Appendix 1

Aberdeenshire COUNCIL

Strategic Housing Investment Plan 2026 - 2031

1. Introduction

1.1 The Strategic Housing Investment Plan (SHIP) sets out the strategic approach by Aberdeenshire Council and its partners to delivering affordable housing in accordance with the Local Housing Strategy.

1.2 In line with Scottish Government guidance issued 31 May 2025, this SHIP 2026 - 2031 sets out the strategic investment priorities for affordable housing over the five year period to achieve the outcomes as set out in the Local Housing Strategy. It also informs Scottish Government housing investment decisions including the Strategic Local Programme Agreement and Affordable Housing Supply Programme.

1.3 Essentially this SHIP

- Sets out investment priorities for affordable housing
- Demonstrates how these will be delivered
- Identifies the resources required to deliver these priorities
- Enables the involvement of key partners

1.4 Aberdeenshire Council and Aberdeen City Council work closely together to support the Aberdeen City Region Deal agreed with the Scottish and UK Governments. Both Strategic Housing Investment Plans are closely monitored to maximise the potential investment into the North East of Scotland.

1.5 This SHIP will enable the delivery of high quality and energy efficient homes including specialist housing provision with appropriate support, as well as assist in reducing fuel poverty and carbon emissions whilst adopting place making principles.

It will also enable choice of tenure. Furthermore, it will aid house building across the Aberdeenshire area by supporting investment and creating employment in the house building sector and assist with initiatives such as modern apprenticeships. It also supports and contributes towards the delivery of the Scottish Government's Housing to 2040 vision.

2. Strategic Context

2.1 Local Housing Strategy (LHS)

The Local Housing Strategy 2024 -2029 sets out Aberdeenshire Council's key strategic housing priorities and outcomes and was approved by Communities Committee 5th September 2024. The SHIP is informed by the LHS and will contribute to the delivery of the Council Plan and the Local Outcomes Improvement Plan through a place-making approach as part of the wider Place Based Community Planning. Affordable housing cuts across the three key themes of Aberdeenshire Council's Strategic Priorities:-

A Sustainable Economy | **Connected Communities** | **Living Well Locally**

2.1.1 The LHS is monitored and reviewed annually to ensure that it responds to changing pressures and new opportunities as set out below with the three outcomes which relate directly to this SHIP are:-

2.1.2 **LHS 2024-2029 Priority - Affordable Housing - Increase supply of housing in Aberdeenshire**

2.1.3 Increasing the supply of affordable housing will primarily take the form of new build units. However, partners will also seek to maximise delivery through the acquisition of 'second hand' stock and also seek to bring empty properties back into use through the rehabilitation of properties where sustainable and financially viable. There are several factors which will determine the suitability of properties, both for acquisition and empty homes, to ensure that they meet wider long term strategic aims, and these include housing need; costs; financial viability across the short to long term; and maintenance and management considerations.

2.1.4 The Housing Need and Demand Assessment 2023 and Aberdeenshire Council's waiting list 2025 demonstrate housing need across Aberdeenshire. Housing data over a five year period such as waiting lists, housing stock and relets, are also analysed to highlight any settlements with increased pressure. A Housing Demand Score for each settlement was calculated by taking average waiting list demand over the last 5 years and dividing this by turnover. This allows demand to be expressed and calculated as a proportion of turnover to generate a Housing Demand Score whereby settlements are then ranked based on their Housing Demand Score. This enables settlements to be compared and ranked in order of most pressing need. These are highlighted in Table 1 below in accordance with the Housing Need and Demand Assessment 2023 subareas - Housing Market Areas - and are reflected in this SHIP's programme. It is important to note however, that inclusion in Table 1 below is not a prerequisite for the delivery of affordable housing, with opportunities outwith these towns actively pursued to meet identified local housing need as appropriate. As well as meeting housing need, housing development will also contribute to a wider range of strategic priorities in Aberdeenshire such as town centre regeneration, rural sustainment and strategic growth.

Table 1 - Top 25 Most Pressured Settlements in Aberdeenshire

Settlement	Area	AHMA - Aberdeen Housing Market Area/ RHMA - Rural Housing Market - RHMA	Housing Demand Score
Inverurie	Garioch	AHMA	8002
Stonehaven	Kincardine & Mearns	AHMA	4540
Peterhead	Buchan	RHMA	4201
Portlethen	Kincardine & Mearns	AHMA	3481
Fraserburgh	Banff & Buchan	RHMA	3311
Westhill	Garioch	AHMA	2640
Banchory	Marr	AHMA	2589
Ellon	Formartine	AHMA	2412
Huntly	Marr	RHMA	1512
Banff	Banff & Buchan	RHMA	1452
Turriff	Formartine	RHMA	1363
Kemnay	Garioch	AHMA	1244
Mintlaw	Buchan	RHMA	1199
Laurencekirk	Kincardine & Mearns	RHMA	978
Oldmeldrum	Formartine	AHMA	735
Newtonhill	Kincardine & Mearns	AHMA	691
Balmedie	Formartine	AHMA	691

Kintore	Garioch	AHMA	679
Alford	Marr	RHMA	655
Macduff	Banff & Buchan	RHMA	646
Ballater	Marr	RHMA	623
Aboyne	Marr	RHMA	606
Newmachar	Garioch	AHMA	547
Portsoy	Banff & Buchan	RHMA	533
Insch	Garioch	RHMA	477

2.1.5 **Right House Sizes and Types in the Right Location –**
There continues to be significant pressure upon 1 bedroom units, larger 3, 4 and 5 bedroom units along with particular needs housing stock. Latest analysis continues to suggest that in some locations there may be an oversupply of 2 bed properties, in particular flats in the northern most part of Aberdeenshire. This is reflected in homeless presentations with 70% of the open homeless cases as at end March 2025 requiring 1 bedroom properties. Furthermore, the Housing Need and Demand Assessment 2023 states that according to the 2018 household projections, there is a projected 11% rise in the number of single-person households over the next 10 years. Housing Online is Aberdeenshire Council's online portal which allows people to apply and register an interest on vacant properties using a Choice Based Lettings (CBL) system. Data from CBL shows areas of demand based on current turnover with results from 2024/25 further confirming the pressures on 1, 3 and 4 bedroom units. The turnover of 2 bedroom properties in north Aberdeenshire continues to be higher than the rest of Aberdeenshire combined. There continues to be a really low turnaround of 4 bedroom, mainstream properties – only 11 within the year. In terms of location the average number of bids across all property sizes is highest in Garioch and Kincardine & Mearns.

2.1.6 Key workers are often considered as essential to providing services to the public and can include professions such as doctors, nurses, teachers, and police officers but can also extend to private sector businesses, and seasonal staff for example. It is also acknowledged that difficulties in the recruitment and retention of key workers can be detrimental to local economic growth and to service provision that is important to the wellbeing of local communities. In Aberdeenshire whilst there is the provision of mid-market rented accommodation through arms-length organisations of our housing association partners and Aberdeenshire Council – Create Homes, these properties are not specifically targeted at key workers but can be a useful resource for local key workers to access affordable accommodation close to their employment. Discussions will continue with partners, such as infrastructure providers and the NHS, to identify any specific requirements for key worker accommodation and where appropriate a key worker housing policy to complement our allocations policy will be developed and actions progressed to meet identified key worker housing need. Actions could include increasing housing stock by delivering the right size and type of housing in the right location whilst maximising available funding streams subject to appropriate approvals and financial viability, and or local lettings initiatives in relation to existing housing stock.

2.1.7 **LHS 2024-2029 Priority - Where Possible Homelessness is Prevented but where it can't be a Rapid Rehousing Approach is used to Resolve Cases -** Increasing the supply of affordable housing of an appropriate size and in the right locations will assist in meeting the Rapid Rehousing Transition Plan's (RRTP) strategic aims of homeless prevention, identifying permanent settled solutions quickly, ensuring that stays in temporary accommodation are minimised and that appropriate support is provided to enable tenancies to be sustained and break the cycle of homelessness**.** Whilst the original 5-year plan (2019-2024) has now expired, RRTP is fully embedded within operational procedures and practice. We continue to achieve the targets identified at the beginning of the RRTP journey and the challenge will be to maintain the levels of performance. Rapid rehousing activity continues to be monitored by way of an annual action plan and as part of the Local Housing Strategy and will be reported to Communities Committee.

2.1.8 **LHS 2024-2029 Priority - Independent Living – Increase the supply of appropriate housing and support to ensure health and wellbeing across all of Aberdeenshire's Communities.**

The SHIP continues to support independent living with the delivery of projects for particular needs clients. Collaboration between Housing and Aberdeenshire Health & Social Care Partnership (AHSCP) colleagues enables individuals to live in the community with appropriate housing and support.

Work continues with AHSCP colleagues on evidencing housing requirements for particular needs clients - learning disability, complex care and mental health issues. The Housing Requirements Planning Tool (HRPTK) indicates that there are 137 clients for learning disability and complex care, with the majority requiring 1 bedroomed properties (76) and a significant requirement for 2 bedroomed properties (61). There are 8 complex care clients currently housed 'Out of area' who require overnight support. The areas identified as pressure points continue to be Peterhead, Inverurie and Ellon. The HRPTK for clients with mental health issues identifies 46 clients, similar to the other particular needs client groups, in that the main requirement is for 1 bed properties (41), around half of which require 4 in a block accommodation, all with appropriate support and care. The areas identified as pressure points being Fraserburgh, Alford, Ellon and Stonehaven. Work continues to explore appropriate models of housing with AHSCP colleagues with both extra care housing and core and cluster developments identified as suitable and positive models which can provide appropriate housing, care and support. Following on from the SHIP 2025-2030 two projects are currently onsite at Ladysbridge (4 units) and Mintlaw (4 units) to meet the housing need of Learning Disability and Complex Care client groups. This evidence base will continue to shape and inform future new build projects subject to securing appropriate approvals and funding.

The Mental Health & Learning Disability Housing Forum continues to identify as early as possible consideration of housing requirements to allow appropriate planning for both existing housing resources by Housing Options staff, as well as potential new build projects.

2.1.9 Particular Needs Housing

To support the strategic priorities of the Local Housing Strategy and the Aberdeenshire Health and Social Care Partnership Strategic Plan at least 15% of affordable new build development will be suitable for particular needs households enabling Independent Living and reducing inequalities.

As part of the target of 15% of all new affordable homes to be developed as Particular Needs housing, 10% of this number is required to be wheelchair accessible. Table 2 below shows the completions for the past 3 years.

Table 2 - Number of New Affordable Homes suitable for Particular Needs including Wheelchair Accessible

Year	All Affordable Units	Particular Needs Units	Wheelchair Accessible Units
2022/2023	196	60 (31%)	26 (13%)
2023/2024	259 *Excludes the 51 Create Homes units	90 (35%)	26 (10%)
2024/25	180	58 (32%)	29 (16%)

An indication of need for wheelchair accessible housing has been obtained through Aberdeenshire Council's housing waiting list and indicates approximately 95 applicants are currently waiting for wheelchair accessible properties. Horizon Housing's report '*Still minding the step?' A new estimation of the housing needs of wheelchair users, 2018, "massive shortfall"* suggests a methodology to estimate unmet need. Applying this methodology to provide a local estimate, as stated within the HNDA 2023, indicates that there are an estimated 761 households with an unmet need in Aberdeenshire.

Aberdeenshire Council supports the Scottish Government's approach as set out in the National Planning Framework 4 'NPF4 position statement' to work with planners and private developers to increase the delivery of all-tenure wheelchair accessible housing targets. Aberdeenshire Council through discussion with planners introduced an all-tenure target and in addition to 10% of all new build developed in the social housing sector, set a target to encourage 10% of all new housing developments in the private sector on developments of 20 or more units to be wheelchair accessible. However, challenges remain around implementation, recording and monitoring of this data. The new Local Development Plan for Aberdeenshire is currently being developed and as part of this the new LDP will adopt NPF4 to implement a policy to increase the delivery of wheelchair accessible housing across all tenures to meet unmet housing need. The outcome of the Scottish Government's Consultation on 'Enhancing the accessibility, adaptability and usability of Scotland's homes' will help shape and inform any future policy development with respect to ensuring health and welllbeing across our communities to enable independent living.

2.1.10 **Adaptations**

Adaptations play an important role in ensuring that people have housing that best suits their needs and allows them to maintain their independence and improve their wellbeing outcomes. Aberdeenshire Council Adaptations Group, which includes partners from Housing, Care & Repair, Registered Social Landlords, and Occupational Therapy Team Managers, continue to streamline and improve adaptations services and delivery, providing a person-centred and tenure-neutral approach in line with Scottish Government's guidance on Equipment and Adaptations. Table 3 below demonstrates the number of adaptations numbers during the last three years. The figures for 'Average Days to Complete' below for Local Authority Housing and 'Private Sector Housing' are based on completely different processes. The main difference between the two is that the Local Authority use their own contractors, drawing works from contracts already in place and have greater control over the delivery of these adaptations. Private Sector adaptations are delivered via grants with clients/owners retaining ownership of the process. They have greater choice around options to meet their needs, are required to sign up to obtaining estimates for each job and must choose their own contractors. The number of adaptations completed within the private sector has fallen due to changes to the criteria within the Council's Private Sector Housing Scheme of Assistance, as approved by Communities Committee on 13th February 2025, to refocus a reduced budget to the most urgent clients. The rise in average days is attributed to several factors including an increase in complex cases and a temporary pause that was required when reviewing the Scheme of Assistance to prioritise support for those in most need.

Table 3 - Number of Adaptations and Average Number of Days between Assessment of Need and Completion of Adaptation by Housing Tenure

	Local Authority		Private Sector	
Year	**Number of Adaptations**	**Average days between assessment of need and completion**	**Number of Adaptations**	**Average days between assessment of need and completion**
2022/23	97	80	212	124
2023/24	111	71	238	137
2024/25	102	79	154	154

2.1.11 **Housing Support services**

The Disabled Persons Housing Service, Houseability, provide support and assistance for people with disabilities and those living with long-term conditions. Assistance is provided individually for each client's particular needs to reduce health inequalities by providing the required support to enable clients to have access to appropriate independent living options. A new contract was awarded to Houseability from 1st April 2025. During the course of the previous contract, Houseability received additional funding from other agencies which has now ended, although other funding sources are actively being sought by the organisation. As a consequence of the loss in funding, there is a change to the service which Houseability can provide. The new contract will be monitored to ensure a focus on clients with more complex requirements.

During 2024/25, Houseability had 305 enquiries, supporting 187 clients of which 140 received advocacy. A further 21 clients in hospital were supported to enable quicker hospital discharge to ensure their housing needs were met following discharge. Houseability have noted over the course of the last few years that clients have increasingly more complex health issues and situations, aligning with the experiences of AHSCP and Housing Service Officers. This includes clients with multiple disabilities, family members who also have disabilities, and clients requesting advice on multiple services, such as housing options, rent issues, neighbour problems, and signposting to other agencies such as SCARF (an organisation which provides energy efficiency advice and information), Citizens Advice Bureau, Care & Repair, Voiceability, Money and Benefits Advice, Energy Saving Trust and Housing Options Scotland. Importantly, Houseability may likewise receive referrals from these organisations.

2.1.12 **LHS 2024-2029 Priority - Minority Ethnic Communities – Minority Ethnic Communities, including Gypsy/Travellers, will have access to appropriate land, housing and support encouraging social integration**.

Provision of well-maintained permanent and stopover sites that meet the needs of the Gypsy/Traveller community.

Aberdeenshire Council has a Gypsy/Traveller Sub-Committee consisting of Members, officers, and partners which meets on a regular basis. It is supported by the Gypsy/Traveller Officer Group which monitors and updates outcomes and actions in the Gypsy/Traveller Sub-Committee Action Plan. The outcomes in the Gypsy/Traveller Sub-Committee Action Plan reflect those outcomes in the Scottish Government Action Plan, 'Improving the Lives of Scotland's Gypsy/Travellers 2 Action Plan 2024-2026' (GTAP2) to:

- Provide more and better accommodation;
- Improve access to public services;
- Better incomes in and out of work;
- Tackle racism and discrimination;
- Improve Gypsy/Traveller representation.

GTAP2 includes a commitment by the Scottish Government to make funding for Gypsy/Traveller accommodation available alongside housing under the Affordable Housing Supply Programme from April 2026. This approach is subject to confirmation of funding and will be monitored and reviewed for future years by stakeholders.

The National Planning Framework 4, which was adopted in February 2023, includes a new positive policy framework for development to meet the housing needs of communities. Councils' Local Development Plans (LDPs) should allocate land to ensure provision of accommodation for Gypsy/Travellers where need is identified. It supports development proposals for public, private, permanent and temporary Gypsy/Traveller sites on land not specifically allocated for this use in the LDP. In Aberdeenshire three potential sites are identified under the Local Development Plan (2023) Chapelton, Inverurie and Blackdog, but it is unlikely that these sites will be developed in the short term given that they are in private ownership.

Meantime officers continue to investigate other opportunities to take forward delivery through the Aberdeenshire Gypsy/Traveller Site Provision Strategy 2021-2026, which includes identification of potential sites for inclusion in the next LDP. The Gypsy/Traveller Liaison Officer is carrying out a consultation exercise during August and September 2025 with members of the community to gather information on site provision, including location, access to facilities, type of sites etc.

Appendix 1

Aberdeenshire was involved in the evaluation of COSLAs Negotiated Stopping Pilot, with the aim of improving support available to occupants on unauthorised encampments - the main issue continues to be the lack of suitable land for stopping, both on private and council owned land. This supports Aberdeenshire's established Procedure for the Management of Gypsy/Traveller Encampments'.

There are currently two Gypsy/Traveller Sites managed by Aberdeenshire Council, both of which have been upgraded and or enhanced over the last five years using Aberdeenshire Council's funding allocation from Scottish Government '£2m Additional Funding for Public Sector Gypsy/Traveller Sites, Over and Above the Minimum Standards.

Aikey Brae, Stopover Site at Maud, Peterhead has 10 pitches, each with an electric pillar and a chemical toilet. Water is available from communal standpipes/taps. The site is accessible throughout the year with the length of stay negotiable in discussion with the Gypsy/Traveller Liaison Officer, who manages the site. Extensive consultation with Gypsy/Travellers has highlighted a desire for improved facilities, however, a bid to Scottish Government's £20m Gypsy/Traveller Accommodation Fund for funding was unsuccessful. There are six demonstration projects in other local authority areas which will inform future design and specification guides for Gypsy/Traveller Site standards.

Greenbanks Travellers Site in Banff has 20 stances each with an amenity chalet with access to electric, a separate toilet and walk in shower and plumbing for a washing machine. 20 stances are available for occupation from April to the end of October. Whilst Greenbanks is not a residential site, in November 2023, the Gypsy/Traveller Sub-Committee agreed that 10 stances should be made available for occupation throughout the year.

Gypsy/Traveller Accommodation Types and Explanations - Gypsy/Traveller sites - interim site design guide: supplementary material was published by Scottish Government April 2025, to drive a significant improvement in the quality of sites going forward. This was developed in conjunction with local authorities with input from members of Gypsy/Traveller communities and Aberdeenshire will be carrying out an assessment of their sites in the coming months, as well as exploring potential funding mechanisms to enable any works where required.

There is also a range of private site provision throughout Aberdeenshire. The Gypsy/Traveller Liaison Officer provides support to Gypsy/Travellers who would like to develop private sites, as well as support for those who wish to access housing services.

The Refugee Resettlement Team and partners have supported 1448 refugees and displaced persons to resettle in Aberdeenshire between February 2016 and June 2025. The Ukraine Moving On Housing Project has ensured that clients receive enhanced and tailored Housing Options support to transition from sponsor accommodation to their own sustainable tenancy - mostly within the private sector.

Aberdeenshire New Scots' Integration Strategy aim is to enable refugees to integrate from day of arrival, with social housing across both Aberdeenshire Council and Registered Social Landlords being utilised to provide permanency. There are now well-established New Scots communities in the North East of Scotland, settled and contributing to their new home and communities.

Aberdeenshire Council and partners are committed to delivering relevant housing outcomes as stated in the Aberdeenshire New Scots' Integration Strategy 2025+:

- Work with relevant partners, to identify the current and future housing needs of New Scots and barriers around housing for some groups, including those at risk of destitution who are not entitled to statutory housing or homelessness services

- Work with housing providers to ensure that our resettlement commitment is proportionate, deliverable and sustainable

- Further develop housing transition models, to ensure clients have appropriate support, pathways and housing in place during key transition periods as noted below:

    - Unaccompanied Asylum Seeking Children (Looked After Children) positive and negative asylum decisions
    - Adult and family positive and negative asylum decisions
    - Ukraine Moving On Project
    - United Nations High Commissioner for Refugees Tenancy Sign up
    - Long term New Scots Tenancy Support

2.2 **Child Poverty (Scotland) Act 2017**

The Aberdeenshire Child Poverty Action Plan, a key priority of the Local Outcomes Improvement Plan, recognises the distinct challenges created by rurality. People are living in poverty due to low wages, high living costs, lack of accessible & affordable childcare, affordable transport and 'the premium felt by those living in a remote and rural area'. Actions therefore focus on preventative approaches to address child poverty, reflecting rurality and ensuring that these are influenced by families with lived experience. The principles adopted focus on the root causes of child poverty by building capacity 'through income maximisation, employability, improving quality of life, helping families manage the impacts of poverty and promoting positive life chances. The Banff & Buchan and Buchan areas of Aberdeenshire account for around 48% of the total number of children and young people living in poverty, and inequalities have widened for those who have a long-term illness or a disability, including children with additional support needs. The commitment in the SHIP to support independent living by ensuring that a minimum of 15% of new affordable homes are suitable for those with particular needs will contribute towards reducing these inequalities. The SHIP identifies up to 514 affordable homes to be developed in the settlements within these areas, of which 483 will be targeted for social rent. These properties will meet the energy efficiency standard for social housing and will complement the significant investment from the Council and local RSLs to meet the standard for their existing stock. The ongoing effect of the rising costs of living has increased the need for additional financial support to ensure that households can cover the cost of essentials including food, fuel and housing costs. Furthermore, the Council's delivery of Housing Services reflects the requirements of the UNCRC (Incorporation) (Scotland) Act 2024 to fulfil the rights of every child. Combined efforts across new build, fuel poverty and independent living will help to reduce costs and close the inequalities gap and improve the life chances for children and households living in poverty.

2.3 **Housing Need and Demand Assessment**

The Housing Need and Demand Assessment 2023 informs the Local Development Plan as well as the Local Housing Strategy. The assessment estimates the number of housing units required to meet housing need and demand in the future over a number of different scenarios across a 20-year period and forms the basis for setting the Housing Supply Target through the Local Housing Strategy process. In setting a housing supply target, local authorities must take account of a wide range of different factors including, but not limited to, economic and market indicators; build out rate of developers; previous levels of affordable housing delivery; and the availability of resources; all of which will likely have an impact upon the pace and scale of housing delivery. Based on the assessment and the factors above, the housing supply target agreed for affordable housing for Aberdeenshire is 250 units per year; 225 social rent and 25 intermediate.

2.4 **Housing Market**

Whilst house prices in Aberdeenshire are still above the Scottish average, since 2016 this gap has been narrowing as a consequence of the downturn in the oil and gas sector and impact of Covid 19 restrictions. The average house price in Aberdeenshire was £201,000 in May 2025 down 2.5% from May 2024. Across Scotland, the average house price rose by 6.4% over the same period to £192,000 (Registers of Scotland). In terms of the number of residential sales, recent data from ASPC showed that in the second quarter of 2025, 1,563 residential dwellings were transacted, a change of 39.6% compared to the previous quarter 2025Q1 and a change of 13.0% compared to the same quarter a year ago 2024Q2. Typically, the second quarter of the year is the most active, but this data might indicate that the local housing market is continuing to gradually move towards pre-covid levels of activity (ASPC). In terms of the private rented sector, the 3% rent cap in Scotland, introduced under the Cost of Living (Tenant Protection) (Scotland) Act 2022, ended on March 31, 2025. Landlords can now adjust rents to reflect market conditions, but with new regulations in place. Furthermore, the Housing (Scotland) Bill, which was introduced to Parliament March 2024 creates powers for Scottish Ministers to create rent control areas subject to evidence and approval through Scottish Parliament. A Scottish Government consultation has recently closed which sought views on powers that could be used to exempt certain types of properties from rent control and the circumstances where rents could be increased above the level of any rent cap which is implemented through the appropriate channels. Citylets data reported growth for new lets in Scotland had eased in quarter 1, with the Aberdeen average rental of £863 per calendar month (Q1 2025) compared to a Scottish average of £1,172 (Citylets). With regards to the number of all tenure new build completions there has been a 12% decrease in Aberdeenshire over the period 2023-2024 (893) to 2024-2025 (789) compared to a 4% decrease in activity at a Scotland level (Scottish Government). Of particular note is that the number of new build starts from 2023/24 to 2024/25 at a Scotland level has reduced by 11% compared to 29% at an Aberdeenshire level. Whilst interest rates have continued to reduce with the base rate at 4.25% in May 2025, they continue to have a significant impact on the cost and availability of borrowing and subsequently, the affordability of construction projects. Market intelligence and the Building Cost Information Service suggest tender prices have increased 2.3% in the last year to Q3 2025, which is a minor increase from Q3 2024 when the comparable rate was 2.1%. It should be noted that the 2.1% rate in Q3 2024 was the lowest value recorded since Q2 2021 or forecast until Q2 2030. However, it is important to note this increase of 2.3% to Q3 2025 is in addition to the higher value increases experienced in the previous four years of around 30-40%. Contractors are now holding their tender prices for 120 days and this tender validity period has been stable over the last 12 months, which is positive, and would indicate movement towards a level of market stability, although this is at the higher pricing level. The availability of building materials has improved over the course of the last year with no major issues reported other than some mechanical and electrical components, with these associated costs rising higher than standard inflation at an estimated 5-8%. Meantime there remains an ongoing skills and labour shortage within the construction industry and the availability of labour is still challenging. This experience seems to be consistent with previous years and has a direct impact on quality and delivery on sites. Bricklayers, stonemasons, mechanical and electrical installers appear to be in higher demand within the current market. Generally, we are receiving higher numbers of tender returns for projects and contractors' appetite for submitting prices for projects is positive on small to medium sized projects. However, major construction projects with tier 1 contractors are challenging and contractors are only looking for 2 stage tendering or framework awards as opposed to pricing on the open market. In Aberdeenshire there are a limited number of contractors in comparison to the Central Belt of Scotland, therefore, we may be susceptible to change if sizeable, more attractive projects are released into the market. There is also more interest from contractors around

Aberdeenshire Council's potential programme of construction projects, which would suggest their order books may not be as full as previous years. The Building Cost Information Service forecasts tender prices to increase 2.7% from Q3 2025 to Q3 2026. A high proportion – around 76% - of current and future affordable housing development is or will be as a consequence of contributions from the private development industry to affordable housing through the Local Development Plan's Affordable Housing Policy. The policy states that "all new housing development of four or more homes must include 25% of the serviced plots for affordable housing". Consequently, the SHIP 2026-2031 will be heavily influenced by the development industry's build-out rate, intrinsically linked to the performance of the economy and the local housing market. This current market trend will be monitored in terms of the potential impact on the deliverability and viability of affordable housing developments, across all tenures, particularly in terms of alignment with Scottish Government funding, with a view to optimising other delivery mechanisms to provide affordable housing.

3. Delivery

3.1 Affordable Housing Completions

During the period April 2024 to March 2025 a total of 168 units were completed for social rent; 104 units across the Council New Build programme and 64 units across our RSL partners New Build programme. This includes developments across the following locations:- Fraserburgh, Mintlaw, Tarves, Blackdog, Westhill, Laurencekirk, Stonehaven, Banchory, Aboyne and Alford. Of the 168 units, 57 were suitable for particular needs of which 29 units were wheelchair accessible. Of these 168 units, 36 units were delivered in town centres and or brownfield sites in Fraserburgh, Laurencekirk, Stonehaven and Alford. There were also 4 properties purchased for social rent through the Council in Peterhead, Huntly, Gartly and Banchory, with the property in Banchory suitable for particular needs. Furthermore, there were 8 Shared Equity units completed in Banchory and Aboyne and 9 Low Cost Shared Equity resales across the following locations Tarves, Rothienorman, Inverurie, Westhill, Echt, Sauchan and Gourdon. Table 4 below details completions by provider, tenure and property size.

Table 4 - Number of Aberdeenshire Completions by Provider, Tenure and House Size during 2024/2025

Provider/Tenure	1 bed	2 bed	3 bed	4 bed	5 bed	Totals
Aberdeenshire Council - social rent	52	18	32	2	0	**104**
Registered Social Landlord - social rent	18	16	25	5	0	**64**
Acquisition by Aberdeenshire Council - social rent	2	2	0	0	0	**4**
Acquisition by RSL - social rent	0	0	0	0	0	**0**

Mid Market Rent - Create Homes	0	0	0	0	0	**0**
Mid Market Rent - Registered Social Landlords	0	0	0	0	0	**0**
Shared Equity	0	0	8	0	0	**8**
Low Cost Shared Equity - New Build	0	0	0	0	0	**0**
Low Cost Shared Equity - Resales	1	4	3	1	0	**9**
Total	**73**	**40**	**68**	**8**	**0**	**189**
Percentage	**39%**	**21%**	**36%**	**4%**	**0%**	**100%**

Meantime work has recently completed or currently on site for 226 social rent units of which 94 are being delivered through the Council's New Build programme, the remaining 132 through our RSL partners. This includes developments across the following locations Fraserburgh, Ladysbridge, Peterhead, Mintlaw, Inverurie, Kemnay, Westhill, Chapelton, St Cyrus, & Gourdon. Of these 226 units, 67 are suitable for particular needs including 38 for wheelchair users. Five properties have also been purchased since April 2025 from the open market to be brought into Council stock in Stonehaven, New Deer, Fraserburgh, Turriff and Rothienorman, 2 of which are suitable for particular needs. Meantime work continues on site for 37 Shared Equity units and 80 units for Mid-Market at Chapelton, by our RSL partner. Work has also recently completed or currently on site for 2 Low Cost Shared Equity units in South Ythsie & Kirkton of Maryculter. Of these 119 units, 30 are suitable for particular needs.

3.2 **SHIP Programme Priorities**

Aberdeenshire Council has developed a programme of affordable housing which provides a range of tenures from renting to home ownership, delivered by a range of partners including Registered Social Landlords, private developers and community groups, effectively seeking to maximise all available funding streams. This programme has been planned so that each development has been placed in the actual year that it could start if resources were available; developments are in the main within allocated sites within the Local Development Plan with the delivery programme a key tool in driving delivery and addressing any identified constraints within the context of a place making approach. Furthermore, the Affordable Housing Hub seeks to accelerate the delivery of affordable housing through a collaborative and dedicated approach to identifying and resolving any planning or delivery issues timeously. Within each year, the developments are prioritised as high, medium, and low in terms of addressing housing need as set out in Table 1 above. Potentially the SHIP could deliver 2291 new affordable homes, with around 619 suitable for Particular Needs (27%) of which 232 will be fully wheelchair accessible (10%). Around 1793 units will be for social rent (78%) with the remainder as either mid- market rent or some form of affordable home ownership. Of the 2291 units around 326 units will be delivered on either town centre and or brownfield sites. In terms of addressing the pressure points of 1 bed properties and larger family size properties of 3+ bedrooms, around 32% of social rent properties will be 1 bed properties and around 42% will be 3+ bedroom properties. A summary of the SHIP is outlined in Table 5 below.

3.3 **Affordable Housing Supply Programme**

In terms of the affordable housing supply programme the SHIP has been drafted in accordance with Scottish Government guidance. Site starts will be subject to the availability of funding from Scottish Government and Aberdeenshire Council's Housing Revenue Account plan as well as RSLs' business plans and are detailed below in Table 5, along with the Resource Planning Assumptions as advised by Scottish Government.

Table 5 - Strategic Housing Investment Plan 2026-2031 Potential Site Starts

Area 2026/27	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**
Council - Social Rent	0	35	33	0	2	0	70	
RSL - Social Rent	90	77	73	105	184	53	582	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	24	99	10	133	
RSL Low Cost Shared Equity	0	0	0	0	41	6	47	
Aberdeenshire Low Cost Shared Equity	3	13	12	0	1	1	30	
Total	**93**	**125**	**118**	**129**	**327**	**70**	**862**	To be advised
Area 2027/28	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**
Council - Social Rent	0	34	0	0	0	0	34	
RSL - Social Rent	0	0	127	147	44	25	343	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	

RSL - Mid Market Rent	0	0	7	16	34	9	66	
RSL Low Cost Shared Equity	0	0	0	0	0	9	9	
Aberdeenshire Low Cost Shared Equity	0	2	26	10	11	5	54	
Total	**0**	**36**	**160**	**173**	**89**	**48**	**506**	To be advised
Area 2028/29	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**
Council - Social Rent	0	30	0	0	6	0	36	
RSL - Social Rent	0	109	59	145	40	42	395	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	31	10	10	51	
RSL Low Cost Shared Equity	0	0	0	0	0	8	8	
Aberdeenshire Low Cost Shared Equity	0	3	4	4	0	0	11	
Total	**0**	**142**	**63**	**180**	**56**	**60**	**501**	To be advised
Area 2029/30	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**
Council - Social Rent	0	0	0	0	0	0	0	
RSL - Social Rent	0	38	0	100	28	22	188	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	0	50	0	0	50	
RSL Low Cost Shared Equity	0	0	0	0	0	0	0	
Aberdeenshire Low Cost Shared Equity	0	6	3	0	7	5	21	
Total	**0**	**44**	**3**	**150**	**35**	**27**	**259**	To be advised
Area 2030/31	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**

Council - Social Rent	0	12	0	0	0	30	42	
RSL - Social Rent	0	58	45	0	0	0	103	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	7	0	0	0	7	
RSL Low Cost Shared Equity	0	0	0	0	0	0	0	
Aberdeenshire Low Cost Shared Equity	0	4	7	0	0	0	11	
Total	**0**	**74**	**59**	**0**	**0**	**30**	**163**	To be advised
Area 2026/31	**BB**	**B**	**F**	**G**	**KM**	**M**	**Aberdeenshire**	**Resource Planning Assumption**
Council - Social Rent	0	111	33	0	8	30	182	
RSL - Social Rent	90	282	304	497	296	142	1611	
Create Homes Aberdeenshire - Mid Market Rent	0	0	0	0	0	0	0	
RSL - Mid Market Rent	0	0	14	121	143	29	307	
RSL Low Cost Shared Equity	0	0	0	0	41	23	64	
Aberdeenshire Low Cost Shared Equity	3	28	52	14	19	11	127	
Total	**93**	**421**	**403**	**632**	**507**	**235**	**2291**	To be advised

3.4 The Council and Registered Social Landlords' new build programmes seek to maximise the delivery of affordable housing through all available funding streams. Partners will continue to investigate and implement new and innovative delivery mechanisms. A small number of landbank sites held by partners will be developed as appropriate; however, as noted previously, a significant proportion of current and future programmes will be as a consequence of the Affordable Housing Policy. As such, timing and alignment with Scottish Government funding will be fundamental to the effective planning and deliverability of our future programme. Affordable housing partners recognise the importance of optimising other delivery mechanisms to maximise land supply outwith the Affordable Housing Policy and as such work continues to identify and pursue other opportunities including a collaborative approach to the disposal of partners' land and assets and securing land and properties from the open market where appropriate and viable.

3.5 **Affordable Housing Fund (Capital Plan)**

In order to enable and support the delivery of affordable housing, Aberdeenshire Council have made available a dedicated funding resource, to supplement, where appropriate, existing funding streams. Essentially this funding will bridge the gap between total development costs and existing funding stream limitations with potential projects subject to scrutiny and assessment to ensure Best Value. In these instances funding will be awarded where it is considered that without 'gap funding' the developments would not otherwise proceed. During 24/25 £0.698 million has been spent supporting the delivery of 110 homes in Mintlaw and Fraserburgh, with a £163,000 committed to a development in Ellon which, subject to appropriate approvals, consents, and funding, will enable the further delivery of a further 11 units.

3.6 **Second Homes and Empty Homes**

Table 6 below shows the number and percentage of second and empty homes in Aberdeenshire, Scotland and in neighbouring councils Aberdeen City, Moray, Highland, Angus and Perth and Kinross. In Aberdeenshire, over the course of the last five years the number of second homes has reduced slightly from 1193 in 2020 to 1135 in 2024. In terms of empty homes, 2.4% of dwellings have been empty for a period of more than 6 months in Aberdeenshire, slightly up by 0.2% from last year, compared to a Scottish Average of 1.6% with Aberdeen City at 4.6% and Moray at 1.5% (NRS).

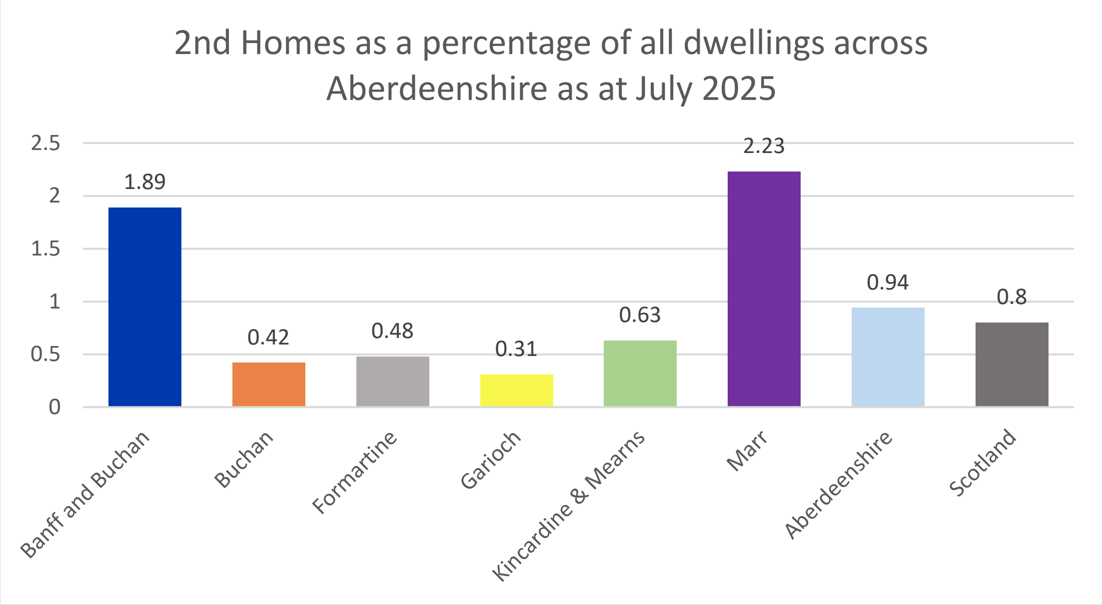
Table 6 - Number and Percentage of Second Homes and Empty Homes

Council	Number of 2nd homes	% of dwellings that are 2nd homes	Number of empty homes	% of dwellings that are empty
Aberdeenshire	1135	0.9%	2926	2.4%
Aberdeen City	392	0.3%	5793	4.6%
Moray	733	1.5%	700	1.5%
Highland	3432	2.7%	3740	3.0%
Angus	317	0.5%	1301	2.2%
Perth & Kinross	1083	1.4%	1508	2.0%
Scotland	21,606	0.8%	43,538	1.6%

Source: Households and Dwellings in Scotland, 2024 - National Records of Scotland (NRS)
Long term empty properties in Aberdeenshire and Scotland (NRS Households and Dwellings in Scotland) published June 2025

Appendix 1

In terms of second homes the Scottish average percentage is 0.80% with Aberdeenshire's percentage at 0.90%. However, when looking at each administrative area within Aberdeenshire the percentages vary, with Banff and Buchan and Marr being 1.89% and 2.23% respectively, as demonstrated in the graph below.



Source: Aberdeenshire Council Tax data July 2025 and [Households and Dwellings in Scotland, 2024 - National Records of Scotland (NRS)]

Some areas have a higher than average percentage of second homes due to being popular tourist destinations, and this will impact on each area differently due to the varying socio-economic factors of each locale. Marr, which is predominantly a rural area, includes the Royal Deeside towns of Ballater and Braemar which experience high levels of tourism. Local intelligence continues to suggest that many people work locally in Braemar and Ballater and do not want to travel further. Traditionally the main industries there are hospitality, accommodation and retail due to the high number of visitors to this area each year, but this work is typically seasonal and low paid. In the smaller villages within the Marr area the availability of social rented stock is limited, this coupled alongside limited and higher than Aberdeenshire average private housing costs can mean that it is challenging for some households to access housing. Therefore, expensive private rented or owner occupied properties, even if available, would not be affordable to most. Similarly, in Banff and Buchan there are many small coastal villages that are in areas associated with tourism, however the turnover of social rented stock within the small coastal villages is typically healthy enough to accommodate the majority of those households on the waiting list. Nonetheless, some households may have difficulty in accessing suitable housing despite the lower than Aberdeenshire average private housing costs when considering lower than Aberdeenshire average household incomes.

Table 7 below provides a summary of the empty homes brought back into use as affordable housing in Aberdeenshire over the course of the last three years from 2022/23 to 2024/25.

Table 7 - Empty Homes Projects 2022-2025 by funding, length of time empty and tenure

22/23 Empty Property details				**Funding Source/Amount**					
No of empty properties	**Length of time empty**	**Total No of completed properties**	**Tenure**	**SGovt Grant £**	**HRA/RSL £**	**Developer Obligations - Cash £**	**2nd Homes Council Tax £**	**General Fund £**	**Total Funding £**
2	< 6months	2	social rent	£42,000	£139,368	£3,714	£0	£0	£185,082
5	6 - 12 months	5	social rent	£210,000	£248,225	£18,008	£0	£0	£476,233
2	1 - 2 years	2	social rent	£84,000	£207,192	£9,628	£0	£0	£300,820
3	2 - 5 years	3	social rent	£126,000	£205,961	£51,562	£0	£0	£383,523
1	> 10 years	12	social rent	£797,756	£1,177,517	£0	£0	£0	£1,975,273
13		**24**		**£1,259,756**	**£1,978,263**	**£82,912**	**£0**	**£0**	**£3,320,931**
23/24 Empty Property details				**Funding Source/Amount**					
No of empty properties	**Length of time empty**	**Total No of completed properties**	**Tenure**	**SGovt Grant £**	**HRA/RSL £**	**Developer Obligations - Cash £**	**2nd Homes Council Tax £**	**General Fund £**	**Total Funding £**
3	< 6months	3	social rent	£172,000	£186,373	£0	£0	£0	£358,373

Appendix 1

1	6 - 12 months	1	social rent	£65,000	£113,972	£0	£0	£0	£178,972
3	1 - 2 years	3	social rent	£172,000	£214,064	£4,586	£0	£0	£390,650
2	2 - 5 years	14	social rent	1,575,000	£1,223,364	£8,781	£160,000	£564,000	£3,531,145
1	5-10 years	6	social rent	£621,000	£474,240	£129,301	£108,000	£175,000	£1,507,542
10		**27**		**£2,605,000**	**£2,212,014**	**£142,668**	**£268,000**	**£739,000**	**£5,966,682**
24/25 Empty Property details				**Funding Source/Amount**					
No of empty properties	**Length of time empty**	**Total No of completed properties**	**Tenure**	**SGovt Grant £**	**HRA/RSL £**	**Developer Obligations - Cash £**	**2nd Homes Council Tax £**	**General Fund £**	**Total Funding £**
2	1-2 years	2	social rent	£130,000	£79,757	£0	£0	£0	£209,757
4	2-5 years	34	social rent	£2,979,000	£2,409,777	£403,269	£727,000	£315,000	£6,834,046
6		**36**		**£3,109,000**	**£2,489,534**	**£403,269**	**£727,000**	**£315,000**	**£7,043,803**
29	**<6mths=5 6-12mths=6 1-2 years=7 2-5 years=9 5-10 years=1 >10 years=1**	**87**	**Social rent=87**	**£6,973,756**	**£6,679,811**	**£628,850**	**£995,000**	**£1,054,000**	**£16,331,416**

The Empty Homes Framework developed by the Scottish Empty Homes Partnership (SEHP) is embedded in our commitment to bring empty homes back into use through our Local Housing Strategy. As part of this approach to bringing empty properties back into use, during 24/25, 4 empty properties were bought from the open market by Aberdeenshire Council in Peterhead, Gartly, Banchory and Huntly. This has resulted in the delivery of 4 energy efficient affordable homes for social rent of which 1 is suitable for particular needs households. Furthermore one empty property in Fraserburgh was converted into 16 affordable homes for social rent of which 8 are suitable for particular needs households and one empty property in Stonehaven was converted into 16 affordable homes of which 8 are suitable for particular needs households by Aberdeenshire Council for social rent. Not only does this assist in meeting housing need but also supports wider aims, in alignment with National Planning Framework 4, such as town centre regeneration, rural sustainment, assisting in tackling climate change as well as community safety, all within a placemaking approach to the provision of affordable housing.

We continue to encourage and support empty homeowners through our dedicated Empty homes - Aberdeenshire Council service to provide individualised advice and information to owners to help to bring their empty property back into use. During 2024/25, 148 enquiries were received at emptyhomes@aberdeenshire.gov.uk with advice, information and signposting provided as follows:-

- 58 funding and financial related queries – of which 44 requested assistance with reduce rated VAT
- 18 queries re buying and or selling with information provided with regards to making properties more marketable and alternative routes for selling such as auction houses for example
- 17 general enquiries regarding the empty property Matchmaker Scheme
- 34 general enquiries including 22 queries regarding Council Tax charging
- 2 enquiries regarding renovation and maintenance with information given on merchant's discount schemes, energy efficiency schemes as well as renewable technology options
- 2 given advice re private sector renting including rights and responsibilities of both landlords and tenants, landlord registration and information such as tenancy deposit scheme
- 17 reporting an empty property

Additionally, during 2024/25, contact was made via email, offering advice and support, with the liable parties of 2084 empty homes in April and 2137 in October. As a result, 8 have advised that their property is now occupied, 16 advised that it has been sold, 13 advised property is up for sale, 1 is privately rented out and 7 are undergoing renovation. Further support and advice were issued:-

- funding and financial matters- 6
- rental advice -1
- renovations advice - 7
- buying and selling advice - 16
- general advice - 1

The targeted emails contained a link to a survey which seeks to gain an improved understanding of the needs of empty homeowners and their views as to what support is required to bring their empty home back into use. Next steps will be to carry out an analysis of the responses received which, along with the mapping of empty homes, will inform strategic planning and targeting of actions to help bring empty properties back into use.

During 24/25 £2.671 million was generated through Council Tax revenues by the reduction of discount on Second Homes and Long Term Empty Properties and this is ringfenced for affordable housing purposes in line with legislative powers. £1.729 million of Second Homes Council Tax was spent to support the delivery of 110 council new build homes in Mintlaw and Fraserburgh during 2024/2025. This funding stream continues to enable and support the Council's New Build programme and is fully committed to the Council's New Build programme in order to optimise capacity to increase the supply of affordable housing across both the short and longer term. Approximately £11.5m has been allocated in principle to future projects to deliver 108 units across nine sites.

Any income generated through the powers to increase council tax charges by a 100% levy on both Empty Homes (since April 2014) and Second Homes (since April 2024) are not currently directed to support the delivery of affordable housing or bringing empty properties back into use but directed at the Council's wider plan and activities.

3.7 **Developer Obligations**

During 2024/2025 there were 180 new supply affordable housing completions in Aberdeenshire as detailed in Table 8 below.

Table 9 - Number of Aberdeenshire Completions 2024/2025 supported by the Affordable Housing Policy

Number of Completions	**S75**	**Non S75**	**Total**
Scottish Government Funding	**120**	**60**	**180**
Without Scottish Government Funding	**0**	**0**	**0**
Total	**120**	**60**	**180**

Of these completions, 120 (67%) were delivered through S75 - Affordable Housing policy - land and/or commuted sums, with all of these units also supported by Scottish Government funding through the Affordable Housing Supply Programme. The remaining 60 units were not delivered through the Affordable Housing policy but did receive Scottish Government funding.

Through the Local Development Plan's Affordable Housing Policy, commuted payments are in exceptional circumstances received in lieu of on-site affordable housing provision. Table 9 below sets out Developer Obligations Commuted Payments as at July 2025.

Table 10 - Developer Obligations Commuted Payments As At July 2025

Academy Catchment	Total cash (£)	Paid in (£)	Committed (£)	Expended (£)	Balance (£)
Aberdeenshire	238,621	239,971	1,750	238,221	0
Aboyne	474,324	467,268	75,958	391,310	0
Alford	564,932	534,859	0	465,009	69,850
Banchory	853,937	886,062	0	724,930	161,133
Banff	669,558	762,334	0	631,843	130,491
Ellon	722,101	645,755	0	538,273	107,482
Fraserburgh	689,982	651,255	0	624,573	26,682
Huntly	647,935	603,980	0	603,980	0
Inverurie	1,564,422	1,532,931	0	1,475,309	57,622
Kemnay	756,104	797,890	0	797,890	0
Mackie (Stonehaven)	859,695	861,449	0	850,217	11,232
Mearns (Laurencekirk)	361,144	365,590	0	365,590	0
Oldmeldrum	1,356,018	1,334,501	0	1,266,789	67,712
Mintlaw	791,463	728,170	0	514,474	213,696
Peterhead	445,822	447,302	0	443,311	3,991
Portlethen	163,455	155,072	0	155,072	0
Turriff	583,643	573,988	0	565,678	8,310

Westhill	94,240	94,240	0	94,240	0
Other Towns/Areas	107,450	100,500	0	89,680	10,820
LCHO Resales	2,090,566	2,090,566	0	0	2,090,566
LCHO Staircasing	238,555	238,555	0	0	238,555
Total	**14,273,967**	**14,112,238**	**77,708**	**10,836,389**	**3,198,141**

During 2024/25, £502,492 of this funding stream has assisted in the acquisition of 1 purchase from the open market to be brought into use as social rent as part of the Council's stock; the delivery of 89 units across 2 developments as part of the Council's new build programme; and 32 particular needs adaptations.

Priorities for spend of commuted payments are:-

1) Council New Build Programme.
2) Enabling Registered Social Landlord development programme.
3) Enabling empty properties to be brought back into use.
4) Enabling delivery of affordable housing through private estates and community groups.
5) Purchase of open market housing for use as affordable housing; either for mainstream or temporary accommodation subject to identified housing need.
6) Particular needs adaptations.

3.8 **Delivery Models**

Aberdeenshire Council and its partners will continue to work with Scottish Government to support the delivery of the Housing to 2040 vision by exploring new delivery models for affordable housing. Partners are currently exploring a delivery model with SSEN Transmission to deliver new homes as part of its Pathway to 2030 programme – a £20bn investment to upgrade the transmission network in the north of Scotland in support of energy security and national net zero ambitions. Workers' accommodation will be required to deliver the proposed projects and SSEN Transmission is aiming to create a legacy in the communities that will host its workforce by delivering housing that will support local need when the projects are completed. SSEN have advised that their housing strategy would comprise 4 main types of accommodation:

- **Permanent housing**
- **Accommodation villages**
- **Local hotels and rentals**
- **Redevelopment of existing buildings**

The financial model for permanent housing and the redevelopment of existing buildings is being explored and assessed with a view to identifying a cost effective model which is financially sustainable for SSEN Transmission and their contractors, as well as any affordable housing providers, both in the short and longer term. This will likely require a capital contribution as well as a long term rental agreement with guaranteed income in order for this to be financially viable for the affordable housing sector. Aberdeenshire Council along with its' housing partners, such as RSLs, landowners and the development industry, are in discussions to potentially deliver housing units, across a number of sites and assets in the Peterhead, Mintlaw, Turriff and Stonehaven areas, that would initially be occupied by SSEN Transmission/primary contractors' workers. Thereafter, some units could revert to the affordable housing sector and or some units could be for mainstream private housing. In addition to the delivery of permanent housing, there may also be a need for the provision of temporary caravan sites and temporary accommodation villages. Proposals for temporary accommodation villages and caravan sites will be directed to allocated undeveloped housing sites. This will enable the delivery of permanent roads, access, drainage and servicing infrastructure that will facilitate the future development of the sites for permanent housing once the temporary accommodation is removed from site. Some discussions are also being progressed with a view to exploring the potential for surplus or poorly performing housing assets to be repurposed and or refurbished to provide temporary accommodation for rent for SSEN Transmission/primary contractors' workers. It is likely that a number of different models of housing delivery will be required in order to meet the housing needs of the workers to enable the upgrade to the transmission network in the north of Scotland, particularly given the pressing timescales, all of which will be required to secure the appropriate consents and approvals. This partnership approach to delivery will help ensure a lasting legacy which will meet housing needs, both in the short and longer term, across our communities; essentially delivering the right size and type of homes in the right locations, whilst optimising the collective capacity across the sector to enhance our existing delivery programme.

The following established models of affordable housing are currently being delivered in Aberdeenshire.

3.8.1 **Low Cost Shared Equity**

Through the Local Development Plan's Affordable Housing Policy, Aberdeenshire Council, in partnership with private developers, deliver low cost homes for sale in the form of shared equity through S75 agreements which are aimed at first time buyers on low to modest incomes. The Deed of Conditions ensures that properties remain affordable, and provides an element of control over future sales price in the event that any properties are sold. Since 2008 this unsubsidised affordable housing tenure has proved successful and currently there are 303 LCSE properties across Aberdeenshire, of which 101 have been resold with some on more than one occasion as households' circumstances change. However, it is worth noting that the delivery rate has slowed in alignment with the local economy and housing market activity.

3.8.2 **Create Homes Aberdeenshire MMR**
Create Homes Aberdeenshire MMR Limited Liability Partnership manages 51 mid-market rented accommodation units across four developments in Aberdeenshire. These properties operate under Private Residential Tenancies and are targeted at households with modest incomes. This model enables the delivery of mid-market housing whilst maintaining a neutral impact on the Housing Revenue Account. Officers will continue to identify opportunities for further units which will be assessed and progressed, where appropriate, subject to funding availability, viability and consents

3.8.3 **Open Market Shared Equity**
During 2024-2025 in Aberdeenshire, there were 38 applications to the Scottish Government's Open Market Shared Equity Scheme (OMSE) managed by LINK Housing. 35 of those were approved and received passport letters, with 28 sales, 7 expired passports and 3 not approved. The remaining live passports at the end of March 2025 were carried over into 2025-2026.

3.8.4 **Rural Housing Fund and Community Led Housing**
Scottish Government's Rural Housing Fund aims to increase the availability of affordable housing for rent and sale in rural areas through grants or loans. It is open to a wide range of organisations and seeks to empower communities by helping them to meet local housing need. This funding stream is particularly relevant in predominantly rural Aberdeenshire and officers will support and facilitate the identification and development of opportunities through a place-making approach to delivery as part of the proposal to implement Place Plans which could be led by community planning partners, such as local community groups. In Braemar, a community group have successfully secured planning permission, subject to conditions, for 15 affordable housing units. Discussions continue with a local Registered Social Landlord to explore a collaborative approach to the delivery phase of the project. Aberdeenshire Council have provisionally offered in the region of £70k, subject to securing match funding and nomination rights to support the delivery of the project. In Tarland, the community group's ability to continue to explore potential affordable housing sites within the village has been temporarily paused due to capacity constraints. However, their main priorities currently are to recruit new Trustees, engage in public consultation to determine housing need and identify potential sites and or buildings as future projects. Officers will continue to support local community groups by providing guidance and advice where appropriate.

3.8.5 **Rural Key Workers Housing Fund**
The Scottish Government's Rural Key Workers Housing Fund can help bring empty properties back into use or allow for the purchase of properties on the open market through local authorities or registered social landlords by making them available

to key workers in rural areas in order to meet the housing needs of these local communities. Officers will continue to be directed by evidence and data, to develop any proposals to meet identified key worker housing need by working closely with stakeholders and progressing actions, including the development of a key worker policy, where appropriate.

3.8.6 **Housing Infrastructure Fund**

As part of the Aberdeen City Region Deal, a £20m Housing Infrastructure Fund has been made available for Aberdeen City and Aberdeenshire to accelerate the delivery of affordable housing in the North East of Scotland. Officers will continue to work with interested parties to provide advice and support to maximise any potential opportunities which meet Scottish Government criteria.

3.8.7 **Offsite Construction and Procurement**

Scottish Government Strategic Housing Investment Plan guidance states “research shows clear evidence of potential cost savings of up to 8% from larger minimum development sizes of around 40-50 units irrespective of construction type”. Given the rural nature of the Aberdeenshire area, there continues to be challenges around offsite and modular construction. Generally, Aberdeenshire Council’s and our RSL partners’ new build programmes deliver sites which average around 20-30 units and a proportion of these are gap sites. Offsite manufacturing is more suited to larger, higher density, repetitive developments, to provide the required economies of scale, rather than the small-medium size one-off projects which typically come through the affordable housing programme in Aberdeenshire. Modular buildings and bathroom /shower room pods have been assessed but the market opportunities for manufacturing within Aberdeenshire are extremely limited and therefore effectively removes the associated expenditure from the local economy. Furthermore, payment terms within off-site manufacturing are challenging with some contractors looking for 50% payment upfront when ordering and the balance prior to site delivery which may pose additional risks which require careful management. However, officers continue to explore and examine opportunities for alternative construction mechanisms and will implement these as and when appropriate and viable to do so.

Procurement is an evolving part of the construction industry and officers continue to monitor the options available to provide best value. To achieve competitive tenders and the best value available in the market, the procurement of each development is assessed on its own merit as to whether open tender on Public Contracts Scotland or the Scotland Excel New Build Framework is the more suitable option. However, it is important to note that the construction industry is still experiencing a challenging period as noted in paragraph 2.4, with material cost increases levelling off at a higher rate and labour inflation/shortages across certain trades driving up tender prices and impacting upon the affordability of construction projects.

4. Consultation

4.1 This SHIP is produced using the existing partnership approach of an Affordable Housing Forum and an Affordable Housing Delivery Team which both meet on a regular basis. These enable a shared understanding of the issues and challenges and help to shape and inform both the Local Housing Strategy as well as the SHIP.

4.2 Further to the public engagement on the development of the Local Housing Strategy, a number of consultations have taken, or will take, place to inform this SHIP. These include:

- Discussions with Registered Social Landlord partners, private developers and other services including Planning, Health & Social Care and Property.
- Tenant consultation via a live Tenant Engagement Event 13th August 2025.
- Public consultation through Engage Aberdeenshire – Aberdeenshire Council's public consultation web portal during August until 10th September 2025.

4.3 This SHIP was presented to and commented upon by the six Area Committees during September 2025 and thereafter reported to Communities Committee on 6th November 2025 for approval.

4.4 Responses to the consultation have been mainly positive, welcoming the collaborative approach to the delivery of affordable housing across Aberdeenshire, albeit noting and highlighting the continuing challenges in the current economic climate. Areas of particular interest included:- strong emphasis on a place-based approach to delivery, recognising the value of healthy environments including improving local infrastructure, creating green spaces, and maintaining the natural environment to support community wellbeing; supporting local communities and households through increasing housing provision (for both rent and homeownership) and allocation policies; and the need for a range of housing options for older people and those with particular needs to enable them to live independently within their local communities with appropriate support services.

5. Equalities

5.1 An Integrated Impact Assessment has been carried out and is included as additional information. Positive and neutral impacts have been identified and these link clearly to the strategic outcomes of the Local Housing Strategy as outlined above at 2.1 Local Housing Strategy.

6. Environmental Assessment

6.1 A Pre-Screening report was submitted to the SEA Gateway stating that a Strategic Environmental Assessment is not required for the SHIP, as the primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. This has been accepted by the consultation authorities.

7. Outcome

7.1 The main outcome of this SHIP is to enable the delivery of high quality, energy efficient housing, which support climate adaptation, maximising a range of funding streams and delivery models to address housing need across a variety of affordable housing tenures, whilst adopting place making principles.