DUMFRIES AND GALLOWAY

AFFORDABLE HOUSING STUDY

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The Research

- External buyers

  - their impact on the market across D+G?

  - their motivations and experience?

- Second homes/holiday lets

  - their impact on the market across D+G?

  - what are business/ community views?

- Affordable housing needs in 4 case study areas

  - research evidence and identify priorities for intervention

Research Method

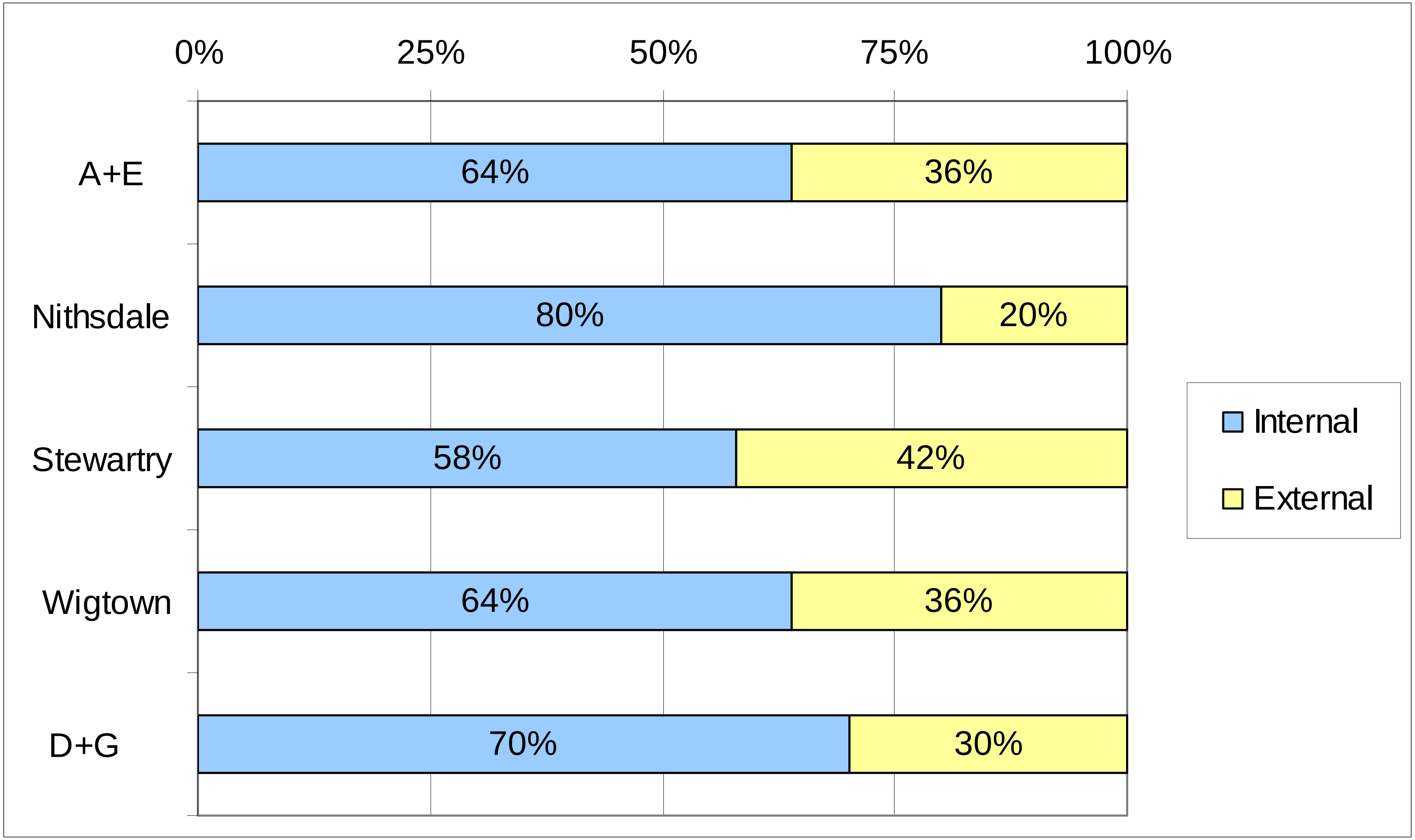
- Analysis of all housing market data
- Survey of external buyers
- Interviews with second/holiday home owners
- Focus groups with community and local business interests
- Survey of households in affordable housing need in 4 case study areas c 100 households took part
- Interviews with agencies, landlords, property agents, Community Councils, elected members etc

Case Study Areas

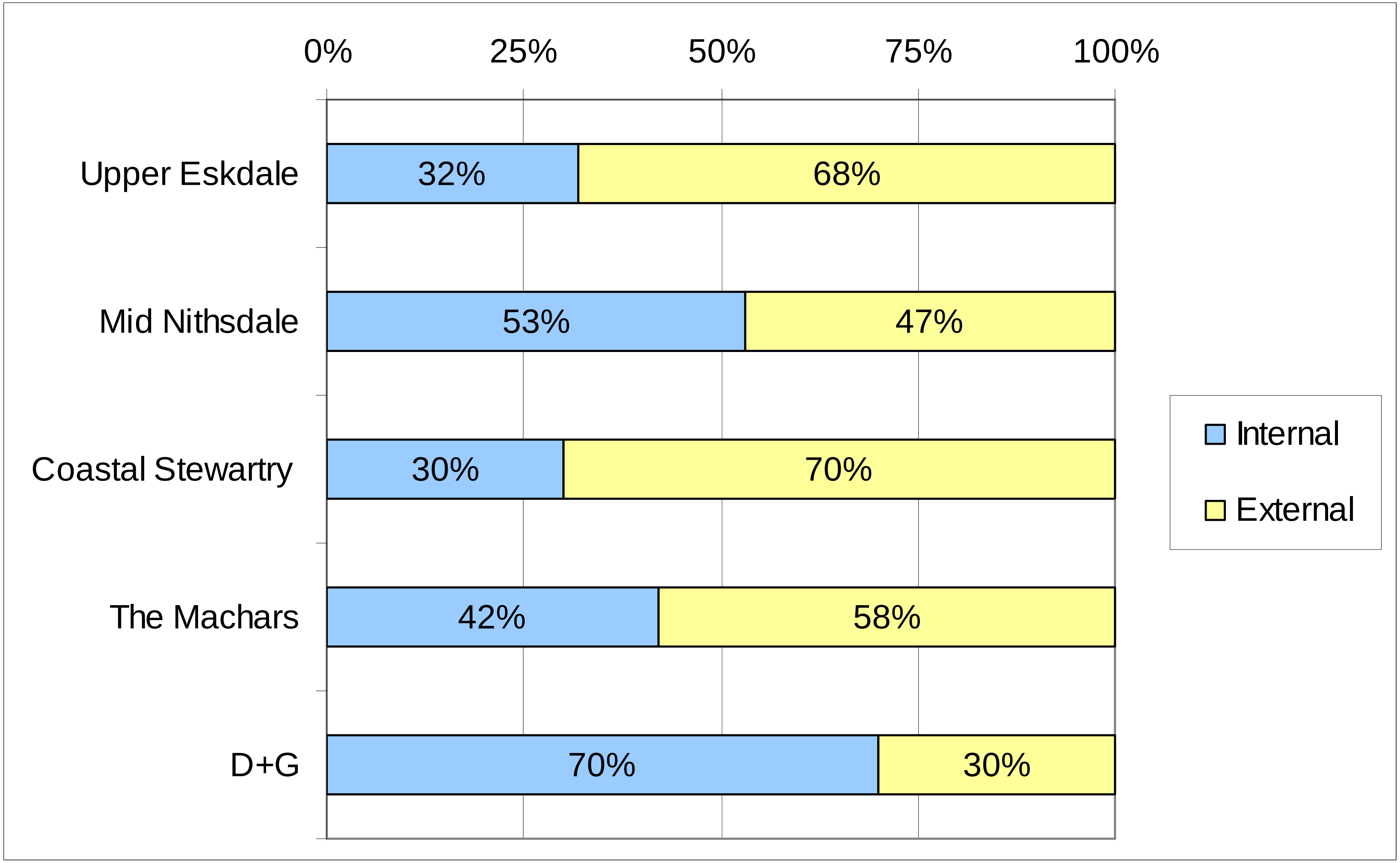
Upper Mid Annandale & Eskdale	Eskdalemuir, Samye Ling, Boreland, Sibbaldbie etc
Mid Nithsdale Villages	Penpont, Carronbridge, Burnhead etc
Coastal Southern Stewartry	Borgue, Dundrennan, Auchencairn, Palnackie, Kippford, Rockcliffe etc
The Machars	Braehead/Kirkinner, Garlieston, Monreith, Sorbie, Whauphill, Whithorn, Isle of Whithorn etc

External Buyers in D+G

External Buyers 2002-2005



External Buyers 2002-2005



External Buyers

- Impact more at top end than bottom end of market
- However in rural areas impacting at all levels inc more affordable end
- Retirement/change in lifestyle led but family/friends and employment also factors
- 3 in 4 looking for main residence (not second/holiday homes)
- Increase been mostly from England (all over but North West in particular)
- Buyers from Scotland static
- 2 in 3 used the internet to buy
- Mostly mature/older couples…….. but not only
- 1 in 2 no mortgage and many have high incomes

Second Homes
and Holiday Lets in D+G

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Second/Holiday Homes

% of all properties

A+E	2%	Upper Eskdale	8%
Nithsdale	1%	Mid Nithsdale	8%
Stewartry	8%	Coastal Stewartry	21%
Wigtown	5%	The Machars	8%
D+G	3%		

Second Home Owners

- From Scotland and North England
- Motivations – to relax/escape and for personal holidays; letting rare
- 50% owned for 10+ years?
- Typically lived in for 100-150 days – multiple use
- Buy provisions locally and ’eat out’
- Use local tradesmen
- Likes – environment, peace and quiet, outdoor activities
- Holiday/family history in area
- Properties that had been on the market for ‘some time’ or needed ‘a lot of work’
- They love it in D+G – very friendly, easy integration

Second Homes – Good or Bad?

- Some perceptions do not accord with reality….
  - More 2nd homes than there really are? Declined in number over last 25 years!
  - 2nd home owners bring all provisions with them
  - Used less than holiday accommodation
  - Do not contribute to local economy
- Confusion re 2nd homes, external buyers/retirees and property investors
- Holiday lets more acceptable – locally owned, think more used and contribute more to the local economy
- But 2nd home owners more likely to get involved/ contribute to some local communities
- Community concerns focused on schools, POs, local shops etc and loss of young people (but recruitment problems?)

Affordable Housing Needs in Case Study Areas

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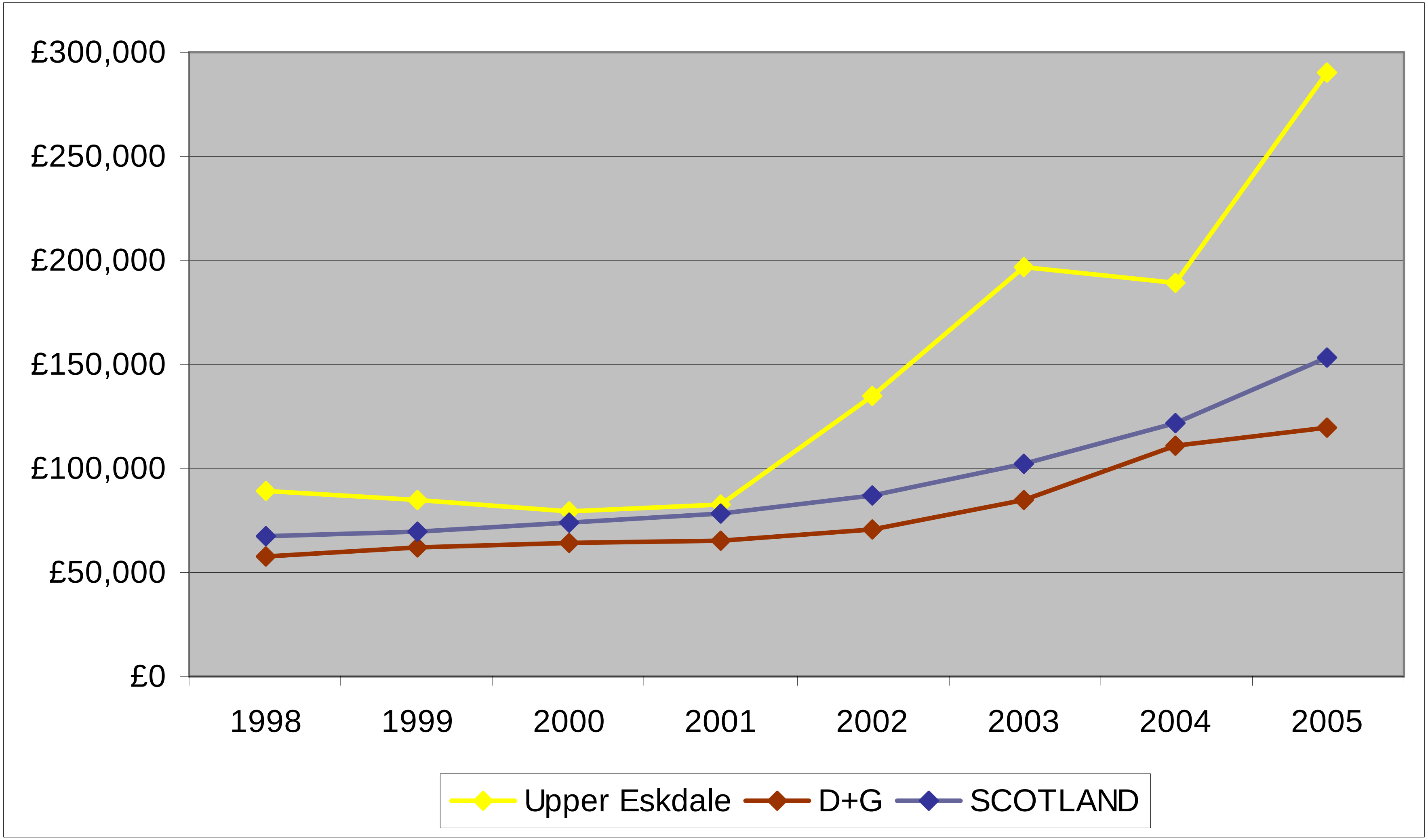
Upper Mid Annandale/Eskdale

- Few house sales per year – limited supply
- Very expensive – prices 50% above national average
- Over 2 in 3 external buyers (68%)
- 8% second/holiday homes
- 45% private rented
- Low % of under 30 population
- Very low social rented and no turnover
- Empty properties?
- Samye Ling impact on both private and social rented sectors

House Prices



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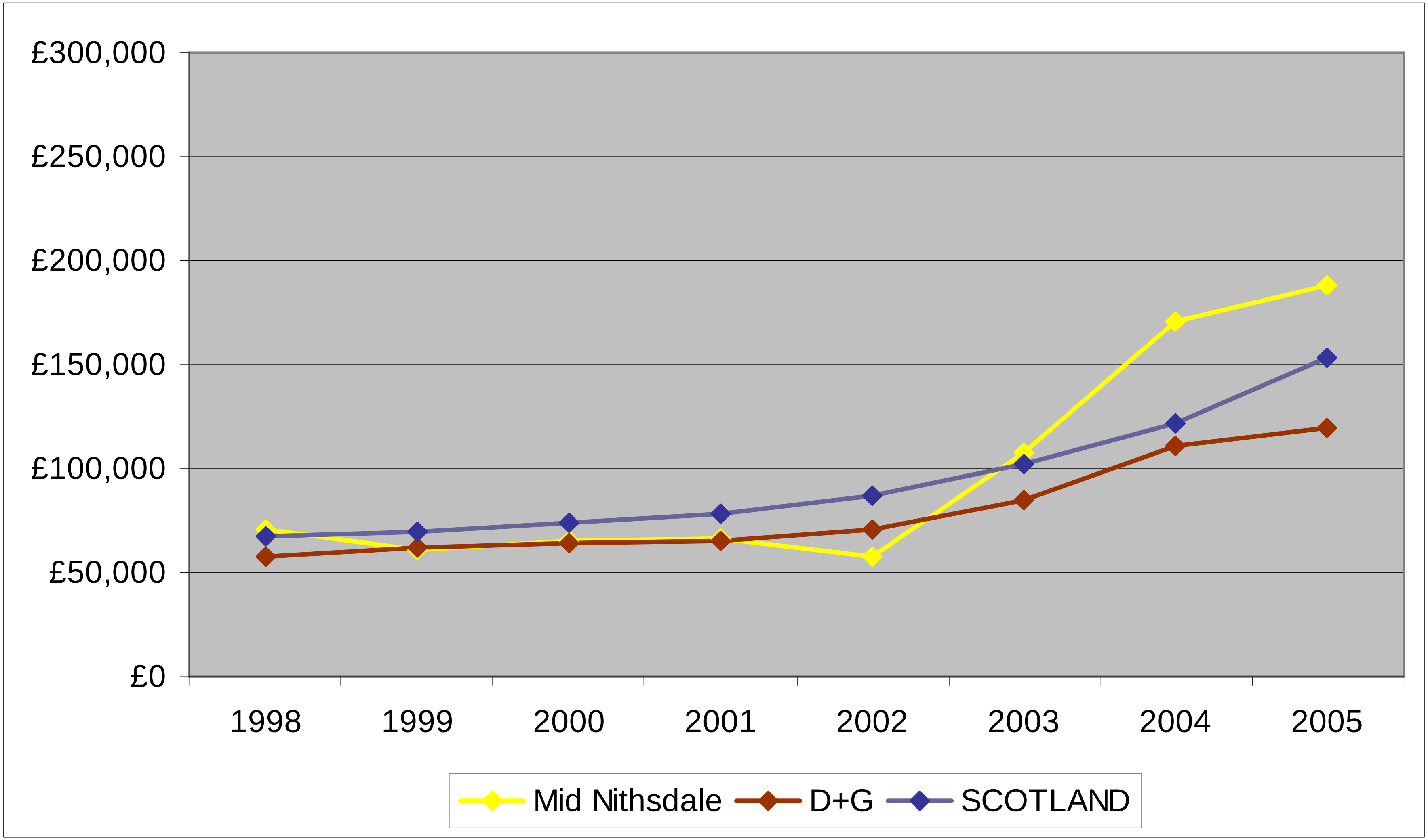
Conclusions

- Severe affordability/access issues
- Issues about remoteness and sustainability of area
- Small affordable housing development at Boreland and/or Eskdalemuir (up to 12 units)
- Buy properties on open market for affordable housing need?
- Targeting to bring empty rural properties back into use – work with private landlords/estates
- Prioritise for RHOGs?

Mid Nithsdale Villages

- Few house sales per year – limited supply
- Average house prices highly variable – but recently above national average
- Around 1 in 2 external buyers (47%)
- 8% second/holiday homes
- Better age structure than other case study areas – similar to D+G
- 40% PRS - Buccleuch Estates
- Low social rented and only 1-2 lets per year
- Shortage of family sized affordable housing

House Prices



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Conclusions

- Larger family and single person housing in short supply
- Larger family housing unaffordable – demand for 3/ 4 bed
- Mix of demand for social rented and low cost home ownership
- New development of up to 20 units at Penpont and/or Carronbridge – strong focus on low cost family housing for sale
- Further new affordable housing development at Thornhill

Coastal Southern Stewartry

- 50 house sales per year but still limited supply
- Average house prices over 40% above national average
- 70% external buyers!
- 21% second homes/holiday lets!
- High % of over 60s population; low % of under 30s
- High private renting; low social rented – only 2-3 lets per year

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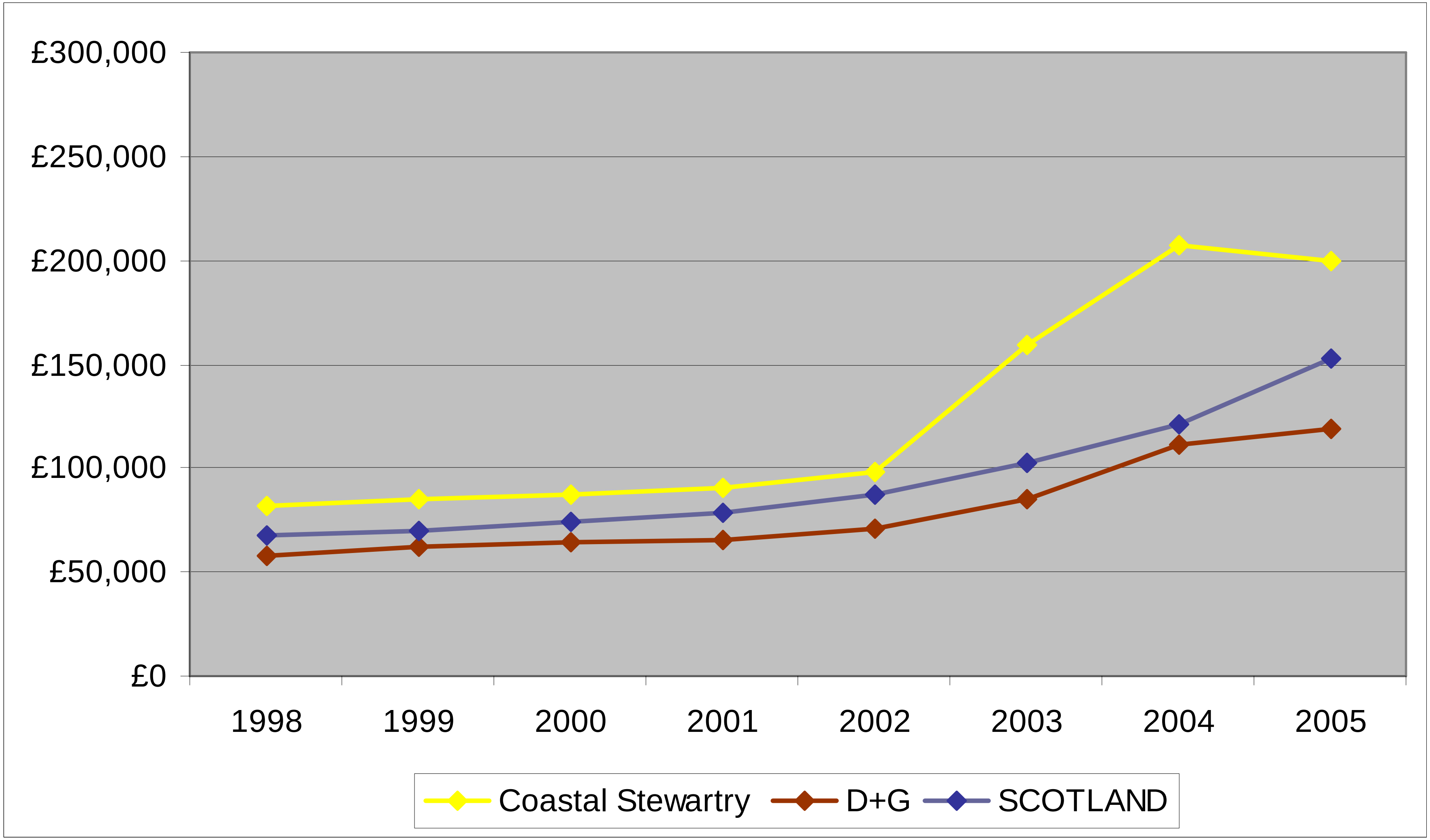
House Prices



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Conclusions

- Severe affordability and access issues
- Exceptional level of second/holiday homes and pressure from external buyers
- Ageing population – sustainability issues
- New mixed tenure affordable housing development at Palnackie and/or Dundrennan (c 20 units)
- Small development of low cost family housing for sale at Borgue (up to 12 units)
- Golden share of 20% to be retained in Homestake developments – in perpetuity
- Occupancy restrictions in new build to limit growth of second/holiday homes?
- Consider minimum 25% affordable housing contribution – all developments over 12 units?

The Machars

- Issues of remoteness and sustainability – few jobs and long travel distances
- More housing supply than other case study areas
- House prices more affordable and below average – but low incomes?
- …….but 58% external buyers and 8% second/holiday homes
- Age profile slightly older but better than other areas
- Higher level of social rented housing than other case study areas but still below D+G; 17 lets per year

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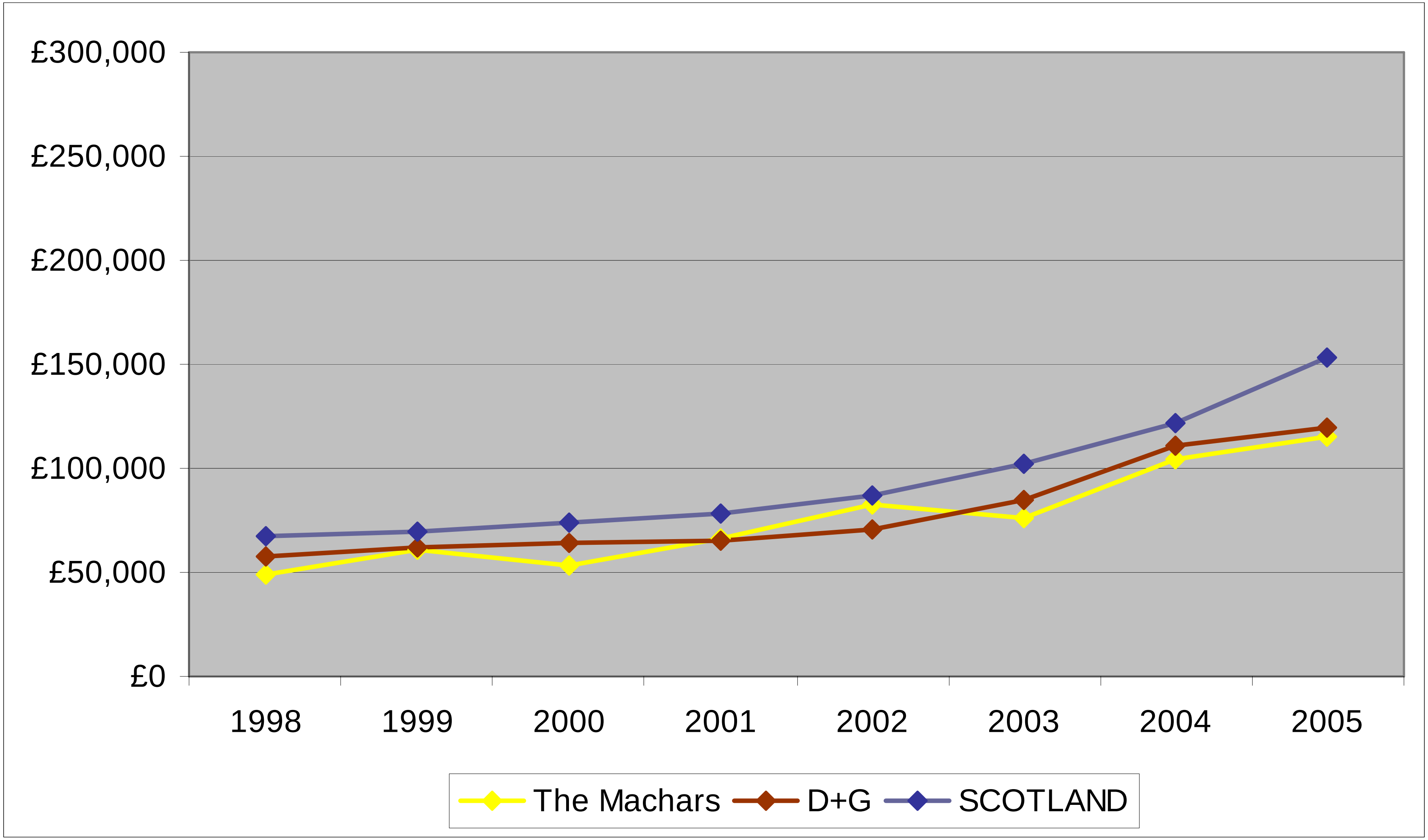
House Prices



Conclusions

- Contrasting evidence of affordable housing need
- New affordable housing development in Whithorn area – up to 20 units; focus on social rented level access housing
- New development at Kirkinner focused on low cost housing for sale – c12 units
- Prioritising landward area for RHOGs
- Consider minimum 25% affordable housing contribution – all developments over 12 units?

Key Issues

- Tackling local attitudes towards new affordable housing development in rural areas – tensions
- Ensuring appropriate land supply for affordable housing in rural areas
- Achieving developer contributions to affordable housing
- Identifying real demand for social rented housing
- Improving property condition and tenancy arrangements in the rural private rented sector