



Existing Housing Need in Scotland

A survey commissioned by Homes for Scotland
Report by The Diffley Partnership and Rettie & Co
January 2024

FINAL REPORT

Contents

Foreword.....	2
Executive Summary	3
Background and Methodology	6
Background.....	6
Methodology	7
Headline Findings.....	12
Counts of existing need.....	12
Estimating Net Current Housing Need in Scotland.....	15
Conclusions	21
Appendix 1.....	24
Existing Housing Need – Top-line Results	24
Appendix 2	35
Case studies from qualitative research.....	35
Appendix 3	42
Feedback from survey respondents (to previous test survey)	42

Foreword

This is a critical juncture for housing in Scotland, exemplified by three local authorities having declared emergencies during 2023 and others now considering doing the same.

We all know there is a chronic undersupply of housing across all tenures to meet the country's needs but the results of this independent survey commissioned by Homes for Scotland, reveal the true extent of the problem, with more than a quarter of households in Scotland facing one or more forms of housing need. Now, more than ever, we need to find real solutions.

This first-of-its-kind report illustrates how existing housing need in Scotland is both more complex and far higher than previously measured. Put simply, the data resources at our disposal have not adequately captured the broader challenges that households are facing beyond the most acute. Whilst those that are homeless in temporary accommodation and those that are both overcrowded and concealed are rightly at the forefront of the conversation, there are additional, less visible forms of housing need that must also be considered. For that reason, we felt it was imperative to ensure that we are not only capturing a fuller picture of the challenge at hand, but also that the data further inspires measurable progress.

As Chief Executive of Homes for Scotland, it has been my core mission to ensure our organisation truly delivers more impact by addressing housing as an essential human right. We all want to see a more prosperous Scotland centred around a pragmatic and inclusive housing system but we cannot fully solve a problem if we are not first adequately measuring it.

With this data tool, we aim to provide that fuller picture of all-tenure housing needs for use by governments at all levels. We aim to outline where the specific challenges lie, and in some cases, overlap. And we aim to deliver an initial way forward for policymakers and sector leaders to work in tandem for the sake of Scotland's social wellbeing and economic success. Ultimately, we intend to be a partner in building a flexible and resilient system that is underpinned by evidence-based and future-focused policies.

Jane Wood
Chief Executive, Homes for Scotland

Executive Summary

The Planning (Scotland) Act 2019 dictates that National Planning Framework 4 (NPF4) contains a statement about how Ministers consider that development will contribute to the outcome of meeting the housing needs of people living in Scotland and include “*targets for the use of land in different areas of Scotland for housing*”.

Local Development Plan (LDP) Guidance, published by the Scottish Government in May 2023, encourages stakeholders to “**get involved by providing data, information and their views**” in evidence gathering for planning authority Evidence Reports (the first formal stage in LDP preparation). This guidance sets out much of the detail of the Scottish Ministers’ expectations for implementing LDPs. It brings together requirements from NPF4, the Town and Country Planning (Scotland) Act 1997, as amended, and the Regulations.

The LDP Guidance expects:

- Evidence Reports to include an indicative Local Housing Land Requirement (LHLR). The indicative LHLR (which is expected to exceed the Minimum All Tenure Housing Land Requirement (MATHLR)) can be informed by the same evidence used to inform the MATHLR as set out in NPF4. However, where more recent information is available, this should be used as it enables the Evidence Report to be more up-to-date in looking to the future, for example updated household projections, local need figures or a relevant change in local, regional or national policy.
- Where stakeholders consider further evidence may be relevant after a robust and credible Housing Need & Demand Assessment (HNDA) has been achieved, this may be raised in engagement and reflected in the Evidence Report. Stakeholders expected to be engaged in the preparation of housing related evidence for the Evidence Report include representative bodies of housing providers and landowners.

In order to help assist planning authorities with this crucial evidence gathering process, **Homes for Scotland (HFS) has commissioned The Diffley Partnership and Rettie & Co to undertake a primary research-led approach to understand housing need across Scotland**, looking to provide estimates at the national level as well as at individual local authority areas (where possible).

It uses a broader definition of existing household need than that currently used (i.e. overcrowded households that have at least one concealed family household and homeless households in temporary accommodation) which HFS is concerned drastically underestimates real need.

A comprehensive survey of 13,690 Scottish households was conducted by The Diffley Partnership in August 2023, **producing estimates of wider household need that can be used to inform both Housing Need and Demand Assessments (HNDAs) and subsequent policy decisions** on planning for housing.

The survey found that, overall, **28% of Scottish households currently have some form of housing need. This equates to around 693,000 households in Scotland** (see Figure 1).

This includes 15,000 overcrowded households that have at least one concealed family household, which concurs with the Scottish Government's MATHLR figure for existing need in Scotland based on its tighter definition.

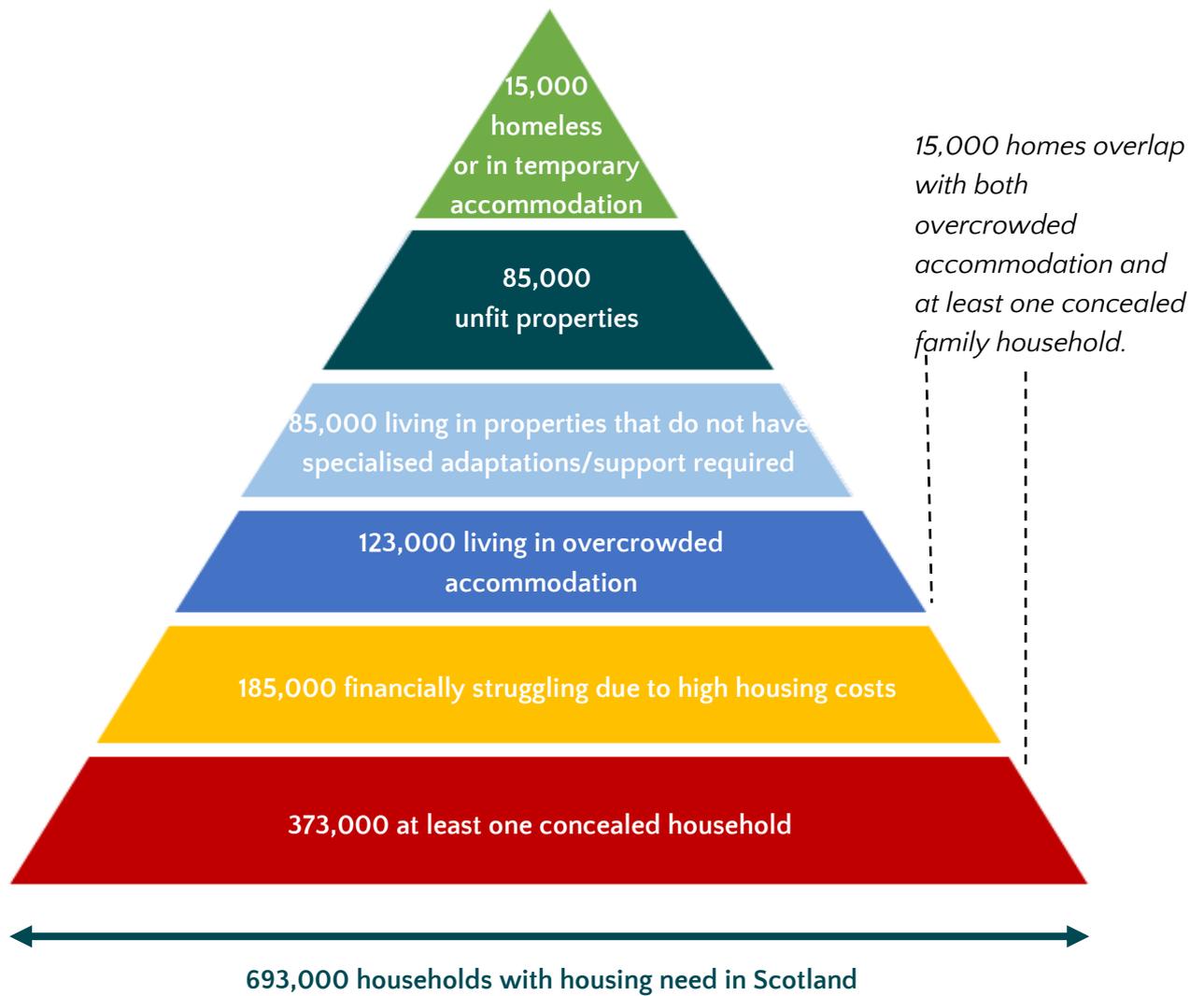
When accounting for those who can make in-situ repairs, this reduces the overall need figure to around 550,000 households. Based on secondary data analysis, we estimate that around 330,000 of these households require affordable housing, with the remainder (220,000) able to afford a market housing solution.

The survey therefore demonstrates that:

- levels of existing housing need in Scotland are more complex and much higher than is currently being accounted for through the HNDA tool. Several examples are provided in the case studies (Appendix 2) of households in different types of housing need (on multiple levels) but which would not be captured by current Scottish Government definitions.
- there is a straightforward, robust and efficient approach available to local authorities and the Scottish Government, or to anyone seeking to gather data on existing housing need beyond the secondary data already incorporated in the HNDA tool.

HFS would ask that the Scottish Government and local authorities welcome and utilise these survey findings to ensure that the housing needs of all those living in Scotland are met.

Figure 1: Summary of estimates of existing housing need in Scotland



Source: Diffley Partnership/Rettie & Co

Background and Methodology

The Local Development Plan (LDP) Guidance (May 2023) encourages stakeholders to “*get involved by providing data, information and their views*” in the evidence gathering stages for planning authority Evidence Reports. The LDP Guidance expects the Evidence Report to include an indicative Local Housing Land Requirement (LHLR). The indicative LHLR is expected to exceed the MATHLR figure. To this end, the LDP Guidance expects the planning authority to use more recent information, where available, as it enables the Evidence Report and indicative LHLR to be more up-to-date in looking to the future. Updated household projections and local need figures are specifically referenced.

This report presents the headline findings from a comprehensive survey of 13,690 households across Scotland, aimed at estimating the proportion and type of existing housing need across the country on a wider basis than that currently measured.

Background

HFS has a strategic objective to support housing delivery across all tenures to meet the needs of Scotland’s population. In the context of well-documented housing issues (including three local authorities declaring housing emergencies this year), HFS and its members look to be part of the solution with an ambition to futureproof housing delivery. As part of its work to collaborate positively and inform local and Scottish government policymaking, HFS commissioned The Diffley Partnership and Rettie & Co to develop and test a new approach of conducting primary research to inform the HNDA process across Scotland.

Primary research used to be the main basis for HNDAs in Scotland, but greater reliance has been placed on secondary sources in recent years, many of which have their limitations in terms of capturing need and demand. The only national datasets used as defaults within the current HNDA tool relate to:

(a) homeless households in temporary accommodation; and

(b) overcrowded households that include at least one concealed family (excluding the likes of single adults living with parents or sharing a flat and individual families living in a house with inadequate bedroom space).

This is resulting in concerns that HNDAs are not comprehensively capturing need and demand and are based on a very restricted definition of existing household need derived from secondary data. A survey, on the other hand, would allow for wider definitions of need and demand to be examined, using direct evidence from those currently living within the area.

The aim of this evidence is to assist plans at the local and regional level in relation to local authority HNDAs, LDPs and Regional Spatial Strategies (RSSs).

The focus of this report is on *existing housing need* arising from a shortfall of adequate accommodation for households across Scotland.

The HNDA process also considers newly arising need, i.e. from expansion of household numbers, and housing demand is concerned with where a person wants to stay depending on area and ability to pay. Neither of these other types of need and demand are considered in this exercise as the main focus was on establishing whether existing need was being underestimated in the current HNDA-led process.

'Old-style' HNDAs used to be conducted by consultants and were extensive exercises, involving various stages of quantitative and qualitative research and analysis. HFS is endeavouring to investigate possible ways in which shorter surveys of housing need and demand can assess the relevant calculations in a straightforward, robust and efficient way, allowing for production of more accurate and meaningful local assessments, while recognising that local authority budgets are unable to service the HNDA exercises of the past.

Methodology

Calculating housing need is a complex process, with many variables to consider and a number of ways of assessing these variables. The purpose of this report is not to provide definitive figures, but rather to provide an indication of need based on the primary research.

Traditionally, the 'old-style' HNDA surveys were conducted either via a face-to-face interview in the respondent's home or via a telephone interview and the standard questionnaires used to undertake the surveys reflected those methodological choices. However, employing such methods is generally considered to be costly, time consuming and difficult, so the fuller approach is now quite rare. Nevertheless, primary research remains the most up-to-date and direct means of assessing housing need and demand, and this survey attempts to undertake

this work in a cost effective way to establish existing housing need. It also limits issues such as double counting, which is more common in secondary research, especially when estimates of need are taken from different sources.

The Diffley Partnership and Rettie & Co were appointed by HFS to undertake a series of housing need surveys across Scotland using an established online panel (ScotPulse). The purpose is to examine all the broad categories of need as well as consider the most pressing need, which is typically concerned with homeless households in temporary accommodation and households that are both concealed and overcrowded.

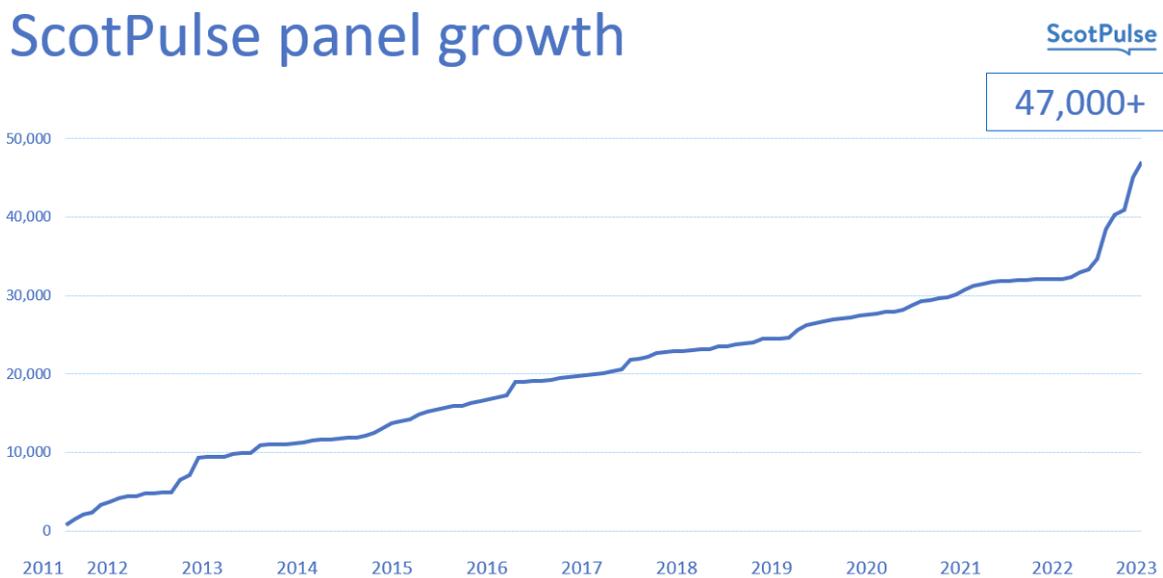
The arguments against undertaking such surveys online usually concern the proportion of the population who are not online, thereby threatening to undermine the data quality. However, the latest OfCom estimates in Scotland show an increasing coverage and usage of online facilities, meaning that those arguments are now much less valid¹. The other perceived drawback of conducting such surveys online is that the complexity of information required would make them difficult for respondents to complete. A pilot exercise was run by The Diffley Partnership and Rettie & Co in the Clydeplan area in 2021 (also commissioned by HFS), where respondent feedback was overwhelmingly positive on both these counts, offering reassurance for future studies in this respect.

The online panel

The online tool used by The Diffley Partnership, *ScotPulse*, has a membership of over 47,000 adults (aged 16+) in Scotland, meaning it can produce reliable and robust estimates at a national and, in most cases, at local/regional levels. Figure 2, below, shows the growth of the panel over the last 12 years.

¹ https://www.ofcom.org.uk/_data/assets/pdf_file/0015/130821/Connected-Nations-2018-Scotland.pdf

Figure 2: Membership of the *ScotPulse* online panel



This growth highlights the success in recruiting a large and representative cross-section of the population to take part in surveys across a wide range of current issues.

The panel is managed effectively and efficiently, ensuring a high-quality solution to quantitative research in Scotland. The Diffley Partnership has used the panel more than 100 times for clients ranging from the Scottish Government to third-sector organisations to companies in the private sector. It has been used to measure attitudes to significant government policy; attitudes to a range of social issues; and customer behaviours in a number of economic sectors.

In addition, above and beyond its size and quality, there are other reasons to use *ScotPulse*:

- an ability to conduct robust, representative surveys/polls about issues of interest;
- the panel is not used for surveys on voting, thereby being free from the types of interference that affected other panels during recent political events, when large numbers of politically engaged people signed up to try and influence poll results;
- flexibility in terms of timing (it can take just days to get organised) and outputs (from simple topline, to data tables or raw data); and

- an ability to use the panel to recruit participants in qualitative research, whether that is in-depth interviewing with individuals or focus group discussions.

Questionnaire

The survey was designed to establish housing need across Scotland and individual local authority areas, where possible.

It attempted to estimate the size of groups, such as younger people staying at home with families or living together with friends but who desire a place of their own. These groups are not typically included in assessments of pressing need because they are not regarded as households under current government definitions. There are strong arguments that they should be, particularly in instances where such households are also overcrowded, and estimating the sizes of such groups would go some way to assessing the scale of this problem. People in these groups could also be separate households but are constrained in the housing market because of issues such as affordability and a lack of housing supply.

There are questions asked in the Scottish Census as well as the Scottish Household Survey (SHS) and Scottish Housing Conditions Survey (SHCS) to establish sources of need and these were reviewed. The intention is that this survey is broadly consistent with other surveys in terms of questioning. The questionnaire was kept purposely short and focused to be suitable for an online audience.

Analysis of Results

All surveys are taken from samples of the population and data and are therefore estimates.

Based on the sample size used in this survey and the population of our sample universe (households in Scotland), the margin of error is less than 1% at the 95% confidence level.

The margin of error refers to the range of values above and below the actual survey result that we can be sure the views of the public will lie between. For example, if 50% of the sample surveyed strongly agree with a statement, the margin of error means that we can be sure that between 49% to 51% of the general population strongly agree with the same statement.

Presentation and interpretation of findings

Where percentages do not sum to 100%, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers. Aggregate percentages (e.g. 'good'/'poor') are calculated from the absolute values. Therefore, aggregate percentages may differ from the sum of the individual scores due to rounding of percentage totals. Throughout the report, an asterisk (*) denotes any value of less than half a percent and a dash (-) denotes zero.

Headline Findings

This section of the report highlights the key headline findings of the survey.

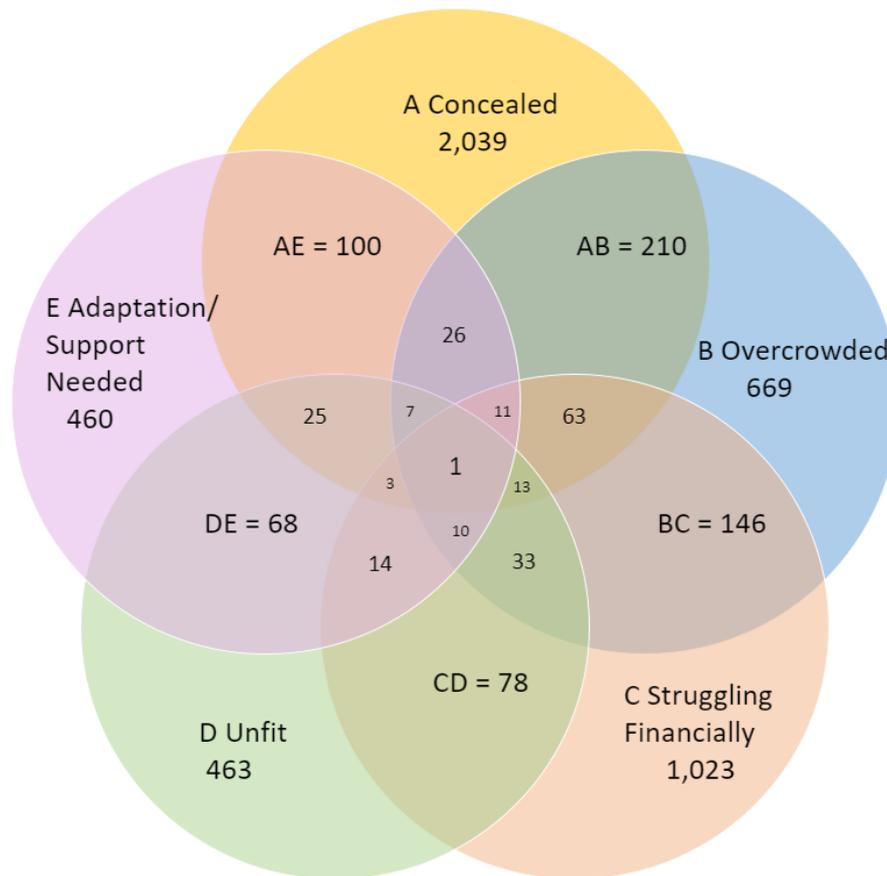
Counts of existing need

The focus of the survey was to capture data on some specific categories of existing housing need.

- **Households that are concealed.** Identified as an individual or group of people in an existing household who want to move out to form their own household but are currently unable to do so.
- **Households that are overcrowded.** Identified as households who report that there are insufficient bedrooms for the needs of their household.
- **Households living in unfit properties.** Identified as households living in a property where at least one aspect of the property is in 'very poor' condition (including roof, external walls, internal walls or ceilings).
- **Households who are struggling financially as a direct result of their high housing costs (and therefore in need of more affordable accommodation).** Identified as households who report spending more than 50% of their gross income on housing *and* who state that they were coping 'not very well' or 'not at all well' to the question about how they were coping financially.
- **Households living in properties who do not have the specialised adaptations or support they require.** Identified as households who report requiring (but not having): (a) aids or adaptations to their current property due to health, mobility or disability issues; (b) housing support or care; or (c) other specialised housing.

The evidence from the survey identified the following numbers of households that met one or more of these types of existing housing need and these are summarised in the following diagram.

Figure 2: Summary of numbers of households identified in the survey as meeting one or more types of existing housing need (N = number reported from sample)



Source: Diffley Partnership/Rettie & Co

These numbers can be applied to the total sample size (13,690) to calculate that:

- 14.9% had at least one concealed household;
- 7.4% indicated they were struggling financially due to high housing costs;
- 4.9% were found to be living in overcrowded accommodation;
- 3.4% were in properties that required specialised housing adaptation or support but did not have them; and
- 3.4% were found to live in 'unfit' properties.

A number of households have need across two or more categories. In total, 3,714 (27.1%) of households in the sample had some element of need, with 2,976 (21.7%) having a single need and 740 (5.4%) having two or more needs.

Extrapolating these results to Scotland (c2,500,000 households²), this means we can estimate the total numbers of households in the area with some form of existing housing need.

- 373,000 households have at least one concealed household (95,000 are households with concealed families).
- 185,000 households are living in properties that they were struggling to afford.
- 123,000 households in the country are overcrowded.
- 85,000 households are living in properties where they do not have the specialised adaptations or support they require.
- 85,000 households are living in properties with very poor conditions.

In total, 678,000 households have at least one element of need, with 135,000 of these households having multiple elements of need.

Added to this needs to be a count of those households that are homeless or in temporary accommodation, with the latest statistics from the Scottish Government estimating there to be 15,039 households in temporary accommodation³. This provides a total gross housing need total for the country of c.693,000.

1.5% of households (37,500) nationally are overcrowded *and* concealed (not enough bedrooms AND someone/group of people who would like to move out). Considering only overcrowded households with concealed families, this percentage drops to 0.6% (15,000).

The Scottish Government's MATHLR calculations on existing need for Scotland are at just under 31,000 (based on those in temporary accommodation and estimates of concealed and overcrowded households). Based on these particularly pressing definitions of need, our figures corroborate this estimate. However, as shown above, numbers increase once other types of existing need are considered. Local authorities have the opportunity to consider evidence of these wider types of gross existing need as part of the HNDA process.

Several examples are provided in the case studies in Appendix 2 of households in different types of housing need (on multiple levels) but would not be captured by current Scottish Government definitions. This includes people in financial stress; people in overcrowded households where a young adult has to sleep on a sofa; and people who require an

² 2022 estimate by National Records for Scotland (NRS)

³ Scottish Government, Homelessness in Scotland, 2022-23. This only includes an estimate of those in temporary accommodation and not all homeless households

alternative social housing solution because of the quality and/or size of their existing accommodation. As highlighted in the case studies, need is evident across a range of tenures and there are clear implications in terms of physical and mental health from this housing need not being addressed.

These figures in the survey represent **gross** housing need. The conclusion should not be made that 693,000 new homes are needed to resolve the existing housing need of the 693,000 households in need that we have identified. Some of the housing need could be remedied in-situ (estimated below). Of the remaining housing need, some could afford market housing and others will require an affordable option, which is also estimated.

Estimating Net Current Housing Need in Scotland

Estimating net housing need requires some analysis of those households that can make in-situ repairs to their property to bring it up to standard.

Of those with accommodation in very poor condition (370), 41 of the sample believed that the accommodation could not be brought up to standard. The vast majority thought that it could and only a small number did not know or were unsure. Only 11.1% households classified as living in properties with very poor conditions were therefore included in estimates of net current need.

Similarly, the vast majority of those who reported living in accommodation where they needed specialised housing or support but did not have this either thought the property could be brought up to standard or did not know/were unsure. Only 20.7% of these households were therefore included in the net figure.

Netting off households that could make in-situ repairs to deal with their housing need, reduces the national estimate of households in acute housing need from 693,000 to 550,000.

To assess the ability of households to buy their way out of their housing need situation, we used data from the Registers of Scotland for residential sales in the 12 months between September 2022 and August 2023 priced between £20,000 and £2 million. Analysis of this data showed that, at the 25th percentile, the average property price in Scotland is £138,076.

From this, the average mortgage payment can also be calculated based on the latest figures from the Bank of England Mortgage Lenders & Administrators Return (MLAR) Report, Database and Housing Tool, where a 2-year fixed rate loan at 85% Loan to Value (LTV) was

just over 6.15%. At 85% LTV, the £138,076 purchase price would require £117,365 in lending against a £20,711 deposit.

Based on these figures, and assuming a 25-year mortgage, then the average mortgage payment at the current time for the property at the 25th percentile in Scotland would be just under £767 pcm. There are different estimates of what percentage of gross income should be spent on housing costs, but this typically lies between 25% and 35%. At 25%, this would require a gross household income of around £36,815 per annum at current lending rates. At 35%, this would require a gross household income of £26,296 per annum at similar rates.

Figure 3: Scotland house sales by percentile, Sept 2022 to Aug 2023

Percentile	Scotland
99%	£1,297,204
95%	£700,030
90%	£534,998
80%	£393,520
75%	£349,362
66%	£290,811
60%	£261,010
50%	£218,750
Mean	£284,466
Median	£218,750
45%	£200,227
40%	£183,030
35%	£166,799
33%	£161,097
30%	£151,781
25%	£138,076
20%	£123,479
15%	£106,661
10%	£88,103
5%	£66,370
1%	£35,568

Source: Rettie & Co/Registers of Scotland

It is possible to apply this affordability assumption to household incomes in Scotland to estimate the number of households that would be able to afford a home at £138,076 and/or who are earning upwards of £26,296 or £36,815.

The Scottish Government has published a small area earnings dataset that details household incomes at datazone level. This dataset is from 2018 but, using the Annual Survey of Hours and Earnings (ASHE) for Scotland, these figures can be updated to 2022 levels.

In the Scottish Government dataset, 2,506,667 occupied dwellings are counted in Scotland. The proportion of households below certain income thresholds are then detailed. From this,

the number of households in each price bracket of earnings can be estimated. Based on the assumptions above, approximately 67% of Scottish households have a gross income of £26,296 or higher and would be able to afford a house priced at the 25th percentile (based on current lending conditions and spending 35% of their gross income). If this is changed to the more conservative 25% of gross household income, then this figure falls to 46% of all households at current lending rates.

It appears to be a reasonable and conservative assumption that around 40% of households of those in need in the country could afford houses at the lower quartile. We therefore assume that around 40% of the households in gross need could afford to purchase their way out of their need situation.

Figure 4: Estimates of Housing Affordability of Scottish Households by Income

	2018 Value	2022 Value	2022 Annual Income	Household Earnings Brackets	Number of Households	% of Households
Gross Household Income	£50	£57	£2,954	Under £2,954	40	0%
	£100	£114	£5,907	£2,954 and £5,907	20694	1%
	£150	£170	£8,861	£5,907 and £8,861	74467	3%
	£200	£227	£11,815	£8,861 and £11,815	123222	5%
	£250	£284	£14,768	£11,815 and £14,768	151019	6%
	£300	£341	£17,722	£14,768 and £17,722	159980	6%
	£350	£398	£20,676	£17,722 and £20,676	158237	6%
	£400	£454	£23,629	£20,676 and £23,629	151434	6%
	£500	£568	£29,537	£23,629 and £29,537	294478	12%
	£600	£682	£35,444	£29,537 and £35,444	214611	9%
	£700	£795	£41,351	£35,444 and £41,351	200284	8%
	£800	£909	£47,259	£41,351 and £47,259	169495	7%
	£900	£1,022	£53,166	£47,259 and £53,166	142370	6%
	£1,000	£1,136	£59,073	£53,166 and £59,073	118446	5%
	£1,200	£1,363	£70,888	£59,073 and £70,888	178384	7%
	£1,400	£1,590	£82,703	£70,888 and £82,703	118926	5%
	£1,600	£1,818	£94,517	£82,703 and £94,517	78444	3%
£2,000	£2,272	£118,147	£94,517 and £118,147	84943	3%	
Income Over	£2,000	£2,272	£118,147	Over £118,147	67195	3%

Source: Rettie & Co/ONS/Scottish Government

Net housing need is calculated as those in gross housing need (x) minus unsuitably housed households with in-situ solutions (y) and those households able to afford a market solution (z). This calculation is as follows.

Figure 5: Estimate of Net Current Housing Need in Scotland

HNDA Step		%	Approx. No. of Households
x	Gross Current Housing Need		693,000
y	In Situ Solutions Most Suitable		143,000
z	% and Number Able to Buy in Market	40% of x-y	220,000
A	Net Current Housing Need (Backlog)		330,000

A = x – (y + z)

This suggests that there are around 330,000 households in Scotland in current need who will require an affordable housing option to meet their need. 220,000 can afford a market housing option to meet their current need.

Some of this housing need could be resolved by addressing under-occupancy of existing homes; promoting available housing in low demand areas; bringing empty homes back into use; and bringing second homes and short-term lets into longer term use. However, building new homes will have to be a significant part of meeting net current housing need.

Conclusions

This survey used primary research to estimate existing housing need in Scotland and to verify existing estimates of 'existing household need' in that area. There are a number of key conclusions from this exercise, which are detailed below.

Conclusion 1: The survey has demonstrated **there is a straightforward, robust and efficient approach available to local authorities and the Scottish Government** or to anyone seeking to gather data on existing housing need beyond the secondary data already incorporated in the HNDA tool. It is precisely the type of evidence the LDP Guidance suggests be used in helping to derive an appropriate LHLR for each local planning authority.

It has significant potential to fill a gap in Scotland's current evidence base on housing need and demand.

It is beneficial because it is an affordable and accessible way of quickly providing local authorities with direct and up-to-date evidence from the current local population of an area. This is superior to the secondary data and limited evidence available through the current desk-based approach to HNDA. It also appears to have been well understood and easy to complete by respondents, providing further comfort on the quality of the findings.

There is a reliance on self-reporting in this study, common to most studies of this kind. More in-depth, qualitative follow-up research has allowed for greater interrogation of responses and the capturing of 'richer' data on specific household circumstances. This survey has provided a valuable piece of additional data and analysis on the debate on housing need in Scotland.

Conclusion 2: The survey has also **produced estimates of wider household need that can be used to inform HNDAs and policy decisions** on planning for housing.

Based on a wide definition of existing household need, the survey found, overall, 28% of Scottish households had some form of housing need, equating to around 693,000 households across the country. This represents gross housing need in the area, made up of:

- 4.9% of Scottish households were living in overcrowded accommodation, which equates to around 123,000 households.

- 14.9% had at least one concealed household, equating to around 373,000 households. Only including households with concealed families, reduces this to 95,000.
- 3.4% were living in unfit properties, equating to around 85,000 households.
- 3.4% were living in properties that did not have the specialised housing adaptations or support that they needed, equating to around 85,000 households.
- 7.4% were struggling financially due to high housing costs, equating to around 185,000 households.

The final figure of gross need of 693,000 is the total number of households with at least one form of need and adding in the c.15,000 households that are estimated to be in temporary accommodation.

Conclusion 3: Within this gross figure, the survey has produced a gross figure of **37,500 households that are both overcrowded and include at least one concealed household (single people included). If only concealed families are included, this figure reduces to 15,000 households.**

Scottish Government 'initial default estimates' of existing housing need are based on counts of homeless people in temporary accommodation and of households that are both overcrowded and concealed. This is a very strict definition of need and only accounts for households with particularly pressing need. It overlooks a lot of households that arguably should be considered in the statutory planning and housing processes. The MATHLR figure for Scotland at c.31,000 households in existing need is comparable with our calculations.

Conclusion 4: When accounting for in-situ solutions and ability to afford to buy out of need, the **gross figure reduces to around 330,000 households in net housing need (backlog)** that need an affordable housing solution. A further 220,000 households are in need and could afford a market solution.

This is not a full HNDA, but rather provides a robust assessment of actual need based on primary research of households in Scotland that is up-to-date. These figures can be used in conjunction with others as part of the HNDA process.

The survey demonstrates significantly higher levels of housing need in Scotland than is currently being accounted for.

Appendix 1

Existing Housing Need – Top-line Results

November 2023

The following questions are about you and all other members of your household.

Question 1

How many people currently live in your household?

Base: All (13,690)	%
1	20
2	44
3	19
4	13
5	3
6	1
7	*
8	*
9	*
10	*

Question 2

Does your household own or rent your accommodation?

	Base: All (13,674)	%
Owens outright		39
Owens with a mortgage or loan		36
Part owns and part rents (shared ownership)		*
<i>Any own</i>		74
Rent from council/local authority		9
Rent from a Housing Association/Registered Social Landlord		6
Rent from a private landlord		9
Other rent		1
<i>Any rent</i>		25
Don't know		*

Question 3

What is the postcode of your accommodation?

	Base: All (13,690)	%
Aberdeen City		4
Aberdeenshire		6
Angus		3
Argyll and Bute		0
Clackmannanshire		1
Dumfries and Galloway		0
Dundee City		3
East Ayrshire		3
East Dunbartonshire		2
East Lothian		2
East Renfrewshire		1
City of Edinburgh		8
Eilean Siar		0
Falkirk		4
Fife		8
Glasgow city		9
Highland		6
Inverclyde		1
Midlothian		3
Moray		2
North Ayrshire		3

North Lanarkshire	6
Orkney Islands	0
Perth and Kinross	4
Renfrewshire	3
Scottish Borders	1
Shetland Islands	0
South Ayrshire	3
South Lanarkshire	7
Stirling	2
West Dunbartonshire	2
West Lothian	4

Question 4

And is your accommodation

	Base: All (13,684)	%
A house or bungalow		73
A flat, maisonette or apartment (including four in a block conversion)		26
A room or rooms		*
A caravan, mobile home or houseboat		*
Other		1
Don't know		*

Question 5

How many habitable rooms in total are there in your accommodation? By habitable we mean any room used for living, sleeping, eating or cooking and does not include rooms like bathrooms, toilets, hallways, storage areas, closets or utility rooms.

	Base: All (13,616)	%
1		1
2		4
3		13
4		24
5		25
6		16
7		9
8+		8
Average		5

Question 6

Thinking about the number of bedrooms in your accommodation, is this enough for the needs of your household or not?

Base: All (13,667)	%
Yes, there are enough bedrooms in the accommodation for the needs of the household	95
No, there are not enough bedrooms in the accommodation for the needs of the household	5
Don't know	*

Question 7

How would you rate the physical condition of the following aspects of your accommodation?

Base: All (13,455)	Very good	Fairly good	Net: Any good	Average	Fairly poor	Very poor	Net: Any poor	Don't know	NA
	%	%	%	%	%	%	%	%	%
The roof	45	28	73	16	4	2	6	4	1
External walls	48	30	78	16	3	1	4	1	*
Internal walls	50	28	78	16	4	1	5	*	*
Ceilings	50	29	79	16	3	1	4	*	*

Question 8

Thinking about the aspects of your accommodation in very poor condition, do you think that your property could be repaired to bring it up to standard by you/the homeowner, or not?

	Base: All (463)	%
Yes, my accommodation could be brought up to standard		76
No, my accommodation could not be brought up to standard		17
Don't know/Unsure		6

Question 9

Do you or anyone else in your household require any of the following specialised housing adaptations or support?

	Base	Yes	No	Don't know
	N	%	%	%
Aids or adaptations to current property due to health, mobility or disability issues	13,663	12	87	1
Housing support or care	13,470	5	94	2
Other specialised housing	12,873	1	95	4

Question 10

And does your current property meet your requirements for such housing i.e. does it have the adaptations or support you require?

	Base: All (1,841)	%
Yes		68
No		25
Don't know / Unsure		7

Question 11

And do you think that your current accommodation could be upgraded to meet any specialised needs with, for example, appropriate aids and adaptations or a housing support/care package?

	Base: All (459)	%
Yes		71
No		21
Don't know / Unsure		9

Question 12

Thinking about your household income and costs, how well would you say that your household is coping financially at the moment

	Base: All (13,657)	%
Very well		15
Fairly well		61
Not very well		18
Not at all well		5
Don't know		1

Question 13

Thinking about the total gross income (before any deductions for tax) for your household, roughly what proportion of that income is spent on housing costs (rent/mortgage and council tax)?

	Base: All (13,678)	%
None		1
Less than 25% of total household income		39
Between 25% and 50% of total household income		32
Between 50% and 75% of total household income		12
More than 75% of total household income		3
Don't know		13

Question 14

Thinking of all the people in your household, do one or more people within the household (listed earlier), want to move out of your accommodation but are currently unable to do so?

	Base: All (10,971)	%
Yes – there is someone/more than one person currently in this home who would like to move and form one separate household		16
Yes – there is someone/more than one person currently in this home who would like to move and form more than one separate household		3
No		78
Don't know		4

Question 15

Thinking about people in your current household that would like to form a new household but are currently unable to do so, in the table please give the reasons for them forming a new household. For example, this may be young adults living at home or older relatives who would like to move out

Base: Concealed households (2,039)	%
Young adult(s) living at home who would like their own home	87
Older person/people who would like their own home	17
Current sharing of accommodation where one or more people would like to move to their own home	20
Person or people on a housing waiting list and awaiting re-housing	13
Relative(s) and/or friend(s) living with you during the Covid-19 pandemic who will return to their own home after the pandemic	4
Other reason	14

Question 16

Finally, thinking about the needs of those new households, what are those needs that cannot be met in the current accommodation?

Base: Concealed households (2,039)	%
More outside space needed, such as a garden	15
More inside space needed	25
Less space required, 'downsizing'	10
Specific adaptations required, such as a stairlift or a shower rail etc.	6
Require move to 'sheltered' accommodation	5
Moving for job reasons, for example, to be closer to place of work or to relocate with work	17
Desire to live independently	84
Other needs	16

Technical details:

- The survey was designed by the Diffley Partnership and invitations were issued online using the ScotPulse panel,
- Results are based on a survey of 13,690 respondents
- Fieldwork was conducted between 17th August to 24th August 2023,
- A result of less than half a percent is denoted as an asterisk (*) while results of zero are denoted by a dash (-),
- Results are weighted to the age and gender profile of the combined local authority areas.

Appendix 2

Case studies from qualitative research

Household 1

Who are they?

Searching for affordable housing, She and her husband purchased a 2-bedroom flat in Edinburgh 10 years ago under a shared ownership scheme. A teacher, she says that she has been unable to find a steady job and is subject to precarious employment on zero-hour contracts, impacting their ability to get a mortgage.

What is their housing need?

She reports that the house has caused serious financial strain. The house required extensive renovations and updates from the start – ‘new carpet, new central heating, new kitchen, new bathroom, absolutely everything’. Ongoing repairs have added to their financial burden, leading her and her husband having to borrow money from other family members to cover repairs. On top of these costs, their mortgage was recently up for renewal and increased in cost. Yet, their flat is increasingly unsuitable to meet her family’s needs. Her 11-year-old daughter and 20-year-old son stay in the home and, without an additional bedroom, her 20-year-old son sleeps on the sofa, without his own space.

Concerned with ongoing costs of these renovations and overcrowding, her family took many actions to remedy their situation. They took on tenants at their flat and moved their family to a larger rental property, and also considered selling their flat at a loss. However, they decided to move back into the property to pay off debt, avoid maintenance and high rental bills.

She feels constrained by the lack of affordable housing and is not sure the situation can be fixed. She is unable to afford rent generally, would not qualify for mid-market rent if working full time, and cannot get a mortgage on another property, even if she sold this one: ‘I think we’re in a situation, my husband and I, that unless we get an inheritance, we’re probably not going to get on the market because, depending on the size of the house we need and the amount of the mortgage, the bank’s not going to let us borrow that’.

Additionally, the weight of their housing situation has wide-ranging effects on her family. The financial stress of their home impedes her from getting a better job, as she puts too much pressure on herself to perform at interview; ‘a new job would be ‘life-changing, because then we could move house or pay this or do this’. Overcrowding remains untenable and impacts her

family's sociality, creating shame and embarrassment: 'I'm not as much of a social person as I could be, because I wouldn't want to say to my daughter, 'oh, bring your friends home''. She explained: 'where you stay and your house is like a way of success, isn't it? And if you've not got that, you feel a little bit of a failure.'

What needs to happen?

Her story highlights not only the difficulties of families from overcrowding but the shame and stigma they feel from not being able to meet housing need.

Household 2

Who are they?

He lives with his partner and children, six of them in total, in an accessible rural location outside of Edinburgh. Their home is rented from a housing association. Three of them would like to move out and buy their own properties.

What is their housing need?

They identified several housing needs.

Firstly, the size of the property. They previously lived in a two-bedroom house and requested to change to a four-bedroom, but the only property available to them at the time was this three-bedroom property. As such, they have been on a list for a four-bedroom property for 14 years. He believes they are now 6th in line on this list, but comments 'you never move forward, there's too many different lists'.

Secondly, the accessibility of the property in terms of design and location. His wife has multiple health conditions and finds it increasingly difficult to use the stairs in the house. This also limits her ability to travel to shops and navigate public transport in the area, so they ideally would like to be allocated a property nearer to facilities, including medical facilities.

Thirdly, the condition of the property. Mould is a particular concern given one of the children suffers from asthma: "Black mould is coming through the ceiling. There's quite a lot in the bedroom so we need to scrub it down with bleach and clean it."

There are impacts to the mental wellbeing of the family. He shared how worried he was about the condition of the house, the size of the house and the location of the house and the detrimental effects these are having on the whole family.

What needs to happen?

His main desire is to move to a suitable home for their family where they can access local facilities and which has enough bedrooms and is in good condition.

Household 3

Who are they?

She is a single parent living with her two children, aged 14 and 16. Their social housing is a three-bedroom, mid-terrace house in a rural area near Stirling.

She thinks of her current housing as a temporary situation as she would like to move out once her children leave home for work or study.

What is their housing need?

She is struggling financially and the accommodation is currently in an unfit condition. She feels that the council maintain properties in urban areas to the detriment of those further outside of cities. "I don't think my council maintain the houses very well in this area... We're quite rural so I'm not close to the city. So our houses are really badly maintained. I had a leaky pipe outside and they would only patch the repair up rather than changing the pipe."

She explains that there is a limit to the number of repairs that can be requested within a year, so she needs to pay for the repair and maintenance of the property herself: "the doors in my kitchen are currently falling off, I'm fixing them myself because the Council only allow you to have three repairs a year".

She experiences issues treating mould and damp within the property: "The mould itself has affected my wellbeing. I am an asthmatic and I suffer with heart problems with high blood pressure".

Furthermore, isolation is a big issue for her due to the remoteness of the rural location: "There's no public transport in my street to take my kids anywhere." Furthermore, the location of the property on a busy rural road, but without pavements, mean her children cannot walk to school or to their friends' houses.

Energy bills are also a struggle: "I really do struggle with heating. It's not so much financially, but I struggle to keep the house warm because the house is...we're in a really cold area. So just to keep the house warm is a struggle. I've actually spoken to people at the Housing Department and they said, we understand your struggles because of where you live. It's obviously a common complaint."

What needs to happen?

She wants the local council to be proactive: "I think the Council need to take a big step up, they have to address the needs of the community. They really need to think about the communities that they're putting people into. They need to conduct annual maintenance. A private landlord would be able to visit your house once a year to do a maintenance check. They need to maintain houses to a better standard because, in the long run, that's going to cost them a lot of money."

She supports increasing the availability of affordable housing through new construction but wants to see an increase in good quality, energy efficient social housing.

Household 4

Who are they?

She currently lives in a house with six family members. She wants to move out with her youngest daughter, who is still at school. Her older daughter, son-in-law and their three children would like to stay on in the property.

They have lived in the property for almost 9 years, having moved in when the property was just built. It is in a small neighbourhood in the Falkirk area and it is relatively quiet.

She has been on a council waiting list for around five years. The council told her 11 weeks ago that a property is available, however, she had not received any more news at the time of interview.

What is their housing need?

She explained that they are currently in poor mental health because of the household size and dynamics. The home is overcrowded. In addition, as she requires adaptations for limited mobility (wet room and downstairs bedroom), she is limited to the ground floor and is struggling with the current cost of living crisis.

They are facing challenges with affordability, specifically the cost of rent. Her rent is paid for, due to her disability, however, due to the family dynamics, they are covering other members' shortfalls and are unable to afford certain basic necessities due to her disability.

They have been unable to maintain the physical condition of the home, with many repairs outstanding and some taking three years for the local authority to address.

She is worried about her younger daughter as the household dynamic is affecting her education.

What needs to happen?

She feels she has been passed around and ignored by the local authority when seeking specific help with her housing needs. She expresses frustration with the lack of understanding from the local authority in addressing the housing needs given the long wait to move to a vacant property.

“Most properties to rent in this area are private and there’s a limited supply of council houses. They are trying to build but, in the meantime, they need to look at the system because it has been a really hard wait for a house.”

Household 5

Who are they?

She is an owner occupier of a small flat near Dundee. She lives with their partner and their adult daughter and none of them want to keep living in the flat.

They have lived in their property for 31 years.

When they moved to the property, they had a small mortgage as the flat was not expensive. They wanted to live there for a few years and move on, but her health caused them to lose her job and her partner was not on a large enough income for a new mortgage. Now pensioners, they explain: “we’re of an age now where we could never afford a new mortgage.”

What is their housing need?

Their main desire to move to another property due the communal nature of the building and issues with other residents and owners. Other properties in the building being ‘buy-to-let’ and are managed by letting agents.

She explains the building and communal areas are “in such a bad state of disrepair”. Despite the fabric of the building being in need of substantial repair for over five years, they have struggled to coordinate agreement on repairs with the owners who let their properties.

They have had many problems with upstairs neighbours, who are tenants. Explaining: “there’s no insulation, so there’s no escape from the noise coming from upstairs.” They describe feeling unsafe in their home and having to reach out to local police for help with anti-social behaviour. They feel “trapped in the property” due to its state of repair, their neighbours and feeling that they are not in a financial position to move.

What needs to happen?

They have submitted an application for a local council property, and they want to sell their home, but the waiting list is so long as they are not currently identified as being in need.

“I certainly cannot afford to private rent, I need a more affordable option so the council waiting list is my only way out. Affordable housing isn’t really that affordable for the vast majority of people. There are so many people on low wages and, with the cost of living, I don’t think the term affordable hits the mark anymore.”

They believe there should be better regulation of private rentals, with regular maintenance inspections by letting agents being a requirement and communal repairs being easier.

Household 6

Who are they?

They live alone with a mortgage. They have lived in their home for 23 years, having bought the property from the landlord 14 years ago.

They face some challenges with their health. Due to their ill health, they have had to leave their steady employment, which they held for 16 years. It has been 18 months since they left employment and are now receiving benefits; the majority of which goes to their mortgage. They prioritise mortgage payments and bills, but their financial situation is 'crippling'.

What is their housing need?

They reflect that their position is difficult, but "renting is really difficult, rent is astronomical and, if you're looking for a council house, there's just nothing ever available." They are not currently classed as in housing need, despite their financial situation, and face a lengthy wait for a council house.

They reflect on the housing situation in their local area where "you can't rely on the council, you need to go private to secure a house, I might be in a bad situation but I'm so grateful to have a roof over my head for now".

They are constantly worried about paying bills, prioritising making payments and "scrimp and save on food since you can always find something to eat if you're really hungry."

What needs to happen?

"First and foremost they need to build more houses and affordable schemes shouldn't be abused by those people who intend to let the property out."

They are particularly frustrated as, if the property was owned by a private landlord, they would get help with the mortgage because they are now on benefits. However, there is no specific help for owner occupiers.

Appendix 3

Feedback from survey respondents (to previous test survey)

In an earlier test survey, survey respondents were invited to give unprompted feedback on completing the survey. We were interested in:

- how interesting the survey was for respondents;
- how easy the survey was to complete; and
- how much time it took to complete.

The feedback was overwhelmingly positive and we provide direct quotes from participants under the three headings below.

Interest in completing

Generally, respondents found the survey interesting and topical:

“Easy to follow and results should be interesting, especially in a pandemic”

“Interesting survey, easy to understand. Took less than ten minutes to complete. It would be helpful to know the ultimate use of its findings”

“It was interesting, topical and easy to understand.”

“This questionnaire highlights the problem my family currently have, myself and my sister want to move out separately and my ageing parents want to downsize to a more manageable home. My sister and I can't afford or qualify for a mortgage and we don't qualify for a council property either”

“A well worthwhile survey as a lot of people are struggling a bit or quite a lot financially at the moment and some don't have enough space either and this can be detrimental to their mental health”

“I am hoping to downsize and move to a retirement flat this year. It would have been last year but pandemic got in the way. I am just glad to be alive”

“Not too interesting, to be honest it was a bit like answering the demographic questions usually found at the end of a survey. It was easy to understand and didn't take long at all”

Ease of completing

Generally respondents found the survey straightforward to complete.

“Easy to understand, Quick to complete. You will have gathered that we are living in a bigger house than we need to - the family home but the family has moved on.”

“Fine, easy to answer questions. Why no question about heating, lighting and so on in the running costs question?”

“Really straightforward & not challenging”

“I understood the questions but found them a little intrusive, if they had got any more so, I would have refused to answer”

“Rather personal questions, easy to understand and complete. Gave hope that my particular housing association will be made to improve the complex and greatly reduce the rent rather than counting on housing benefits to keep them in profit, and reduce undeserved staff salaries at this development”

Survey length

Respondents broadly found the survey to be acceptable in terms of length.

“Only took 10 minutes. Interesting survey”

“Very quick and easy. Well explained”

“This was a very easy survey. Took me a couple of minutes to complete. Questions were very easy to understand. Wasn't a very interesting survey as it was just factual but ok to answer”

“Survey took 5 minutes - easy to follow. Was intrigued how this information was going to be useful”