



Briefing on Rural Affairs and the Environment Committee Debate: 5th Report 2009: Rural Housing

There is no question that there is a shortage of good quality, affordable housing in many rural areas. We need both short and long term solutions. Long term solutions such as reforming Right to Buy are welcome, but there is an acute need for an immediate response. We are only three years away from the date when the 2012 commitment to house all homeless people has to be met. Shelter Scotland believes that the most urgent priority is building more homes for rent that people can afford.

Building more affordable homes will have the added bonus of kick starting the economy, creating more jobs, retaining crucial skills and allowing Scotland to effectively work its way out of the recession. The OECD report on rural Scotland argues that 'A housing policy that continues to hamper the construction of new homes in rural areas will limit development opportunities.'¹

Why is there a housing crisis?

Reasons for the housing crisis in rural areas include:

- lower stocks of affordable homes available in rural areas;
- higher levels of sales from the Right to Buy;
- higher house prices in rural areas; and recent figures from the Bank of Scotland have shown that prices across rural areas only fell by just over 11 per cent in the past 12 months compared to an average 13 per cent drop in urban areas.² In fact the average rural house price is now 17 per cent higher, at £166,813, than the average urban house, which is £143,454.
- lower and seasonal levels of income;
- second and holiday homes;
- local land monopolies;
- problems with access to utilities;
- the economies of scale in providing housing support or temporary accommodation for homeless people which require a different response in remote rural areas.

Rural Housing and Homelessness – is there a problem?

Homeless households are generally people who are on housing waiting lists for whom the pressure of waiting spills into a crisis. The number of lets of council homes going to homeless people has increased by 15 per cent since 2001. However, these lets now take up a much larger proportion of all council lets: two in every five by 2007-08. Although homelessness demand has risen a bit, this is not nearly as significant a factor as the fall in lets. It is the fall in the overall number of lets which

¹ OECD Rural Policy Reviews: Scotland, UK preliminary version

² Bank of Scotland, Rural Housing Review.

lies behind the rising shares of lets being taken by homeless people.³ **It is therefore not that there are too many homeless people; it is that there are too few homes.**⁴

Housing solutions

There is already significant pressure in the Scottish housing system, shown by rising house waiting lists, fewer lets becoming available and far greater numbers of people stuck in temporary accommodation. **Building more affordable, good quality homes for rent** is the only solution which will address this housing crisis in both rural and urban areas.⁵

Further reforms are also needed for **Right to Buy**, as noted in our consultation response to the draft Housing (Scotland) Bill.⁶ Our proposals are designed to go further than those suggested in the draft to simplify the Right to Buy and deliver a bigger impact from the reforms. Shelter has argued that there should be two groups of tenants. Group One would include all tenants taking on a new social housing tenancy who would **not** be given the right to buy. This includes new tenancies created as a result of transfer or succession after the specified date, and all new tenants entering the social rented sector for the first time coming from any tenure. Group Two would include all tenants who currently have the right to buy. From the specified date, they would keep or be changed over to the **modernised** Right to Buy which was introduced in 2001. Shelter believes the modernised Right to Buy represents a better balance between the interests of the tenants, prospective tenants and the taxpayer.

Empty homes are a particular problem in rural areas and represent a wasted opportunity. The Scottish Government Review of the private rented sector argues that Scotland was way behind other parts of the U.K. in developing a co-ordinated, strategic response to empty homes. Shelter Scotland is working up a proposal for a national co-ordinating role on empty homes.

In some rural areas **private landlords** out-number social landlords by 4 or 5 to one. Many of these landlords are socially responsible and see letting as a long term business. Shelter Scotland believes that homelessness law can be reformed to allow these landlords to play a greater role in housing homeless people. We have been working with CoSLA, the Scottish Government and private landlords on proposals which would see landlords offer tenancies to homeless people well beyond the six month minimum.

We support the call for **reviewing and reducing restrictive planning rules** to allow more affordable homes to be built in suitable areas.

Shelter Scotland has also looked at other innovative schemes locally – such as our proposal for a **network of rural enablers**. Over the last ten years, rural housing enablers have shown themselves to be effective catalysts for the assessment of housing need, overcoming barriers to development and engaging communities in new housing supply. However, we would argue that

³ Report: Building pressure: access to housing in Scotland in 2009. From the Shelter policy library, July 2009

⁴ Shelter Scotland Rural Affairs and Environment Committee Rural Housing Enquiry Supplementary Submission October 2008 The evidence can be found at:

<http://www.scottish.parliament.uk/S3/committees/rae/inquiries/ruralHousing/Oralandwrittenevidence.htm>

⁵ Building solutions: Shelter Scotland's submission to the Budget 2010-11 From the Shelter policy library September 2009 www.shelter.org.uk

⁶ Full details of the proposal can be found at:

http://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/draft_housing_scotland_bill_a_consultation

the work currently undertaken by the enablers is fragmented, patchy in coverage due to being inconsistently funded and lacking in central support.

More affordable homes must be built and we must make better use of what we already have.

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