

# Consultative Draft Interim Local Housing Strategy 2010-2013 Housing Market Assessment

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## **Consultative Draft Interim Local Housing Strategy 2010-2013 Housing Market Assessment**

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### **Introduction**

Local Housing Strategies were introduced as part of the Housing (Scotland) Act 2001 to widen the strategic and enabling role for local authorities in relation to housing in their area. The Strategy provides an assessment of Moray's housing system as well as details of the major priorities and strategic actions the Council will take to address housing need for the next 3 years.

#### **The overall aim of the Moray Local Housing Strategy is:**

To ensure that good quality, affordable housing is available to meet the needs of people living in or requiring housing in Moray.

In December 2008 the multi-agency Housing Strategy Group agreed that the timescale between publication of the previous LHS (2004) and the next Local Plan/ LHS (2013) was too long, and that housing market data and estimates of housing need should be updated. This justified development of an Interim LHS 2010 – 2013, to include an assessment of housing need based on the Housing Need and Market Study 2007 and to update housing system information. A new LHS is required by 2013 to coincide with publication of the next Local Plan, following the Scottish Government's guidance.

This Interim LHS 2010 – 2013 will:

- continue the aim of the previous LHS;
- align its strategic objectives and outcomes to the Council's Single Outcome Agreement
- have regard for updated Scottish Government guidance;
- include and mainstream the Council's actions to address fuel poverty and,
- assess housing need based on the Housing Needs and Market Study 2007

## Moray's Housing System

This section describes Moray's housing system and includes information on the housing markets, demographics and economy of Moray.

Moray is a geographically varied region of Scotland, incorporating the Moray Firth coastline, the broad lowlands of Moray and the southern area that is now part of the Cairngorms National park. Moray covers just over 2,200 square km and has a low population density of 39 persons per square km.

The current population of Moray is just under 87,000<sup>1</sup> and approximately half of the population is centred on the 5 towns of Elgin (20,929), Forres (9,174), Buckie (8,172), Lossiemouth (6,873) and Keith (4,579). Approximately 1% of the population are from minority ethnic communities.

Moray has an ageing population. Population projections suggest that the population of persons of pensionable age will increase by 15% from 2006 to 2016 (by 9% for all Scotland) and that persons aged 75+ will increase by 32% over the same period (21% for all Scotland)<sup>2</sup>

## Moray's Housing Market

### Housing Market Areas

SPP3 states that *"a housing market area (HMA) is a geographical area where the demand for housing is relatively self-contained, i.e. where a large percentage of the people moving house or settling within the area have sought a dwelling only within that area"*.

Analysis of house sales data provided by the Scottish Government shows that 72% of purchasers buying a house in Moray over the last 5 years came from Moray. Local Housing Systems Analysis: Good Practice Guide<sup>3</sup> states that *"there is no scientific method for determining what the appropriate cut off for containment is, but the convention places it at around 70-75%"*, and therefore the Moray Council area is viewed as a distinct housing market area. There is very little activity with neighbouring local authorities or the rest of the UK.

The Council carried out a Housing Needs and Market Study in April 2007<sup>4</sup>. The priorities for this LHS are based on the finding of that study. The study provides "an up to date understanding of the operation of the housing market across Moray" and provides "estimates of housing need over a 5-10 year period for Moray as a whole".

<sup>1</sup> Census 2001

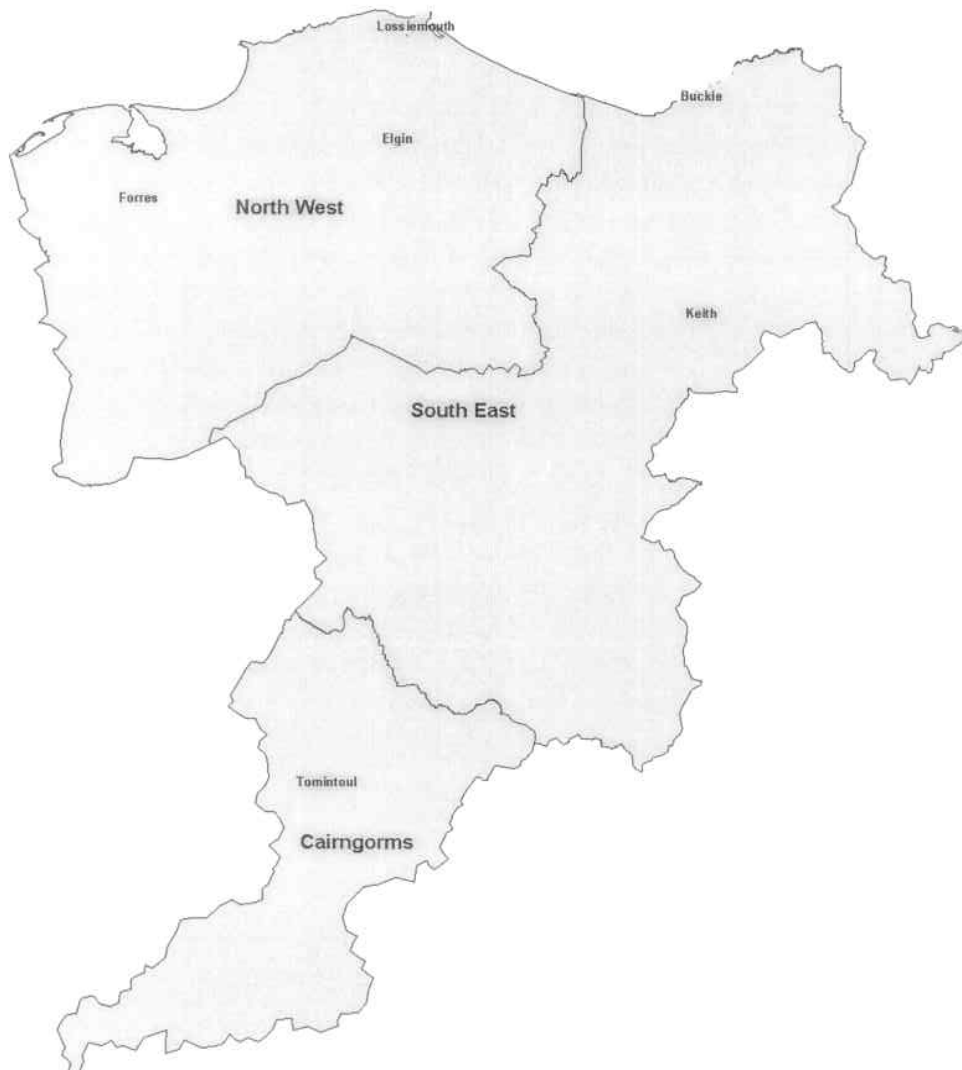
<sup>2</sup> General Register Office Population Projections for Scottish Areas (2006-based) Table 3 Projected percentage changes in population (2006-based), by broad age group; Council and NHS board areas, selected years

<sup>3</sup> Local Housing Systems Analysis: Good Practice Guide 2004, Communities Scotland, Chapter 4, page 46.

<sup>4</sup> Moray Housing Needs and Market Study 2007 is available at:  
[http://www.moray.gov.uk/moray\\_standard/page\\_1917.html](http://www.moray.gov.uk/moray_standard/page_1917.html)

The study also examined housing market trends and housing need for the following sub-areas:

- North West Moray, which includes the towns of Elgin, Forres and Lossiemouth. Approximately 65% of the population lives in this area. Elgin is the economic and administrative centre of Moray. Both RAF bases are in this area and it is recognised that they exert a great influence on the housing market. Analysis of house sales data shows 73% of purchasers buying a house in the North West over the last 5 years came from the North West and so this area is considered a distinct housing market sub-area.
- South East Moray, which includes Buckie and Keith with smaller fishing villages to the east and small settlements to the south.
- The Cairngorms area, which includes the settlement of Tomintoul and forms part of the Cairngorms National Park Area. The area is characterised by a disproportionate amount of tied/ privately rented housing and has the highest levels of in-migration. 64% of house sales in the Cairngorms area over the last 5 years were to households from outwith Moray and 25% of those were to households from outwith Scotland.



**Moray's submarket areas and principal towns**

## Key Data

|                                   | Popul-<br>ation<br>2001<br>Census | House-<br>holds<br>2001<br>Census | Owner<br>Occ | Social<br>rented<br>Council/<br>Hsing<br>Assoc | Private<br>rented<br>Tied/<br>rent<br>free | Stock<br>sold<br>through<br>RTB (as<br>at<br>31.3.09) | Change<br>(%)<br>since<br>1991<br>Census | Median<br>house<br>Price<br>2008 | Median<br>private<br>sector<br>rent per<br>month<br>(2008/9) |
|-----------------------------------|-----------------------------------|-----------------------------------|--------------|------------------------------------------------|--------------------------------------------|-------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------------|
| North/<br>West                    | 56,225                            | 22,741                            | 62%          | 22%                                            | 16%                                        | 55%                                                   | 6.78                                     | £136,000                         | £450                                                         |
| South/<br>East                    | 29,990                            | 12,723                            | 66%          | 23%                                            | 11%                                        | 52%                                                   | -1.7                                     | £132,000                         | £475                                                         |
| Cairn<br>gorm<br>National<br>Park | 725                               | 339                               | 55%          | 15%                                            | 30%                                        | 33%                                                   | -11.8                                    | £200,000                         | —                                                            |

Sources: Census 2001, 1991, Scottish Government Datapack 2008

## The Owner-Occupier Sector

The owner-occupier sector is the largest housing sector in Moray. The table below shows that owner occupation is the largest tenure in Moray, and that there is a larger proportion of owner-occupied properties in Moray than in Scotland. Owner occupation has increased by 8% since 1991 and this is mainly due to the Right to Buy (RTB) policy with people moving from the social rented sector into the owner-occupier sector

|               | Households by Tenure |            |                 |            |              |           |                |           |
|---------------|----------------------|------------|-----------------|------------|--------------|-----------|----------------|-----------|
|               | Owner-occupier       |            | LA/other public |            | HA/co-op     |           | Private-rented |           |
| Aberdeen City | 62,000               | 61%        | 23,000          | 23%        | 4,000        | 4%        | 11,000         | 11%       |
| Aberdeenshire | 69,000               | 68%        | 16,000          | 16%        | 6,000        | 6%        | 10,000         | 10%       |
| Highland      | 71,000               | 71%        | 17,000          | 17%        | 5,000        | 5%        | 7,000          | 7%        |
| <b>Moray</b>  | <b>26,000</b>        | <b>68%</b> | <b>8,000</b>    | <b>21%</b> | <b>2,000</b> | <b>5%</b> | <b>2,000</b>   | <b>5%</b> |
| Scotland      | 1,497,000            | 65%        | 371,000         | 16%        | 250,000      | 11%       | 191,000        | 8%        |

Source: Scottish House Condition Survey - Local Authority Report 2004-07, published 28 October 2009

According to the 2001 Census, there are 823 second/holiday homes in Moray (representing 2.3% of the housing stock). This is higher than the national figure of 1.3% but lower than most other rural authorities. They are found throughout Moray but mainly in the eastern coastal and southern areas.

There are approximately 26,000 owner-occupied properties in Moray representing approximately two-thirds of the total housing stock. This is in line with the national average (65%).

## House Prices

House price trends and housing market activity are broadly in line with Scottish trends<sup>5</sup>.

| Year | Housing Market Sub Area |                |               | Total of second hand and new build house sales |
|------|-------------------------|----------------|---------------|------------------------------------------------|
|      | Cairngorms              | North West     | South East    |                                                |
| 2004 | 23<br>1.85%             | 813<br>65.56%  | 404<br>32.58% | 1240<br>100.00%                                |
| 2005 | 19<br>1.04%             | 1312<br>72.05% | 490<br>26.91% | 1821<br>100.00%                                |
| 2006 | 25<br>1.46%             | 1197<br>69.67% | 496<br>28.87% | 1718<br>100.00%                                |
| 2007 | 31<br>1.74%             | 1206<br>67.75% | 543<br>30.51% | 1780<br>100.00%                                |
| 2008 | 26<br>1.98%             | 888<br>67.53%  | 401<br>30.49% | 1315<br>100.00%                                |

Source: Scottish Government datapack – house sales

It is notable that although housing market activity has reduced in the current difficult economic climate, house prices in Moray have not reduced and in fact have marginally increased. Median house prices are shown below.

|      | Median House Prices |            |            | Moray    |
|------|---------------------|------------|------------|----------|
|      | Cairngorms          | North West | South East |          |
| 2004 | £80,000             | £80,222    | £69,250    | £76,500  |
| 2005 | £123,000            | £95,000    | £85,000    | £92,025  |
| 2006 | £189,000            | £110,000   | £96,250    | £105,000 |
| 2007 | £205,000            | £135,182   | £125,000   | £132,000 |
| 2008 | £212,500            | £136,000   | £133,500   | £136,000 |

Source: Scottish Government datapack – house sales

House prices in Moray have increased by approximately 77% over the last 5 years. The Housing Needs and Market Study found that “very few existing owner occupiers experience difficulties in meeting their housing costs. By contrast, there is evidence that aspiring homeowners, especially single earner households, are finding it increasingly difficult to purchase a property”.

Bramley (2003 and 2006) report that 58% of newly forming households in Moray Council afford to buy in 2005 compared to 76% in 2001. Moreover, house price to earning ratios suggest that in 2006 single earner households earning the lower quartile gross weekly wage of £275, would have to borrow 5.1 times their earnings in order to buy a property at the lower end of the resale housing market. In 2001 the comparable multiplier was 2.9.”

<sup>5</sup> Local Authority Housing Bulletin, October 2009, Scottish Government Centre for Housing Market Analysis available at:  
<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/chma/statistics>

The Scottish Government has provided local authorities with data that shows that in 2008 the comparable multiplier was 5.75.

## Right to Buy

Right to Buy legislation that permits Council tenants to buy their home through generous discounts a significant factor contributing to the pressure on social housing stock that exists across Scotland today. Since 1980 the Council's housing stock has diminished from 12,800 to 5,848 at 31 March 2009 – 54% of stock sold.

The proportion of stock sold varies across areas and across house sizes. Approximately 70% of 3 and 4 bedroomed properties have been sold, whereas approximately 50% of 2 bed and 30% of 1 bed properties have been sold.

| Area         | % 1 beds sold to 31.03.09 | % 2 beds sold to 31.03.09 | % 3 beds sold to 31.03.09 | % 4+ beds sold to 31.03.09 | HRA Stock Remaining 31.03.09 | % Sold        |
|--------------|---------------------------|---------------------------|---------------------------|----------------------------|------------------------------|---------------|
| Buckie       | 25.62%                    | 42.67%                    | 67.84%                    | 68.42%                     | 764                          | 50.36%        |
| Buckie Rural | 28.43%                    | 50.43%                    | 66.96%                    | 85.71%                     | 642                          | 53.01%        |
| Elgin Total  | 32.72%                    | 60.30%                    | 71.53%                    | 72.12%                     | 1708                         | 57.52%        |
| Elgin Rural  | 21.85%                    | 44.17%                    | 57.04%                    | 50.00%                     | 511                          | 44.42%        |
| Forres       | 30.06%                    | 47.11%                    | 71.05%                    | 68.29%                     | 725                          | 49.55%        |
| Forres Rural | 43.18%                    | 61.25%                    | 70.75%                    | 50.00%                     | 185                          | 63.39%        |
| Keith        | 16.46%                    | 53.72%                    | 58.77%                    | 76.00%                     | 497                          | 50.00%        |
| Keith Rural  | 25.83%                    | 53.67%                    | 74.07%                    | 92.31%                     | 352                          | 58.32%        |
| Lossiemouth  | 40.23%                    | 61.23%                    | 70.39%                    | 68.88%                     | 440                          | 60.53%        |
| Cairngorms   | 36.36%                    | 40.00%                    | 51.02%                    | n/a                        | 25                           | 46.67%        |
| <b>Moray</b> | <b>29.75%</b>             | <b>53.78%</b>             | <b>68.12%</b>             | <b>70.96%</b>              | <b>5848</b>                  | <b>54.21%</b> |

The rate of Right to Buy sales have dropped throughout 2008/9, consistent with Scottish trends. It is possible that pressured area status has contributed to this, but wider economic conditions and the current restricted availability of mortgage lending are also likely to have contributed. The purpose of pressured area status is to protect the amount of affordable rented housing in a Council area and to make sure that there are enough houses for people who need them. All tenants who have the modernised right to buy have their entitlement suspended in areas with pressured area status. It does not affect the rights of tenants with the original right to buy.

The first LHS suggested that ex RTB properties “could still act as a source of affordable housing” because they were significantly cheaper than other owner occupied housing. This may no longer be the case (see table below). In recent years, ex RTB properties have varied only marginally in price from comparable second hand and new build options.

| Year | North West    |                                                          | South East    |                                                          | Cairngorms                          |                                                          |
|------|---------------|----------------------------------------------------------|---------------|----------------------------------------------------------|-------------------------------------|----------------------------------------------------------|
|      | Median Ex RTB | Lower quartile second hand/ new build (excluding Ex RTB) | Median Ex RTB | Lower quartile second hand/ new build (excluding Ex RTB) | Median Ex RTB                       | Lower quartile second hand/ new build (excluding Ex RTB) |
| 2004 | £64,000       | £60,000                                                  | £59,000       | £50,000                                                  | Too few sales to calculate reliably |                                                          |
| 2005 | £72,000       | £76,700                                                  | £63,000       | £64,500                                                  |                                     |                                                          |
| 2006 | £86,000       | £85,000                                                  | £85,000       | £75,000                                                  |                                     |                                                          |
| 2007 | £100,250      | £110,000                                                 | £98,000       | £102,000                                                 |                                     |                                                          |
| 2008 | £100,000      | £112,000                                                 | £100,000      | £115,000                                                 |                                     |                                                          |

Source: Scottish Government datapack – house sales

### The Social Rented Sector

There are approximately 7,000 households in the social rented sector in Moray. Moray Council remains the largest provider with 5,848 properties (as at 31 March 2009). Moray Council's rents have been amongst the lowest in Scotland for many years. Moray Council's average rent for 2008/9 was £39.40.

### The Private Rented Sector

There are over 4,700 households in Moray renting privately, making up 13% of all households<sup>6</sup>, compared to 6.7% in Scotland, 6.72% in Aberdeenshire and 8.45% in Highland. The Census 2001 included RAF married quarters managed by the Defence Housing Executive in Elgin, Lossiemouth, Kinloss in its definition of private rented accommodation, but also included tied accommodation for farm and estate workers, as well as individual private landlords.

The Scottish Governments recent review of the private rented sector found that the private rented sector has expanded greatly over the last decade and found that in Scotland "The sector accommodates approximately 233,000 households who constitute a broad customer base, including lower income households, students, young professionals and migrant workers"<sup>7</sup>.

The Council's research found that there are at least 17 letting agents operating in Moray, although 3 have a significant proportion of the market. The 4 letting agents interviewed manage over 800 properties and have over 660 landlord clients. Turnover is low and very few properties are available for rent at any one time.

<sup>6</sup> Private Rented Sector Research, Moray Council, 2005

<sup>7</sup> Review of the Private Rented Sector: Key Findings and Policy Implications, March 2009, <http://www.scotland.gov.uk/Publications/2009/03/23134949/1>

## Private Sector Rents

For many years Moray Council has been monitoring private rented sector properties advertised in the local press. The results are shown in the table below.

| Year   | Median private sector rent per month |            |                                                  |
|--------|--------------------------------------|------------|--------------------------------------------------|
|        | North West                           | South East | Cairngorms                                       |
| 2004/5 | £375                                 | £350       | Too few rentals advertised to calculate reliably |
| 2005/6 | £400                                 | £380       |                                                  |
| 2006/7 | £425                                 | £400       |                                                  |
| 2007/8 | £440                                 | £400       |                                                  |
| 2008/9 | £450                                 | £450       |                                                  |

Consistently around half of all adverts state that a deposit is required. An increasing number of rentals have been advertised as “No DSS” or similar but this has reduced so far during 2009/10 (see chart below).

## Moray's Economy

### Industry

The economy in Moray is relatively diverse with tourism, food processing, hospitality and retail sectors providing sources of employment. The area also has a strong brand image through the presence of the well-known food processing companies and distilleries. Areas of potential growth are through tourism and the service sector and the expansion of Moray College as part of the University of the Highlands and Islands (UHI). Unemployment rates have been consistently below the national average with the exception of small areas in the Buckie and Forres areas.

Moray is recognised by the EU as ‘peripheral’ and the whole area is covered by European Community Structural Fund designations Objectives 1 and 2. This funding is designed to reduce the economic imbalance between Moray and other areas within Europe.

The percentage of people employed in the contracting primary industries (especially farming and fishing) in Moray, is higher than the national percentage<sup>8</sup>. Unemployment levels may rise within the next decade with the further decline of these industries.

### Royal Air Force

The presence of the Royal Air Force has a major impact on Moray's economy. There are two RAF bases in Moray at Lossiemouth and Kinloss. The most recent study<sup>9</sup> of this impact highlighted:

<sup>8</sup> Census 2001

- The bases employ approximately 4,200 RAF service and civilian personnel, a reduction of 12.5% from 2004
- The numbers of service personnel housed in RAF married quarters had reduced by 26% between 2004 and 2007 to 834 households with approximately 1354 (37%) households housed in the private sector and approximately 1,422 single MOD personnel housed in single quarters.
- Although the current trend shows reducing numbers of RAF personnel in Moray, it is possible that the introduction of the Joint Combat Aircraft at RAF Lossiemouth, programmed to take place over the period 2015/17 to 2025/27, may result in housing pressure particularly in the private rented sector and the owner occupied sector.

### Low pay

Despite the diversity of the economy and the overall low unemployment, Moray is characterised by its low wages.

In 2008 the median household income for Moray was £27,483, and the Scottish median was comparable at £27,652. However Moray households earn significantly less than households in other parts of Grampian<sup>10</sup>. Median income in Moray is 5% less than in Aberdeen City Council area and 12% less than in Aberdeenshire.

| Local Authority | Lower quartile | Median         | Upper quartile |
|-----------------|----------------|----------------|----------------|
| Aberdeen City   | £17,927        | £28,858        | £44,824        |
| Aberdeenshire   | £19,461        | £31,297        | £48,471        |
| <b>Moray</b>    | <b>£17,389</b> | <b>£27,483</b> | <b>£41,733</b> |
| Scotland        | £17,283        | £27,652        | £42,841        |

Source: Scottish Government Datapack 2008

In 2008, households earning the Moray median annual income of £27,483 would have to borrow 4.95 times their income to buy a median priced house in Moray. A household earning the Moray lower quartile annual income of £17,389 would have to borrow 5.75 times their income to buy a lower quartile priced house in Moray<sup>7</sup>.

Affordability issues may be exacerbated by the current economic recession and the impact of the "credit crunch", which we are unable to quantify at the time of writing, but may consist of;

- redundancy and unemployment,
- reduction in tourism and other service industry activity,
- reduction construction industry activity, and
- reduction of housing market activity and in mortgage lending

<sup>9</sup> Assessing the Housing and Economic Impact of proposed investment at RAF Bases in Moray ODS Consulting et al, February 2008

<sup>10</sup> Scottish Government Datapack 2008

Although Moray has low unemployment there are significant numbers of Moray residents who cannot compete in the housing market due to their low income. This can be a particular problem in rural areas and is a significant problem in the Cairngorms.

## Demographic change

Major demographic change is underway in Scotland and the population is projected to rise over the next 25 years before declining slowly. The changes in Scotland are summarised below:

- **Scotland's population is ageing:** between 2004 and 2031 the number of people aged 50+ is projected to rise by 28 per cent and the number aged 75 and over is projected to increase by 75 per cent.
- **Fewer children aged 0-15 and people aged 16-64;** the numbers are projected to decrease by 15 per cent and 11 per cent respectively by 2031.
- **People living longer:** life expectancy at birth is projected to increase from 74.3 years for males and 79.4 years for females for those born around 2004 to 79.2 years and 83.7 years respectively by 2031.
- **People living longer at older ages:** a male aged 65 in 2004 can expect to live for another 15.6 years on average, a female of the same age another 18.5 years. This is projected to increase to 19.6 years for males and 22.1 years for females by 2031.
- **More over 50s living alone:** In this age group, women are more likely to live alone, but the number of men living alone is increasing faster, as men's life expectancy increases.
- **Geographical variations in the distribution of older people** – with the over 75's accounting for more than 15 per cent of the population in some areas. However, the pattern of ageing varies within Council areas.
- **An ageing population similar to the rest of Europe,** but Scotland faces a larger increase in the number of people aged 65 and over than the rest of the UK.<sup>11</sup>

All Our Futures 2007iv

## Ageing population

Although the Moray population is not projected to increase (-1.9%) compared to Scotland (5%) and Aberdeenshire (18.7%) by 2031 there are significant changes in the projected age structure. The proportion of people over 65 is rising across Scotland. However the increase is significantly higher in Moray. This becomes greater in the over 75 age group with an increase of 104% by 2031.

Source: *Older persons Strategy, Projected percentage change of population (2006 based) by broad age group compared to Scotland (Table 1) General register Office for Scotland 2007v*

## Household trends

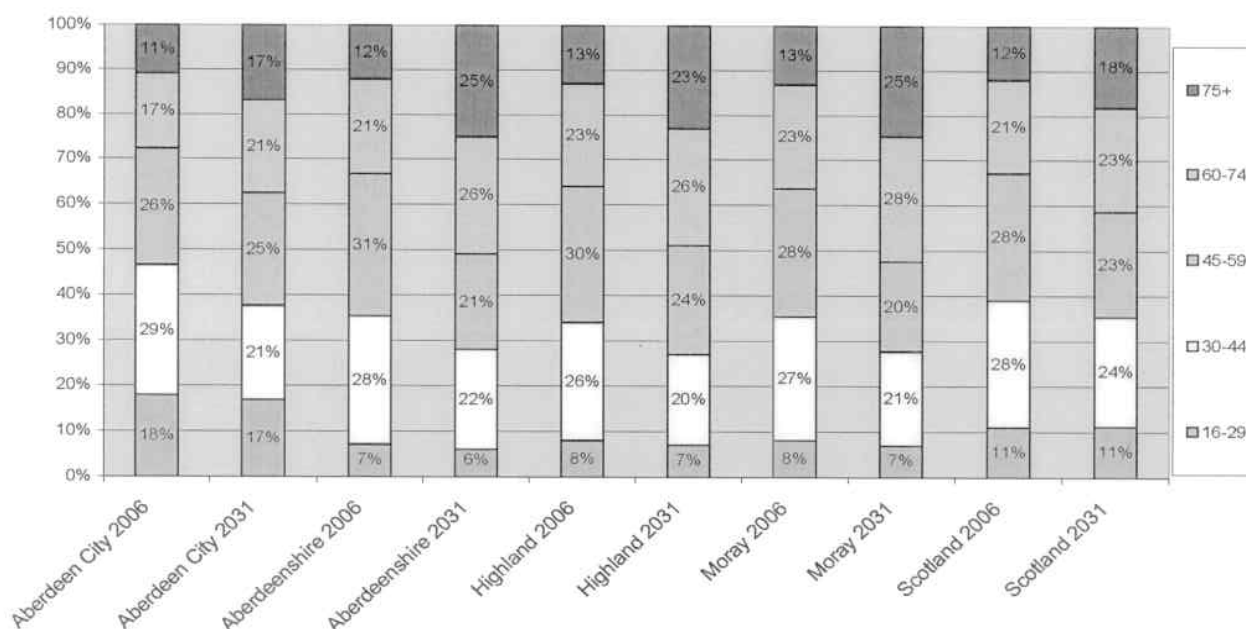
There are 41,726 households in Moray<sup>12</sup>

<sup>11</sup> Older Peoples Strategy 2009 - 2014

<sup>12</sup> Council Tax Register at April 2009

The chart below shows that by 2031 more than half of households in Moray will be headed by a person aged over 60. A similar projection exists for Aberdeenshire Council and Highland Council. There is a projected increase of 42% more single person households between 2006 and 2031.

GRO Household Projections (2006 based) by age group 2006 and 2031



## Homelessness

The Scottish Government's Local Housing Strategy Guidance suggests that homelessness issues should be integrated into the LHS. The Council faces significant challenges in tackling homelessness and will continue to address them by publishing a separate Homelessness Strategy 2010–2015<sup>13</sup> which at the time of writing was at consultative draft stage.

The Scottish Housing Regulator's inspection in 2007 awarded a "C" Fair assessment of homelessness services. This assessment required development of an improvement plan. This Improvement Plan forms part of the Homelessness Strategy.

In 2008/09, almost 62.3% of homeless applicants in Moray were single. This shows a 3.4% increase from 2007/08. The number of single people presenting as homeless presents a serious challenge to the Council in meeting its statutory duty to abolish the priority need test by 2012 because of the lack of one bed properties.

The Homelessness Strategy has found that the next biggest group amongst those presenting as homeless is single parents. Due to the lack of permanent and temporary accommodation the Council relies heavily on the use of B&B. Placing families in B&B accommodation breaches the Temporary Accommodation Order (Scotland) 2002.

<sup>13</sup> The Homelessness Strategy is available at:  
[http://www.moray.gov.uk/moray\\_standard/page\\_1930.html](http://www.moray.gov.uk/moray_standard/page_1930.html)

More information on demographic trends amongst homeless households are contained in the consultative draft Homeless Strategy 2010 – 2015.

## Property Condition and Fuel Efficiency

### Private Sector property condition

The table below shows that owner occupation is the largest tenure in Moray, and that there is a larger proportion of owner-occupied properties in Moray than in Scotland.

|               | Households by Tenure |            |                 |            |              |           |                |           |
|---------------|----------------------|------------|-----------------|------------|--------------|-----------|----------------|-----------|
|               | Owner-occupier       |            | LA/other public |            | HA/co-op     |           | Private-rented |           |
| Aberdeen City | 62,000               | 61%        | 23,000          | 23%        | 4,000        | 4%        | 11,000         | 11%       |
| Aberdeenshire | 69,000               | 68%        | 16,000          | 16%        | 6,000        | 6%        | 10,000         | 10%       |
| Highland      | 71,000               | 71%        | 17,000          | 17%        | 5,000        | 5%        | 7,000          | 7%        |
| <b>Moray</b>  | <b>26,000</b>        | <b>68%</b> | <b>8,000</b>    | <b>21%</b> | <b>2,000</b> | <b>5%</b> | <b>2,000</b>   | <b>5%</b> |
| Scotland      | 1,497,000            | 65%        | 371,000         | 16%        | 250,000      | 11%       | 191,000        | 8%        |

Source: Scottish House Condition Survey - Local Authority Report 2004-07, published 28 October 2009

The Scottish House Condition Survey estimates that:

- between 53% and 67% of properties in Moray are in some degree of disrepair
- between 22% and 35% of properties in Moray require an urgent repair
- a private sector property is between 2 and 3 times as likely to require an urgent repair than a public sector property.
- approximately 18,000 private sector properties would fail the Scottish House Condition Standard.

There are approximately 350 properties known to the Council that fall Below Tolerable Standard<sup>14</sup>.

### Social Sector property condition

Social rented housing must meet the Scottish Housing Quality Standard (SHQS) by 2015 and more information on the SHQS is available at Section 3, Page 32. As at 31 March 2009, 69.3% of Moray Council properties met this standard. Through continuing investment, this target should be met for Council housing by 2012. In addition the Council has a Moray Housing Standard<sup>15</sup> which requires higher levels of insulation and fuel efficiency for Council housing than required by the SHQS. The Council is working towards meeting this standard. The Scottish Housing Regulator requires Registered Social Landlords to bring their properties up to the SHQS.

<sup>14</sup> More information on the Tolerable Standard is available at:  
[http://www.moray.gov.uk/moray\\_standard/page\\_1792.html](http://www.moray.gov.uk/moray_standard/page_1792.html)

<sup>15</sup> available at <http://www.moray.gov.uk/downloads/file44469.pdf>

### Private Rented Sector property condition

Private rented housing is particularly significant in rural Moray, with the highest proportion of the stock being in the Cairngorms National Park (29%). The lowest levels are in Buckie (5%), Keith (8%), and Forres (9%). About a quarter of the privately rented stock is furnished and three quarters unfurnished. Almost all of the furnished stock is let from private landlords or letting agencies, whereas the unfurnished stock has proportionately more employer-landlords. Furnished property makes up a higher proportion of the private rented stock in urban than rural areas, the split between furnished and unfurnished being approximately 30:70 in urban Moray and 15:85 in rural Moray.

The largest landlords in Moray are the rural estates. The Housing Need and Market Study 2007<sup>16</sup> states “there is very little hard evidence on the physical quality of private rented properties in Moray but there are signs that private rented housing is in poorer condition than properties in the other main tenures, possibly linked to the older age profile of private rented properties. About a third of privately rented properties are detached houses. 20-25% of private tenants are pensioner households. The Housing Need and Market Study 2007 found that:

- 45% of private renters believed their home required repairs and improvements
- 16% of private renters felt repairs were needed to the roof of their home
- 20% of private renters felt their house required improved heating and insulation.

Since April 2006, owners of privately let property must be registered with the local authority. The aim of landlord registration is to ensure that private landlords are “fit and proper” to be letting residential property, and to protect tenants and the community from antisocial behaviour and mismanaged property. At August 2009, there were 2089 approved registered private landlords, and 2921 approved rented properties in Moray. This is an average of 1.4 properties per landlord and is consistent with Scottish Government’s finding that most private landlords let a small number of properties<sup>14</sup>.

There are 48 licensed Houses in Multiple Occupation (HMO) in Moray (as at October 2009), 12 of which are sheltered housing developments. Bed and breakfast establishments used by the Council to provide temporary accommodation for homeless households are required to have a HMO License. HMOs also perform a function at the bottom of the rented market and are providing housing for low paid migrant labour from European Union employed in Moray’s manufacturing and fish processing sectors.

<sup>16</sup> The Housing Need and Market Study 2007 is available at:  
[http://www.moray.gov.uk/moray\\_standard/page\\_1917.html](http://www.moray.gov.uk/moray_standard/page_1917.html)

## Fuel Poverty

The term 'fuel poverty' refers to the situation a household finds itself in when it has to spend a disproportionate amount of its income on fuel in order to maintain a satisfactory heating regime.

The Scottish Government states that a household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income (including Housing Benefit and Income Support for Mortgage Interest) on all household fuel use<sup>17</sup>.

A satisfactory heating regime<sup>18</sup> means achieving, for elderly and infirm households, a temperature of 23°C in the living room and 18°C in other rooms for 16 hours in every 24; and for other households a temperature of 21°C in the living room and 18°C in other rooms for a period of 9 hours in every 24 (or 16 in 24 over the weekend) with 2 hours being in the morning and 7 hours in the evening.

The Scottish Government's Fuel Poverty Statement, published in 2002 set 2016 as the target date to eradicate fuel poverty as far as is reasonably practicable.

Importantly, the definition focuses on what people would need to spend, rather than what they actually spend on household fuel. This is because fuel poor households have to balance the need for fuel and other essentials, and very often don't heat their homes properly. They may also be in the home for longer periods of the day, increasing the cost of keeping warm.

The Housing (Scotland) Act 2006 gives private sector tenants the right to make adaptations to the house either to meet the needs of the disabled occupant or to install central heating and other energy efficiency measures, subject to the landlords consent.

### Measuring fuel poverty

The Scottish Government uses the Scottish House Condition Survey to measure differences in fuel poverty. The Scottish House Condition Survey Key Findings 2007, has found that from 1996 to 2002 the number of fuel poor households in Scotland fell substantially from around 36% to 13%. In 2003/4, 15.4% of households (350,000) were assessed as fuel poor, and, in 2004/5, 18.2% of households (419,000) were estimated to be in fuel poverty. In 2005/6, 23.5% households (543,000) were found to be fuel poor and this figure increased to 24.6% of households (569,000 in 2007). This is not a statistically significant increase over the 2005/6 estimate. Following a fall between 1996 and 2002, the number and proportion of households in fuel poverty has subsequently increased. Changes in fuel prices were an important factor in both the reduction in numbers in fuel poverty between 1996 and 2002 and in the subsequent increase.

<sup>17</sup> Scottish Government, Fuel Poverty Statement 2002

<sup>18</sup> Scottish Government, Guidance on Fuel Poverty consultative draft, April 2009

More recently, the Scottish House Condition Survey<sup>19</sup> has estimated that between 27% and 42% of Moray households have difficulty in heating their home, and that between 5% and 15% of Moray households are fuel poor

### Risk Factors

The Scottish House Condition Survey has found that the following households are more at risk of being in fuel poverty:

- Households living in **detached houses**. A third of households in detached houses are fuel poor compared with 19% of tenement dwelling households.
- Households living in properties with 'poor' NHER scores i.e. in **properties with poor fuel efficiency**.
- Households living in **older dwellings** are more likely to experience fuel poverty with around 3 in 10 households living in dwellings built before 1919 being fuel poor compared to around 1 in 10 of those living in dwellings built after 1982. This is at least in part related to the greater energy efficiency of dwellings built after 1982.
- Older smaller and single **pensioner households**
- Households where their **income** is less than £100 per week.
- Households in **rural** areas
- Those living in **private sector** dwellings are twice as likely as those in social sector dwellings to experience extreme fuel poverty
- Households with partial central heating or **no central heating**.
- Households living in properties **heated by fuels other than mains gas**.

### Equalities and Special Needs Groups

The Moray Council will carry out an Equality Impact Assessment on this interim Local Housing Strategy. This will involve consultation with the Equality Forum as part of public consultation on this document.

#### Black and Minority Ethnic Households

Moray has a diverse, scattered ethnic community although low in number. Census 2001 reports that 99% of Moray's population are white.

The Council's Race Equality Scheme 2008-2011<sup>20</sup> states:

The varied ethnic groups and languages dispersed throughout the overall population, makes addressing race equality difficult but important in Moray. It is our duty to ensure that all parts of our community are represented, everyone has equality of opportunity, and the Council promotes good race relations in all its working practice.

Statistical information obtained from Grampian Race Equality Council highlights that the majority of racist incidents are between Scottish and English residents in Moray. Between October 2007 and September 2008 there were 60 incidents recorded

<sup>19</sup> Scottish House Condition Survey - Local Authority Report 2004-07

<sup>20</sup> The Moray Council Race Equality Scheme is available at:  
[http://www.moray.gov.uk/moray\\_standard/page\\_53868.html](http://www.moray.gov.uk/moray_standard/page_53868.html)

altogether. English victims constitute 37% of the total number of victims compared to 9% for Aberdeen City and 22% for Aberdeenshire.

The Happy to Translate Logo initiative was launched in April 2006. The Happy to Translate Logo has enabled the Council to improve access to services by offering advice and information in peoples' first language.



Services include:-

- language line – a telephone based service
- face-to-face interpreters
- translated documents

The use of services by non-English speakers is monitored by the use of the Happy to Translate initiative. Language, department, request and cost are all monitored. Polish is the most requested language and mainly by Housing and Education Departments.