


# Business Bulletin

## Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 29 September 2022

# Housing, Homelessness and Fair Work Committee

Convener:	Members:	Contact:
<p>Convener: Councillor Jane Meagher</p> 	<p>Councillor Graeme Bruce Councillor Jack Caldwell Councillor Kate Campbell Councillor Stuart Dobbin Councillor Pauline Flannery Councillor Simita Kumar Councillor Ben Parker Councillor Susan Rae Councillor Mandy Watt Councillor Iain Whyte</p>	<p><a href="#">Jamie Macrae</a> Committee Officer Tel: 0131 553 8242</p>

### Housing Need and Demand Assessment 3

The third [Housing Need and Demand Assessment](#) (HNDA) for Edinburgh and South East Scotland City Region was given “robust and credible” status by Scottish Government in July 2022.

A HNDA estimates the future number of additional homes required to meet existing and future need and demand in a housing market area.

Scottish Government legislation requires local authorities to develop a HNDA every five years, providing an evidence base to inform both housing policy and land use planning. HNDAs are designed to give a broad estimate of what future housing need might be, rather than being precision estimates.

The six local authority City Region partners came together to produce HNDA3 which covers the City of Edinburgh, East Lothian, Fife (West and Central), Midlothian, Scottish Borders and West Lothian. The HNDA Tool, developed by the Scottish Government, aims to reduce the cost and complexity of the process and to bring sources of national data together to support consistency in how HNDAs are developed across Scotland.

The HNDA tool produces a range of scenarios based on assumptions about affordability, income growth and distribution, house prices and rents:

- Scenario 1: HNDA Tool Default
- Scenario 2: HNDA Tool Default plus LA Existing Need
- Scenario 3: Strong Growth
- Scenario 4: Steady Growth
- Scenario 5: Slow Growth
- Scenario 6: Stalled Growth

The HNDA3 covers the period 2021 to 2040. The results show need for between 78,000 to 105,000 homes across South East Scotland. The City of Edinburgh has a need for between 36,000 to 52,000

### Contact:

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homes and it is estimated that between 24,000 to 35,000 of those homes should be affordable housing.

Scottish Planning Policy requires development plans to set out housing supply targets (HST) for each housing market area based upon the evidence from the HNDA. While it is expected that there is a clear alignment between the HNDA and the HST, the two are not the same and are therefore not required to match. The HST takes into account wider economic, social and environmental factors and issues of capacity, resource and deliverability. Consideration of these factors can result in a HST figure which is lower or higher than the housing estimate in the HNDA. It should be noted that the HST in the proposed City Plan 2030 is based on the previous HNDA, carried out in 2015.

## Background

### **Shared Repairs Tenement App - Update**

As part of the Scottish Government CivTech programme, the Council sponsored a Challenge to find a better way for Tenement flat owners to jointly carry out common repairs to their blocks of flats.

Together with the company Novoville, the Council developed the Shared Repairs Tenement App.

The CivTech programme is itself innovative. The programme provides public sector organisations a route to finding a private sector solution to a problem that they don't know how to fix. In this case, the Council knew the desired outcome but not how to get there.

In July 2022, one year after this round of CivTech ended, two more Councils have rolled out the App in their local authority area, East Ayrshire Council and Perth and Kinross Council.

In Edinburgh, 550 tenements have signed up to use the App, associating 6,000 flat owners with repairs. That means 550 tenement communities and informal owners associations are being formed all over Edinburgh in advance of changes in legislation around Compulsory Owners Associations. In the background, Council

### **Contact:**

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<p>officers continue to engage with the Scottish Government and the Scottish Law Commission to assist with shaping legislative changes to improve the ease at which tenement owners can not only repair their property but make them more energy efficient.</p>	
<p><b>Rent Comparisons</b></p> <p>A report to this Committee referred from Planning Committee on “Affordable Housing Policy – Tenures Update” includes a table at 4.10. The table provides a comparison of mid-market rents, intermediate rents and average market rents and shows the sum that a household could save each year by renting a mid-market home.</p> <p>The table in Appendix 1 includes information on Council rents. Additional information and data sources are set out below the table.</p>	<p><b><u>Contact:</u></b></p> <p>Elaine Scott, Head of Housing, Strategy and Development</p> <p><a href="mailto:Elaine.Scott@edinburgh.gov.uk">Elaine.Scott@edinburgh.gov.uk</a></p>

## APPENDIX 1

**Table 1: Monthly Rents and Annual Saving**

<b>Monthly Rent Comparison</b>	<b>Council Rent (Flats) 2022/23</b>	<b>Mid Market Rent - 2022/23 Local Housing Allowance</b>	<b>Intermediate Rent – Broad Rental Market 30<sup>th</sup> Percentile September 2021</b>	<b>Average Market Rent 2022 Q1</b>	<b>Annual Household Saving of Intermediate Rent to Market Rent</b>
1 Bedroom	£382	£688	£688	£830	<b>£1,703</b>
2 Bedroom	£444	£823	£823	£1,121	<b>£3,579</b>
3 Bedroom	£506	£1,097	£1,097	£1,611	<b>£6,168</b>
4 Bedroom	£539	£1,690	£1,695	£2,211	<b>£6,191</b>

Note:

- Council rents are based on rent charges for flats, instead of houses. The monthly rents for houses are approximately £20.00 more than flats.
- The [Local Housing Allowance rates](#) for 2022/23 and the 30<sup>th</sup> percentile of the market rent in the BRMAs as in September 2021 were published by Scottish Government in January 2022.
- The Local Housing Allowance rates are supposed to benchmark to the 30<sup>th</sup> percentile of the market rent in the BRMAs. However, for this year (2022-23) all rates have been frozen at the rate last determined on 31st March 2020. This was the 30<sup>th</sup> percentile at that time.
- Average market rent data 2022 Q1 was sourced from [Citylets](#).