table>
<tr><td>Kincardine and Mearns</td><td>
</td></tr>
<tr><td>Marr</td><td>
</td></tr>
</table>

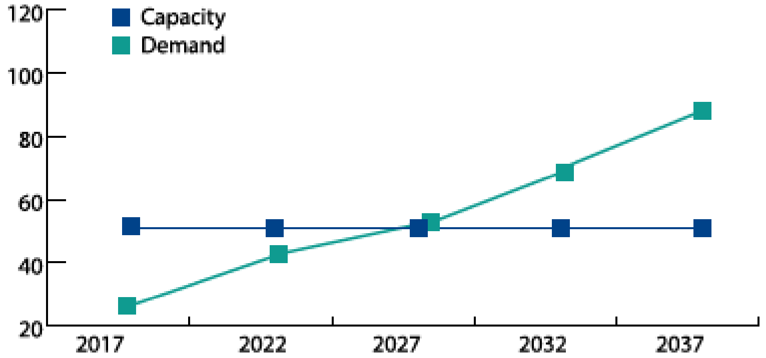
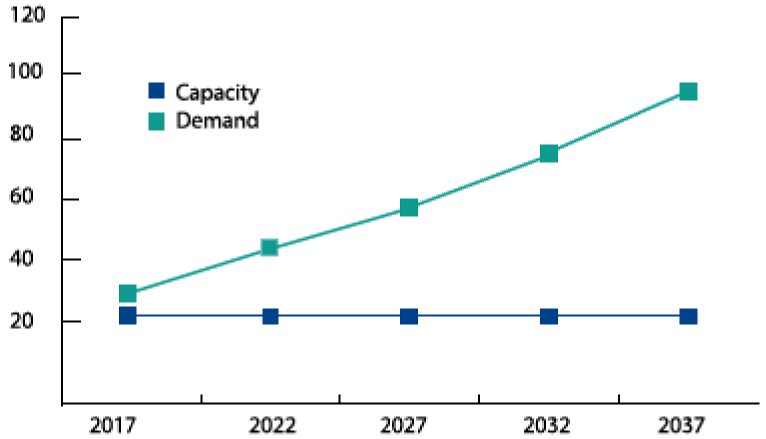
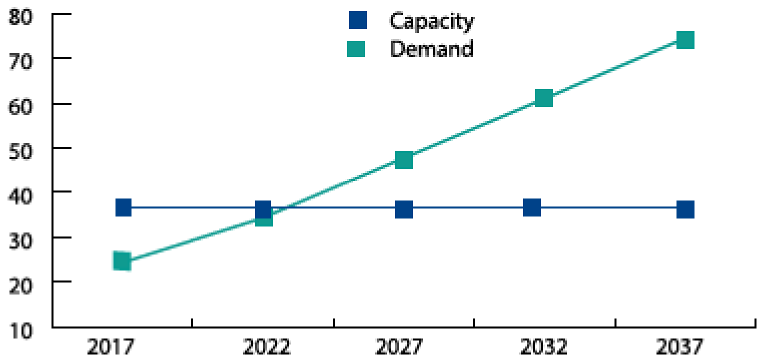
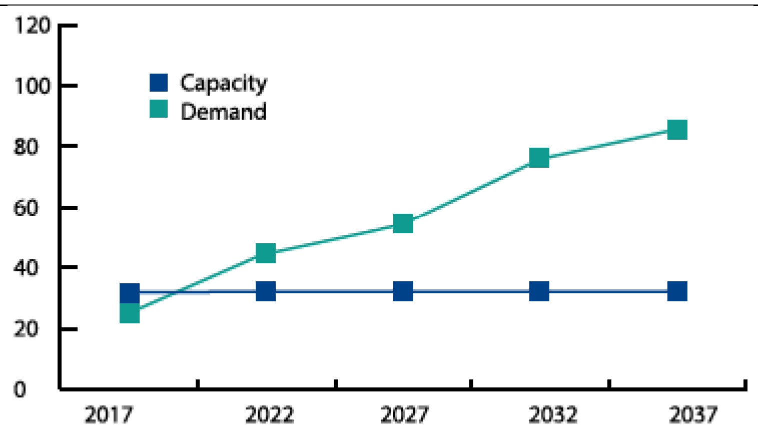
Source: Aberdeenshire Health and Social Care Partnership (2017)

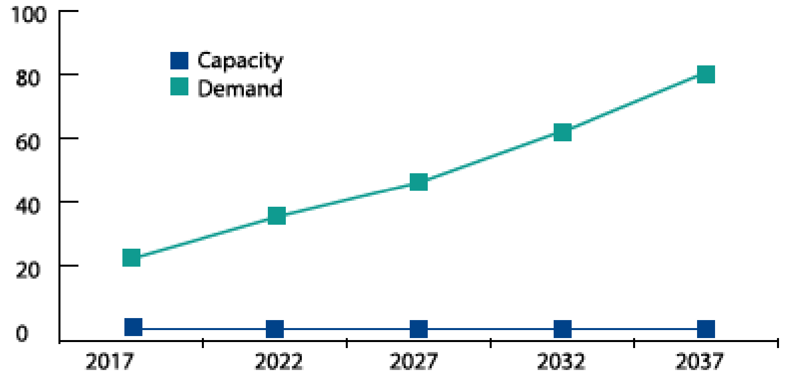
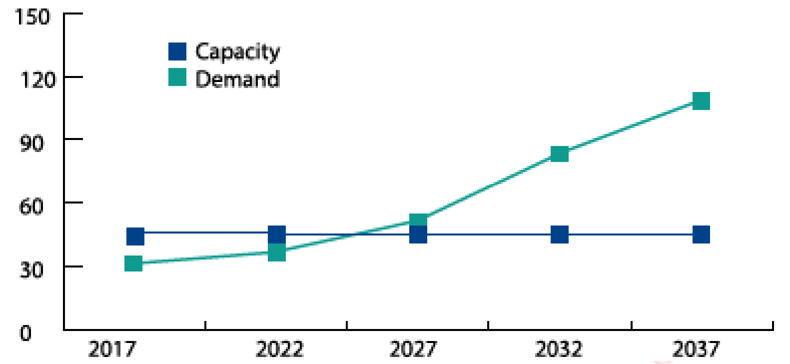
5.79 It is recommended that the same projections are carried out by the Aberdeen City Health and Social Care Partnership through its Market Position Statement or next Strategic Plan.

5.80 Based on current population projections for older people, a range of specialist housing may be required. The supply of very sheltered housing and extra care housing needs to increase, however this will incur significant capital costs for local authorities and RSLs to implement. This will be particularly challenging for social housing providers in light of the competing priorities of bringing stock up to meet the Energy Efficiency Scottish Social Housing standard by 2020 and the pressure to increase supply of affordable new build.

5.81 In Aberdeenshire, the Health and Social Care Partnership's Accommodation, Support and Older People Area Capacity Plan (2017) project the following levels of capacity and demand for very sheltered housing.

Figure 30: Aberdeenshire Very Sheltered Housing Capacity and Demand 2017-2037

Area	Projected Capacity and Demand
Banff and Buchan	
Buchan	
Formartine	
Garioch	

Kincardine and Mearns		
Marr		

Source: Aberdeenshire Health and Social Care Partnership (2017)

5.82 It is recommended that the same projections are carried out by the Aberdeen City Health and Social Care Partnership through its Market Position Statement or next Strategic Plan.

5.83 Increased staffing levels for very sheltered and extra care housing complexes are also considerable which impacts on council budgets and affordability. The lack of affordable housing also affects the supply of homes for older people as well as the care and support staff to support any increase in very sheltered housing provision.

Engagement

5.84 There are two groups established in Aberdeen, the Sheltered Housing Network and the Sheltered Housing Committee where older people can contribute to and be involved in the provision of sheltered housing and sheltered housing services to tenants in the city. In Aberdeenshire the Sheltered Housing Tenants Forum gives sheltered housing tenants a voice regarding their housing concerns and is comprised of representatives from complexes across Aberdeenshire. The Forum meets regularly with Housing Officers to discuss issues relating to sheltered housing.

Care/Support Services for Independent Living

National Policies

5.85 This includes:

- Public Bodies (Joint Working) (Scotland) Act 2014
- Equality Act 2010
- Self-Directed Support (Scotland) Act 2013
- Age, Home and Community: A Strategy for Housing for Scotland's Older People 2012-2021
- Reshaping Care for Older People: A Programme for Change 2011-2021
- Keys to Life: Improving Quality of Life for People with Learning Disabilities

Local Policy

5.86 This includes:

- Aberdeen City and Aberdeenshire Health and Social Care Strategic Plan Housing Contribution Statements
- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeen City and Aberdeenshire Schemes of Assistance
- Aberdeen City and Aberdeenshire Dementia Strategies

Care and Support Needs

5.87 There is a wide range of health, social care and support available to help people live independently. These include aids and adaptations, telecare, community alarm service, along with care and support from home helps, carers, handymen, care and repair service, social workers and volunteers including befrienders.

5.88 These types of housing are suitable for people living at home with particular needs but needing care and/or support to continue to live independently. This includes older people, people with dementia, people with mental health issues, looked after children leaving formal care, young adults and people with learning disabilities.

Evidence

5.89 Aberdeen city and Aberdeenshire have the highest proportion of telecare clients in Scotland. This places significant pressure on the provision of telecare services.

5.90 Aberdeen city has the lowest proportion of clients (7.98) receiving home care per 1,000 population in Scotland (11.13). Aberdeenshire has the third lowest at 8.18 per 1,000 population (Scottish Government, 2016).

5.91 Table 60 below shows the number of people who have had a Social Care assessment and receive or use a variety of services including home care services such as meals services, housing support, community alarms or other telecare services, self-directed support, including direct payments, social worker or other support worker services.

5.92 In Aberdeen 9,250 people across all age groups are in receipt of one or more social care services with 72% in the 65+ age group. The number in Aberdeenshire is significantly higher at 11,690 with 68% in the 65+ age group.

Table 61: social care clients by age groups

		0-17	**18-64**	**65+**	**All ages**
Aberdeen City	Male	140	1,320	2,400	3,850
	Female	70	1,080	4,250	5,400
	All	210	2,390	6,650	9,250
Aberdeenshire	Male	280	1,720	2,740	4,730
	Female	130	1,590	5,240	6,960
	All	410	3,300	7,980	11,690

Source: Aberdeen City and Aberdeenshire Councils (2017)

5.93 The table below provides the number of service users by client group with the frail and older being the largest group in Aberdeen. Aberdeenshire's figures for this client group are not as high, however the number with physical disability is significant at 4,500. It has been acknowledged in the Social Care Survey that the number of people with dementia is underreported and are significantly lower than the figures produced by Alzheimer Scotland shown earlier in this report. “Other” service users are those with addiction, palliative care or have carers.

Table 62: number of clients receiving social care services by client group

	Aberdeen City	% Over 65	% Under 65	Aberdeen-shire	% Over 65	% Under 65
Frail /older	4,950	100%	-	1,850	100%	-
Physical Disability	1,100	62%	38%	4,500	81%	19%
Mental health	580	9%	91%	630	65%	35%
Learning Disability	430	9%	91%	1,080	21%	79%
Learning and Physical Disability	N/A	N/A	N/A	N/A	N/A	N/A
Dementia	1,040	100%	-	600	97%	3%
Other	1,140	13%	87%	1,400	8%	92%
Not Known	N/A	N/A	N/A	1,630	55%	45%
All client groups	9,240			11,690		

Source: Aberdeen City and Aberdeenshire Councils (2017)

5.94 The table below shows the number of clients and the types of services provided during 2015 to social care clients. It must be noted that some service users receive multiple social care services.

Table 63: Types of services provided to social care clients

Types of Services provided	Aberdeen City	Aberdeenshire
Community Alarm/Telecare	2,490	5,540
Social worker/Support worker	4,860	8,290
Home Care	1,840	2,140
Self Directed Support	350	3,200
Housing Support	2,830	2,370
Meals	560	80
Direct payments	350	550

Source: Aberdeen City and Aberdeenshire Councils (2017)

5.95 The table below identifies 2,425 adults with learning disabilities in Aberdeen and Aberdeenshire. There are some gaps in the data recorded by the Scottish Commission for Learning Disability due to an incomplete return by Aberdeenshire Council. It is recommended that this information is gathered at the next opportunity for submission.

Table 64: adults with learning disabilities living in the same accommodation in 2015

	Only person	1-3	4+	Not known	All adults
Aberdeen city	617	188	219	87	1,111
Aberdeenshire	0	0	0	1,314	1,314

Source: Scottish Commission for Learning Disability, 2016

5.96 The table below shows that the majority of adults in learning disabilities in Aberdeen city are accommodated by mainstream accommodation (42%), supported accommodation (25%) and registered adult care homes (15%).

Table 65: Accommodation types for adults with learning disabilities in 2015

Accommodation Type	Aberdeen city	Aberdeenshire
Mainstream accommodation		
- With support	157	42
- With no support	149	98
- Support status n/a	164	91
Supported accommodation	277	78
Registered adult care homes	168	54
Other	111	47
Not known	85	904

Source: Scottish Commission for Learning Disability (2016)

5.97 More flexible support packages through the use of electronic assistive technology systems are needed to improve the quality of life for vulnerable older people to enable them to maintain their independence. This can assist early discharge from hospital, avoid admission to residential or nursing homes and provide additional support to cares.

Home Care Services

5.98 Home Care comprises of both home support services and home help services to enable people to maintain independence in their own homes. It involves regular visits from a home care worker and may include personal care, shopping laundry, general cleaning etc.

5.99 The table below shows the trend in home care clients from 2006 to 2015 with Aberdeen showing a reduction by approximately 40% since 2006. There is only a slight reduction in Aberdeenshire at 7.5%. National figures show a decrease of 13%.

Table 66: Number of home care clients

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change
Aberdeen City	2,930	2,950	2,450	2,010	1,900	1,930	2,000	1,800	1,920	1,750	-40.3
Aberdeen -shire	2,260	2,370	2,530	2,630	2,400	2,150	2,120	2,240	2,120	2,090	-7.5
Scotland	70,660	70,710	68,760	68,330	66,220	63,460	62,830	61,070	61,740	61,500	-13.0

Source: Scottish Government (2016)

5.100 Across all age groups, 66% of home care clients are living alone in Aberdeen and 64% in Aberdeenshire. The average across Scotland is 60%. Trends show the number of people receiving home care is reducing however the table below shows the number of home care hours provided by Aberdeen city and Aberdeenshire is increasing. This indicates a more intensive service is being provided with service users receiving more hours per person per week.

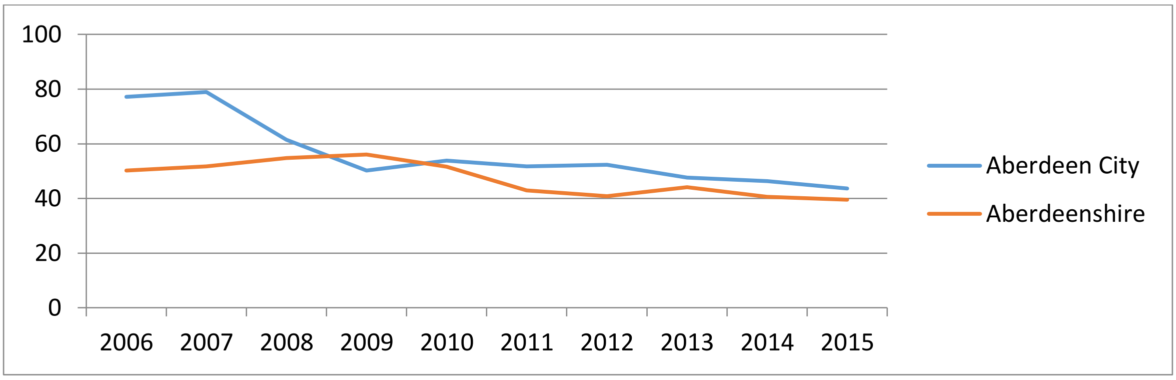
Table 67: Home care hours (excludes 24/7 care and housing support)

	2010	2011	2012	2013	2014	2015
Aberdeen City	15,300	15,900	16,300	14,800	18,500	17,900
Aberdeenshire	16,500	14,100	14,800	17,200	18,100	18,000

Source: Scottish Government (2016)

5.101 The graph below shows the reduction in the rates per population of clients aged 65 and over who are receiving home care from 2006 to 2015. In Aberdeen it reduced from a high of 79 in 2007 to a low of 43.7 in 2015. Aberdeenshire reduced from 50.2 to 39.6.

Figure 31: Home care population rates since 2006



Source: Scottish Government (2016)

5.102 The relatively consistent trends in Aberdeen city and Aberdeenshire since 2009 and 2010, albeit more intensive provision, are expected to continue. This trend projection is supported by the Scottish Government figures since 2012 and 2013.

Community Alarm and Telecare Services

5.103 From 2010 onwards information has been collected in relation to people who use services other than Home Care in their own home including Community Alarms and other Telecare services.

5.104 In March 2015, 5,260 people used community alarms and/or telecare services in Aberdeen city and Aberdeenshire. The majority 87.8% (4,620 people) are aged 65+.

Table 68: clients aged 65 and over receiving community alarm and/or other telecare services

	2011	2012	2013	2014	2015
Aberdeen city	1,700	1,670	1,230	1,880	1,970
Aberdeenshire	2,300	2,200	2,290	2,290	2,650

Source: Aberdeen City and Aberdeensihre Councils (2016)

People with Dementia

5.105 With a high proportion of older people projected to live alone this will mean increasing pressure on housing, health and social care services with some households requiring high level intensive support. A main factor for people with dementia is to keep them in familiar surroundings which helps to maintain their independence for as long as possible and both local authorities are committed to providing care at home for older people with complex needs, including those with dementia.

5.106 Dementia training has been provided to council housing and RSL staff in Aberdeen city and some dementia design features are being incorporated into planned improvements and adaptations to existing council accommodation for older people. However the number of people in Scotland with dementia is expected to double over the next 25 years which presents a number of challenges. In 2016 Alzheimer Scotland reported 3,372 people with dementia in Aberdeen city and 4,189 in Aberdeenshire with 96% in the 65+ age group.

5.107 Increasing specialist provision in order to meet future demand would not be practicable, however if housing is designed well it can extend the amount of time a person with dementia can live at home. In future, the majority of care home residents will display symptoms of dementia. The model of care and staff training will need to adjust to support residents to manage daily routines safely and optimise their quality of life.

Engagement

5.108 Engagement has taken place with partners on the Particular Needs Strategic Outcome Group to help inform the evidence gathered in chapter 5. These partners engage work with clients across Aberdeen city and Aberdeenshire.

Site Provision

National Policies

5.109 This includes:

- Equality Act 2010
- Housing (Scotland) Act 2010
- Scottish Social Housing Charter
- Scottish Housing Regulator – Gypsy/Travellers in Scotland: a thematic enquiry

Local Policy

5.110 This includes:

- Aberdeen City and Aberdeenshire Local Housing Strategies 2012-2017
- Aberdeenshire Council Gypsy / Traveller Site Provision Strategy

Evidence

5.111 **Table 69: Number of unauthorised encampments by area**

	Aberdeen	Aberdeenshire	Total
2010	65	30	95
2011	39	23	62
2012	57	53	110
2013	81	45	126
2014	50	28	78
2015	28	37	65
2016	46	61	107
Total	366	277	643

Source: Aberdeen City and Aberdeenshire Councils (2017)

5.112 Between 2009 and 2016, the highest number of unauthorised encampments in Aberdeenshire have been in Kincardine and Mearns (93), Buchan (64) and Formartine (60). Between 2013 and 2015, 79% of unauthorised encampments in Aberdeenshire took place between March and August.

5.113 Over a period of many years Aberdeenshire Council has been working towards identifying areas of land with the potential to be developed as stopover sites for Gypsies/Travellers. Such sites would help to meet the accommodation needs of Gypsies/Travellers as identified in the Craigforth

Accommodation Study (2009) and from consultation with the Gypsy/Traveller Community as part of the Aberdeenshire Council's Local Housing Strategy.

5.114 Craigforth recommended providing a mix of small, family orientated sites as well as larger sites to accommodate Gypsy/Travellers who travel in varying sizes of groups. This should include a mix of fully serviced and stopover sites. Gypsy/ Traveller Stopover Site Development Guidance was published by Aberdeenshire Council in 2013 as well as a Gypsy/ Traveller Site Provision Strategy (2015). Given the significant numbers of unauthorised encampments since the Craigforth report was published in 2009, this recommendation is unchanged.

5.115 Currently there are two permanent local authority run sites at Clinterty, Aberdeen and Greenbanks, Banff. Clinterty has 21 pitches and Greenbanks has 20. Both sites typically operate at full capacity.

5.116 In 2016 planning permission with conditions was granted to form a 10-stance permanent halting site and 20-stance touring site at land south-west of Eskview Farm, St Cyrus. Following appeal to the Scottish Government, in September 2017 Ministers issued their decision and refused planning permission for the retrospective change of use of agricultural land to form a gypsy/traveller site and also agreed to uphold the two Enforcement Notices. It should be noted that Scottish Ministers specified that compliance with the Enforcement Notices should be by 31 July 2018.

5.117 In March 2017, Aberdeenshire Council approved a planning application for a 10-pitch stopover site at Aikey Brae. This is scheduled to open in 2018.

Care and Support Needs

5.118 Research (Department of Health Related Inequalities, 2014; EHCR, 2009) shows that gypsy travellers have significantly poorer health status and more self-reported symptoms of ill-health than other UK-resident, English-speaking ethnic minorities and economically disadvantaged white UK residents. There is greater prevalence of self-reported anxiety, respiratory problems including asthma and bronchitis and chest pain, with higher markers of infant mortality and lower life expectancy. It is important that gypsy travellers are able to easily access health services where these are required. The Grampian Gypsy/Traveller Accommodation Needs Assessment (2017) found that 34 of 38 respondents feel that the support provided in order to access and link in with services is adequate.

Engagement

5.119 Between 1 June and 31 July 2015, 24 Gypsy/ Travellers in Aberdeen and Aberdeenshire, from 12 different groups of Gypsy/ Travellers took part in a consultation exercise to assess the accommodation needs of the Travelling community. Results showed that 100% of all participants thought there should be an increase in site provision in both Aberdeen and Aberdeenshire. There was no clear preference on whether they should be developed and managed privately or by the local authorities. A further survey has been carried out with Gypsy/ Travellers during summer 2017. This found that as a whole the most desirable type of site for participants was a local authority provided permanent site, but when taken alongside data on the number of encampments over recent years, and feedback to the 2015 consultation, there is a demand for a range of provision. Given the number and size of encampments at present, it seems likely that there will continue to be a shortfall of provision. Further information relating to the consultation and survey are available upon request.

5.120 There is no evidence of Travelling Showpeople requiring support and accommodation.

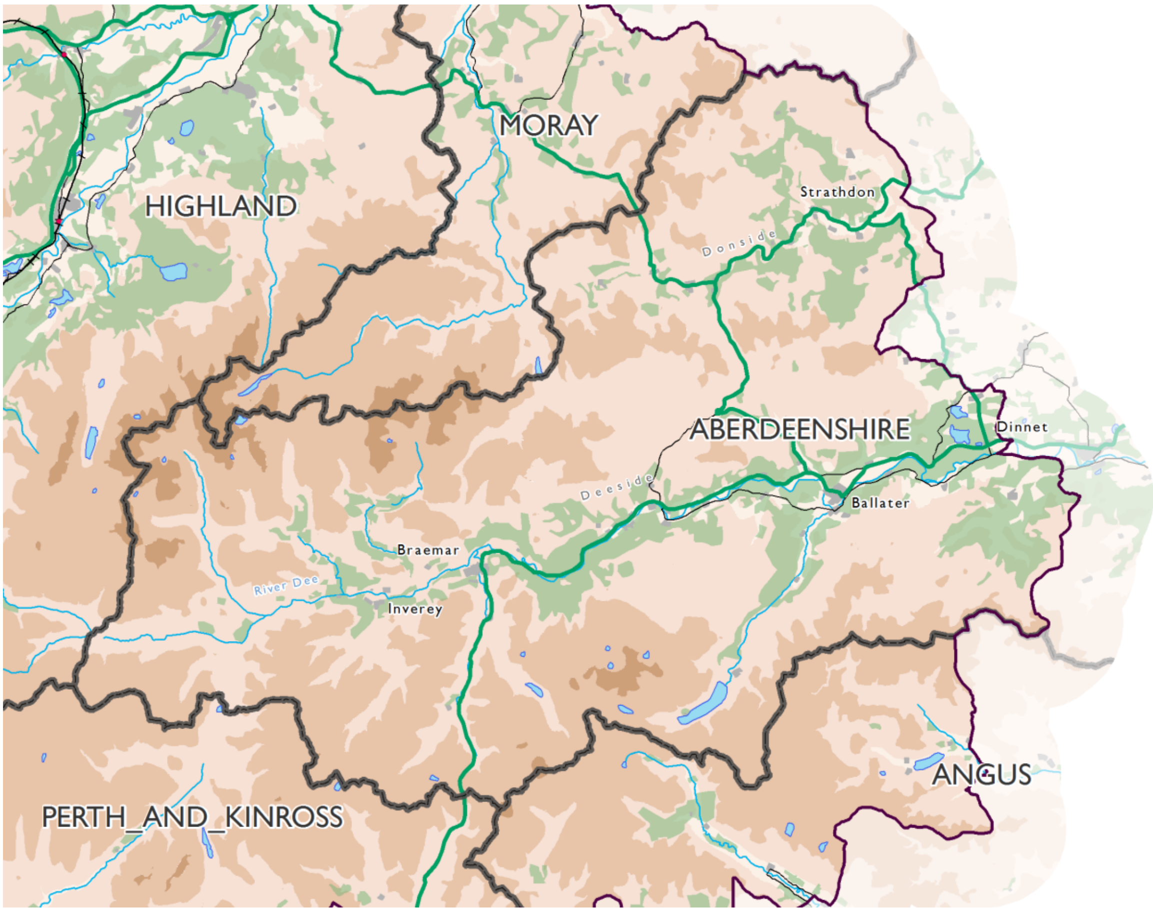
5.121 Aberdeenshire's Citizens' Panel's 38th edition of 'Viewpoint' included a section on Gypsy/ Traveller site provision. The questions posed sought the opinion of residents in Aberdeenshire on current provision provided to Gypsy/ Travellers along with feedback on future provision. Results showed that residents of Aberdeenshire believe that there should be more Gypsy/ Traveller site provision in Aberdeenshire.

6. Appendix 1 – Cairngorms National Park

6.1 The Cairngorms National Park Authority is a member of the Housing Need and Demand Assessment Steering Group. At the inception meeting of the group, it was agreed that the park authority would be kept updated on progress with the HNDA but would not attend regular meetings of the project groups. It was agreed to provide an appendix providing any evidence of housing need and demand specific to the Cairngorms National Park area within Aberdeenshire.

6.2 The Cairngorms National Park forms a relatively small part of the Aberdeen City and Aberdeenshire area.

Figure 32: Cairngorms National Park Authority Map



Source: Cairngorms National Park Authority (2016)

6.3 The population of the Aberdeenshire area within the Cairngorms National Park accounts for 0.6% of the population in Aberdeen city and Aberdeenshire. In recent years, population and household trends have been fairly static compared to the rest of Scotland.

Table 70: Population estimates 2001-2015

	2001	2015	Change	Percentage
CNP (Aberdeenshire)	3,130	3,118	-12	-0.4%

Source: National Records of Scotland Mid-Year Population Estimates

Table 71: Households in the Cairngorms National Park 2001-2011

	2001 Census	National Records of Scotland: 2011 census (2016)	Change	% Change
CNP (Aberdeenshire)	1,420	1,446	26	1.8%

Source: NRS Estimates of Households and Dwellings in Scotland, 2015

6.4 The Cairngorms National Park area has a higher proportion of older people than the rest of rural Aberdeenshire and the wider Aberdeen City and Aberdeenshire areas.

Table 72: Population Age Structure, 2015

	All Ages	0-15	16-24	25-29	30-34	35-44	45-54	55-64	65-74	75+
CNP (Aberdeenshire)	3,118	14%	9%	4%	4%	11%	15%	15%	16%	12%

Source: National Records of Scotland (NRS)

6.5 The principle settlements are Ballater, Braemar, Lumsden and Strathdon. Waiting list figures are presented below where Band A is the highest level of priority within Aberdeenshire Council's allocations policy.

Table 73: Waiting List applications for Ballater as first choice including Bedroom Need and Banding on 5 December 2016

Need	1	2	3	4	5+	TBD	Total
Band A	2	-	-	1	1	-	4
Band B	4	-	1	-	-	-	5
Band C	15	6	1	-	-	-	22
Band D	16	5	4	-	-	-	25
Unknown	10	1	2	-	-	1	14
Total	**47**	**12**	**8**	**1**	**1**	**1**	**70**

Source: Aberdeenshire Council (2016)

Table 74: Waiting List applications for Braemar as first choice including Bedroom Need and Banding on 5 December 2016

Need	1	2	3	4	5+	Total
Band A	-	-	-	2	1	3
Band B	1	-	-	-	-	1
Band C	5	1	2	-	-	8
Band D	5	3	-	-	-	8
Unknown	5	3	-	-	-	8
Total	**16**	**7**	**2**	**2**	**1**	**28**

Source: Aberdeenshire Council (2016)

Table 75: Waiting List applications for Lumsden as first choice including Bedroom Need and Banding on 5 December 2016

Need	1	2	3	4	5+	Total
Band A	1	-	-	-	1	2
Band B	-	-	-	1	-	1
Band C	1	-	-	-	-	1
Band D	2	-	-	-	-	2
Total	**4**	**-**	**-**	**1**	**1**	**6**

Source: Aberdeenshire Council (2016)

Table 76: Waiting List applications for Strathdon as first choice including Bedroom Need and Banding on 5 December 2016

Need	1	2	3	4	5+	Total
Band D	2	-	-	-	-	2
Total	**4**	**-**	**-**	**1**	**1**	**6**

Source: Aberdeenshire Council (2016)

6.6 As applicants can only have one first area of choice, this table shows the actual number of applications. Bedroom need identifies the actual number of bedrooms required, but is not necessarily the number they will be eligible for according to Aberdeenshire Council's allocations policy.

6.7 Local Housing Needs Assessments can be an effective way of determining need in rural communities. The Highland Small Communities Trust carried out an affordable housing needs survey in December 2014 for Braemar and Crathie. This sought the views of 300 household surveys and 18 employers surveys, with response rates of 121 (41%) household and 18 (100%) employers surveys.

Table 77: Summary of potential demand for affordable housing in Braemar and Crathie

	Current Demand			Demand within the next 5 years		
House size required	Social Rented Housing	Low cost home ownership	Affordable house plots	Social Rented housing	Low cost home ownership	Affordable house plots
1 Bed	-	-	-	6	-	-
2 Bed	4	1	2	3	6	7
3 Bed	2	4	-	-	1	-
Total	**6**	**5**	**2**	**9**	**7**	**7**

Source: The Highland and Small Communities Housing Trust (2014)

6.8 The report found that, of the 21 households considering moving home, 11 would like to remain in Braemar, 3 would like to move to Ballater, and 3 would prefer to move outwith the area.

6.9 The Aberdeenshire Strategic Housing Investment Plan 2017-2022 identifies opportunities for the future supply of affordable housing within the Aberdeenshire part of the park area:

Table 78: Future Affordable Housing Supply Projected in the Park in Aberdeenshire

Location	Unit Numbers	Tenure	Estimated Completion Year
Ballater	27	Social Rent	2018/19

Source: Aberdeenshire Council (2016)

Other sites may come forward subject to viability.

Appendix 2 – Review of the Housing Market Areas (attached separately)

Appendix 3 – Full Outputs from Model (attached separately)

Appendix 4 – Membership of Groups and Minutes of Meetings (attached separately)

Appendix 5 – Letters from Heads of Service (attached separately)

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