Appendix 5:

Scottish Borders Council

Housing needs and aspirations of young people

October 2018

Interim Report

Key Findings Summary

indigohousegroup.com

Contact Anna Evans

anna.evans@indigohousegroup.com

Tel: 07747 352813

The Indigo House Group

15 Lauriston Place, Edinburgh EH3 9EP

Contents

1. Introduction

1.1 Purpose of the study

Scottish Borders Council has commissioned a study to understand the housing needs and aspirations of young people in the Scottish Borders. The brief is to assess:

- The extent and type of housing need and demand for young people
- The future of young people's housing across all tenures
- Identify housing solutions for young people
- Recommendations on how Scottish Borders Council and its partners can improve the housing outcomes of young people
- The final output should be a finalised Development Plan (Framework or Strategy) which will identify how the Council and its partners in the Borders will meet the needs identified through the assessment.

Indigo House was commissioned to undertake this work which has been ongoing since May and is due to complete in November 2018.

1.2 Approach

The work has involved a multi-method approach to establish the housing needs and aspirations of young people. There are now four separate research findings reports which should be read in conjunction with this interim report:

- **Qualitative study of young people in schools, May 2018** – six focus groups were undertaken across six different schools across the Borders with those aged between 14 and 17 years. 48 young people were consulted on reasons for staying and leaving the Borders, importance of housing and affordability and where they may live on leaving school.
- **Data report, September 2018** – detailed secondary data analysis on the demographic and economic context, the local housing market and affordability, estimates of new housing need for young people, and housing needs of vulnerable young people.
- **Quantitative and qualitative survey of young people, September 2018** – three surveys were undertaken – 1) Borders wide quantitative face to face survey involving 398 young people 2) qualitative telephone depth interviews involving 20 interviews and 3) a former residents online survey with 72 responses achieved.
- **Stakeholder consultation, October 2018** – face to face/telephone consultation with 14 people representing a range of statutory and third sector service providers including education, employment services, homelessness, social work, Youth Borders, and all four Registered Social Landlords (RSLs).

The purpose of this **Key Findings Interim Report** is to synthesise the findings and draw key conclusions for the next steps in strategy/action plan development.

2. Population and households in the Scottish Borders

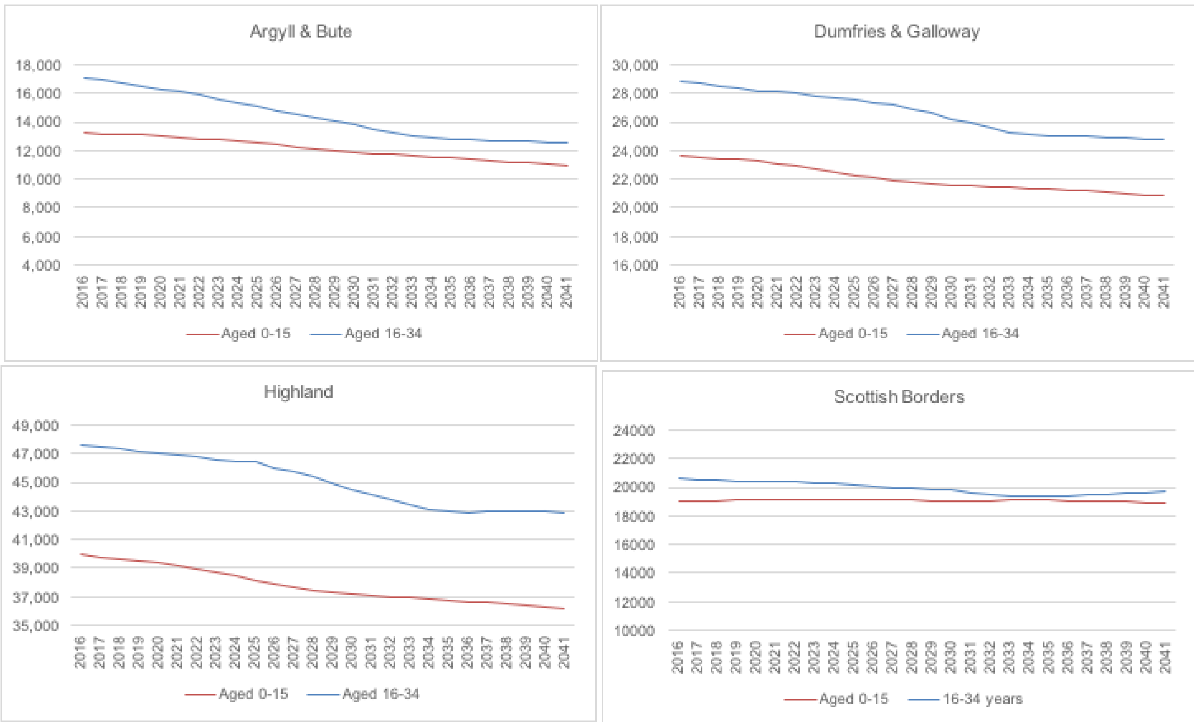
2.1 Population and household projections

Looking at the population projections over the next 25 years we see modest population increases for the Scottish Borders overall (0.7% compared to 2.2% Scotland and 4% in the SESPlan area (South East Scotland). The projected population profile for young people shows:

- Steady reductions in the number of 16-34 year olds, although picking up post 2034
- Stable population of 0-15 year olds.

Comparing this with other rural and remote regions of Scotland, the Scottish Borders is projected to have a more stable younger population over the coming decades compared with Argyll and Bute, Dumfries and Galloway and Highland. What is striking in the Scottish Borders is that the number of children (aged 0-15 years) is projected to be similar to the number of young people aged 16-34 years, while in other local authorities, there will be far fewer children.

Figure 1: 2016-based population projections, Scottish Borders compared with similar LAs (people aged 0-15 and 26-34)

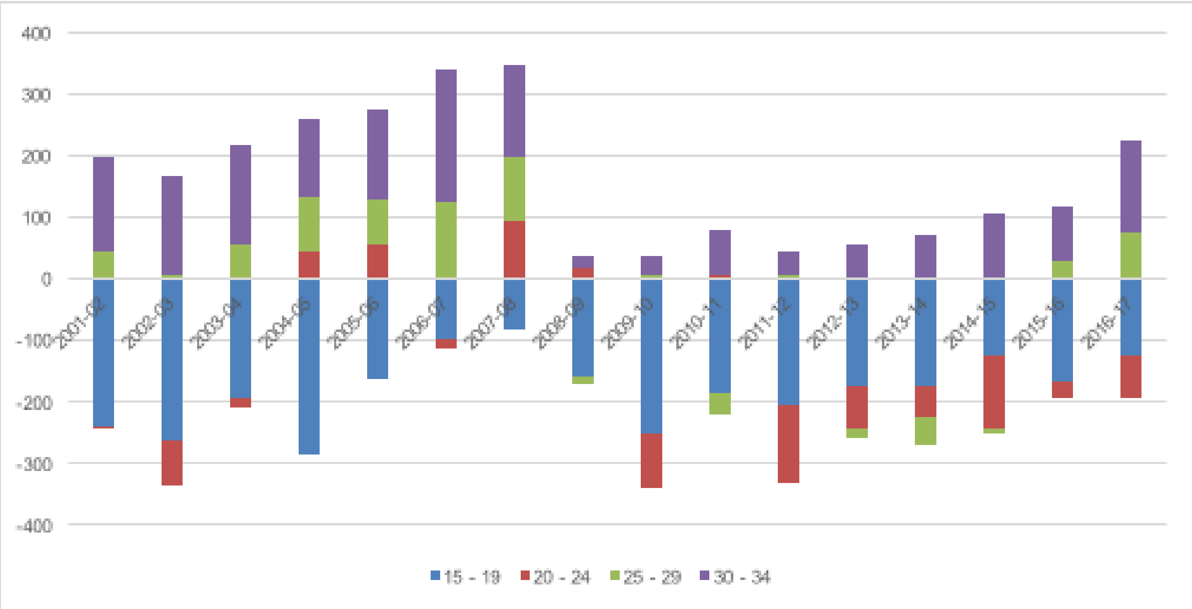


In terms of household projections, the principal scenario suggests 7% increase in households overall in the Borders to 2037, but 0% increase in households headed by people aged between 16-35 years. Again, comparing to other rural and remote regions the Scottish Borders profile is more positive than others e.g. Argyll and Bute is projecting 16% drop in households aged under 35 years, Dumfries and Galloway 7% drop and Highland 6% drop in households headed by people aged under 35 years. **Therefore, while there are challenges, there are some relative positive demographics projected for Scottish Borders compared to other rural areas.**

2.2 Migration

Migration statistics show that the Scottish Borders experiences significant net out-migration of young people, particularly those aged 16-24, and since 2011-2012 there has also been a net loss each year in those aged 20-24 years. However, recently released data shows a **positive change in 2016-2017 with a net growth across the 15-34 year old group of 27 young people** compared to net losses in each previous year between 2008-9 to 2015-16. Looking at other rural and remote regions in Scotland for this most recent year shows a backwards slide - a net loss of -292 people aged 15-34 years in Argyll and Bute, -284 young people in Dumfries and Galloway and a slight loss (-8) in Highland.

Figure 2: Net migration among young people 2001-2002 to 2016-2017 (Scottish Borders)



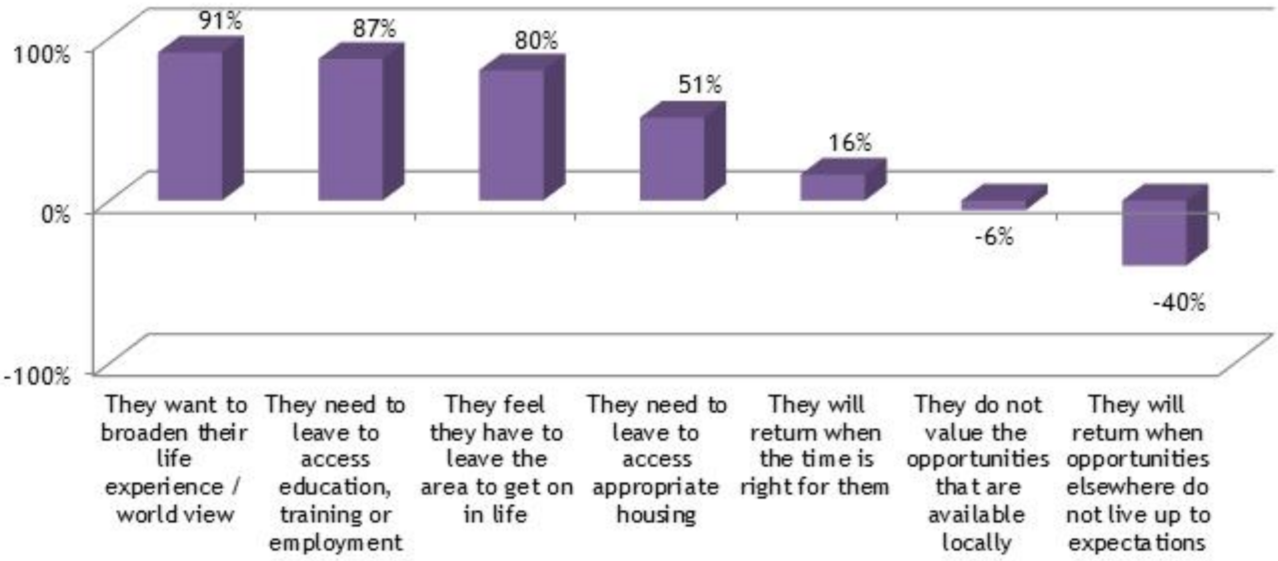
Why people stay or leave the Scottish Borders

The research with young people and former residents of the Borders have explored why people leave, why people stay and why people return to the Borders. This topic has also been explored with professional stakeholders.

When young people are asked what they think of **young people that stay in the Borders** there is a strong belief that they are "lucky" to be able to do so, earn a living or study locally. This is also associated with being able to enjoy the quality of life and continuing their links with the local community. Some of the younger age groups at school interestingly had different opinions that people who stay in the Borders are unlikely to succeed compared to those that leave to get further education.

When asked about **people that leave the Borders** the most common perception from young people is that this is about broadening their life experience, accessing education and employment opportunities, and they have to leave to get on in life.

Figure 3: Attitudes to Young People that Leave the Local area (figures represent net agreement)



However, a significant proportion (51%) also identified **access to appropriate housing** as a motivator to leave the Borders, with significant area / age / gender variations:

- More significant for 25-34 year olds (62%), compared to 16-24 year olds (53%).
- Females are more likely to see this as an issue "to a significant extent" (62% compared to 54% of males).
- Duns / Eyemouth is significantly higher (92%), but less so in Peebles (39%).

A large proportion (73%) of people responding to the **former residents survey** said they have a desire to return, with majority leaving in the first place for education and work (75%). In terms of **motivators to return** the most important factor is availability of a suitable job, followed by quality of life. Compared to the current young Borders residents, these former residents were firmer in their view that young people that stay in the Borders are unlikely to meet their full potential.

Current young residents and former residents all think the **three most important things** that would make the Scottish Borders a good place to live are availability of high quality jobs, good access to housing and affordable transport links.

Consultation with professional stakeholders agree with concerns around the **lack of availability of further education and employment opportunities** being the key push factors for leaving the Borders. These consultees identified the **geographic challenges and large distances** in the Borders which may taking up job or education opportunities very difficult and expensive for some people living in rural and remote areas.

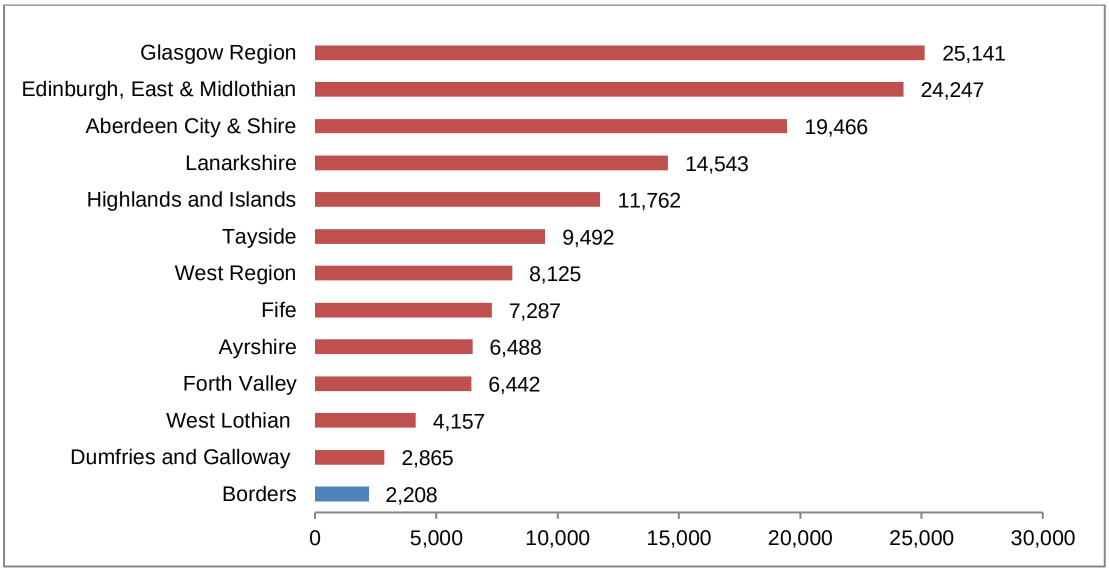
The key challenge for young people who want to continue living and working in the Borders is the inextricable linkages between jobs, transport and housing. The quality of life in the region is a key factor for those wishing to stay and those wishing to return to the Borders, and along with its proximity to Scotland's leading economy this is a key pull factor to retain and attract people to the Borders.

3. Scottish Borders local economy and education

3.1 Economic context and outlook

Like the rest of Scotland and UK, the Scottish Borders experienced a considerable economic downturn between 2008 and 2010, but the SBC Economic Strategy pointed to local improvements in 2011 where Gross Value Added (GVA) and local employment rate improvements were better than the national rate. However, in overall terms the projected economic performance (by GVA) is poor relative to other regions in Scotland.

Figure 4: Gross Value Added (GVA), Regional Comparison 2024 (£million, constant 2013 prices)



Source: Skills Development Scotland, Oxford Economics analysis

3.2 Economic activity and earnings of young people

While the GVA per head is lower in Scottish Borders than it is for Scotland, economic activity rates among young people in the Scottish Borders are comparable to Scotland overall, and between 2013 and 2017 was higher than Scotland.

However, a major challenge for the Scottish Borders in future is likely to be **high levels of economic activity but lower earnings**. The earnings of people living in the Scottish Borders were close to the Scottish average in 2013, but since then earnings have not increased at the same rate. In 2017 the median income in the Scottish Borders was just 94% of median income in Scotland.

The number of **young people claiming benefits** aged 18-24 years has halved since 2013, with the claimant count stabilising at around 300 claimants across the Borders. The claimants are highest in Galashiels and Hawick and lowest in Leaderdale and Melrose, Jedburgh and Tweeddale.

As discussed above, young people identify the **availability of quality jobs** as the most important factor in making the Scottish Borders a good place to live, and for leavers (potential returners) this is also the case, who also identify opportunities for career progression as an important factor in potentially returning to the Borders.

Depth interviews with young people identify some of the concerns around the local economy:

"It is only Call Centre jobs that are available"

"There are not enough well paid jobs to be able to rent and, at the same time, save for a deposit for your own home."

"There are no career prospects in Galashiels. I know people with lots of little jobs to make ends meet but they would have to go to Edinburgh for a proper career."

"When you want to move up and get to the next level then you have to go elsewhere for better opportunities."

"Job security is a massive issue for me. Our factory is foreign owned and if they closed down lots of people would be out of work and I would have pretty few job options."

Despite the recent investment in the public transport infrastructure (especially trains) the option to commute is not always seen as practical due to distances involved. For people with jobs (or potential jobs) there was a common feelings amongst young people consulted that the additional travel costs (and associated time and hassle) outweigh the benefits of perceived lower housing costs in the Scottish Borders.

3.3 Education attainment, further and higher education, and training

Educational attainment figures for the Scottish Borders for 2015/16 shows broadly similar attainment levels overall compared to Scotland at SCQF Level 3, slightly lower at Level 5 and slightly higher at Level 6. There has been a gradual improvement in attainment from School over the last five years or so. However, there are signs of significant attainment gaps between pupils at the same schools who live in the most and least deprived areas. Hawick and Galashiels High Schools are particular examples.

In term of **modern apprenticeships**, the Scottish Borders has one of the highest attainment rates in Scotland – 83% of leavers achieving their qualification compared to 78% across Scotland.

Results for 2012-2013 showed proportionately more young people in East Berwickshire, Tweeddale East and Hawick and Hermitage **leaving school into unemployment**. However, more recent data on claimant counts shows reducing numbers, but a higher claimant count for those aged 16-24 in Galashiels and Hawick, followed by Selkirkshire. Levels of economic activity are high among young people in the Scottish Borders, but, as discussed above, wages are lower and have not increased at the same rate as in Scotland overall, particularly for lower earners.

In terms of **further and higher education opportunities**, consultation with young people identified the fact that people that want to go to university have to leave the Borders to meet these aspirations and comment that the range of courses at Borders College is limited, and again the geographic challenge makes accessing further education in the Borders difficult.

"The College here is good but it is just the problem of getting there because the Borders is such a big area and it takes people more than an hour to get there. There is a college in Hawick I think but it is pretty small and doesn't have many classes."

"There is a limited offering at the College…..it's okay if you want to be a baker or a beauty therapist but not if you want to study things like graphic design at a good level."

"You can go to College in the Scottish Borders, and I would like to, but if they don't have the right opportunities at the right level I will have to go elsewhere. Edinburgh has more and better options."

Consultation with professional stakeholders confirm concern over the low wage economy, limited employment opportunities (focused in traditional industries or the public sector), and limited range of further and higher education opportunities particularly for those without the means to move or travel to Edinburgh. The issue of the attainment gaps and social polarisation was raised which should be considered not only around education, but also in terms of housing and community environments. Some consultees suggest this points to the need for a strategic approach being taken to **community well-being** which should include developing mixed housing tenure/mixed income communities.

In conclusion, there continues to be areas of the Scottish Borders where young people face challenges in educational / training attainment and high value employment without moving out of the Borders. There is evidence to suggest that the attainment gap between pupils in the most and least deprived areas is a particular concern for the Scottish Borders. There could be opportunities to take a more strategic approach to community well-being which should include action for new housing development, and in the management of existing places / communities.

4. Housing needs and aspirations of young people

4.1 Current and household tenure

The **current household tenure** of young people in the Scottish Borders shows:

- A **third of younger households** in the Scottish Borders are **home owners**, which is similar to the Scottish rate amongst young people. This compares to over 60% of all households across the Scottish Borders and Scotland.
- More younger households in the Scottish Borders **rent from a social landlord (33%),** compared to young people across Scotland (25%).
- **Private renting** is more common among younger households than households overall – **35% in the Borders** (14% all SB households) compared to 40% of younger households across Scotland.

The population of the Scottish Borders young person's survey is different to published survey data sets as it includes young people that have not yet set up their own home. This showed that a high proportion of respondents were living with parents (55%), followed by private renting (20%), social housing (12%), and ownership (12%). Excluding people living with their parents, we can see that the most common household tenure is private renting.

4.2 Housing costs, household incomes and affordability for young people

House purchase and rental costs may be summarised as:

- Scottish Borders **house purchase prices** in 2017 are similar to Scottish house average prices, ranging from lower quartile £97,000 to upper quartile £236,000 with an average of £184,540 (similar to the Scottish average of £180,663).
- **Private rental costs** for a 2-bedroom property range from an average £346 per month, with a low of £315 in Hawick to high of £443 in Peebles.
- **Social rental costs** for a 2-bedroom property are typically £320 per month.
- **Mid-market rent** for a 2-bedroom property are typically £340 per month.

Scottish Household Survey data shows that the **household incomes for householders aged under 35 years in the Scottish Borders** are

- On average £21,490 (median £18,540), lower than the Scottish average of £24,170 (£22,000).
- For newly forming younger households (those previously living with parents) incomes are an average of around £17,112 (median £13,440) lower than Scottish average of £19,227 (£16,000 median).
- A newly forming young person household with an income of £13,440 would be able to **afford an RSL rent** and **a 2-bed mid-market rent**, **but not a private let**, assuming they were spending around 25% of income on housing costs. With an average household income of £17k, the

private renting in some areas would be more feasible. House purchase would be out of reach at the lower quartile price of £97,000.

The apparent lack of affordability needs to be measured against the proportion of younger households that are actually living in the private sector (a third in private rent and over a third own their home) suggesting higher incomes than the median for these young households, or a willingness to pay a higher proportion of their income on housing costs.

4.3 Future housing tenure

Considering likely future housing tenure, from the Scottish Household Survey we can see that where a young person's last tenure was in the parental home **the majority of newly forming households rent their first home** - we find that 55% rent from a private landlord, 23% rent from a social landlord, only 19% own their home while 3% are in other housing tenures.

The Scottish Borders young person's survey confirms this trend. We see that within the next five years the largest proportion of young people, 36%, want to be renting privately, 30% want to own their home, and 16% expect to be living in social rent. The aspiration for home ownership increases significantly over 10 years where nearly 70% of respondents expect to own their home.

This combined evidence suggests for **newly forming households we can expect the household tenure choice to be renting,** with owning in the longer term.

Table 1: If you stay in the Scottish borders in the future, in which of the following forms of housing would you HOPE to be living in over each of the following time periods?

Area	Current	1 Year	5 Years	10 Years
Living in parental / family home	55%	53%	16%	1%
Living in private rented home, by self or with partner	20%	20%	36%	15%
Living in Council / Housing Association home, by self or with partner	12%	13%	16%	16%
Living in own home (owned or with a mortgage), by self or with partner	12%	13%	30%	69%
Other (including shared accommodation and student accommodation)	2%	1%	1%	0%
Base	**398**	**389**	**366**	**362**

Scottish Borders Young Person Survey 2018

4.4 Estimates of housing need/demand

The estimates for **new** housing supply is based on modelling on the SESPlan Housing Needs and Demand Assessment (HNDA).

In terms of **volume of new housing supply**, the total projected new supply requirement for young people is 1,465 new homes between 2012 and 2038. This is around a quarter (27%) of the total 5,407 housing need/demand projected by SESPlan for all households in the Scottish Borders.

The new housing supply requirement for young people (16-34 years) is broken down by:

- 2012-2022 – 832 new housing supply, 83 new homes per year
- 2022-2032 – 526 new supply, 53 new homes per year
- 2032-2038 – 107 new supply, 18 new homes per year.

The higher supply rate in the early years is related to **tackling existing housing need**, which in later years should be resolved, which means lower supply requirements later. If this higher need/demand is not met in the short term then the new supply requirements will just carry forward to future years.

Location of new supply varies, with the greatest volume of new supply is required in:

- Galashiels and District
- Leaderdale and Melrose, and
- Tweeddale East
- Mid and East Berwickshire (combined).

The lowest level of new supply is required in Hawick, Selkirkshire and Tweeddale West. The data report sets out volumes and tenure by ward (Table 34 and 35).

Qualitative feedback from young people and stakeholders suggest that there appears to be inadequate supply of housing available for young people. However, consultees also suggest that the difficulty in accessing housing for young people is about the **lack of housing supply in the right place, at the right time**. Consultees note there are areas of oversupply (Hawick) and undersupply (Galashiels, Peebles, Berwickshire), which is all supported by the HNDA data analysis. Again, a key challenge for housing strategy in rural areas is matching need and demand over large geographic areas, and the fact that many small rural communities have no affordable housing supply with the effect of potentially losing the future generation of young people and families in these rural communities.

The **household tenure** required for **newly emerging households should be focused on renting**, ranging from a low of 64% in Leaderdale and Tweeddale East, to 95% in Hawick. The likely level of ownership is driven by migration rates – there will be higher levels of ownership where there are higher levels of migration, with lower levels of ownership in areas with moderate to low migration expected and much lower ownership where a net loss of young people is expected so that most of the additional need will be for social housing (see tables below).

Higher levels of ownership / lower levels of renting for young people are projected in:

- Leaderdale and Melrose
- Tweeddale East
- Kelso and District

The data report shows the likely **profile of renting**, breaking this down by private rent, social rent and mid-market rent area according to affordability of young households. This shows that for renters, around **two thirds can afford private renting**, but this is less likely to be affordable in Galashiels and Hawick. Other options will be social rent (around 25-34% of the renting population depending on the area) and Mid-Market rent (around 10% of renters).

These **estimates raise a number of questions for housing investment policy**. In theory private renting, or Mid-Market rent may be affordable for most young people in the Borders, but with relatively low rent levels and a low Local Housing Allowance rate, the feasibility of expanding the PRS or providing below market rent housing needs careful consideration.

Table 2: Tenure estimates of new housing need/demand – Highest Income Householder aged <35 years, wards and localities adjusted for SESplan (closest scenario)

	Ownership	Renters
East Berwickshire	21%	79%
Mid Berwickshire	18%	72%
Jedburgh and District	18%	82%
Kelso and District	33%	67%
Galashiels and District	21%	79%
Hawick and Denholm	5%	95%
Hawick and Hermitage	5%	95%
Leaderdale and Melrose	36%	64%
Selkirkshire	29%	71%
Tweeddale East	36%	64%
Tweeddale West	5%	95%

Source: SHS data 2012-2015, ONS area classification data

Table 3: Estimated tenure of renters in housing need Scottish Borders wards

Ward	SRS	MMR	PRS	Sum
East Berwickshire	25%	8%	66%	100%
Galashiels and District	34%	10%	56%	100%
Hawick and Denholm	28%	10%	63%	100%
Hawick and Hermitage	31%	9%	60%	100%
Jedburgh and District	28%	9%	63%	100%
Kelso and District	28%	9%	63%	100%
Leaderdale and Melrose	24%	9%	67%	100%
Mid Berwickshire	26%	7%	67%	100%
Selkirkshire	27%	8%	65%	100%
Tweeddale East	28%	8%	64%	100%
Tweeddale West	29%	9%	62%	100%

Source: SHS data 2012-2015, ONS area classification data

There were some concerns raised about private renting by professional consultees, about the affordability and quality. However, all the research (secondary data analysis, projections and primary research with young people) suggests that private renting should play an important role in meeting future housing needs and demands for young people in the Borders. Looking at the feasibility of different mechanisms for expanding and improving quality in the **PRS will be important in a future housing strategy for young households**.

In terms of **house size requirements**, the Scottish Household Survey shows that 47% of younger households in the Scottish Borders have two bedrooms, 25% have three-bedroom properties, 22% have one bedroom, and 6% have four bedrooms or more. Projected show a similar profile between 2012-2022, but after that an increase in 1-person households.

4.5 Poverty and deprivation among young people

The analysis of housing need undertaken by Indigo House looks beyond the standard HNDA methodology which does not take account of 'hidden households', and other young householders that may be struggling in housing due to poverty. There are three measures -

- Being **'Young and stuck'** – these are young hidden households - young people who are old enough to be independent and are working but are not living independently. These households contain someone aged 26 or older who works full time or is self-employed and lives in a household where they are neither the highest income householder or the spouse of the highest income householder. Most of these young people are living with parents and could potentially create their own household if the right housing option was available.
- '**Young and struggling financially**' – these young people (aged 16-34 years old) are householders who say they have 'some financial difficulties' or are in 'deep financial trouble'.
- '**Young and in fuel poverty'** – these young people (aged 16-34 years old) are householders who say that they cannot afford to heat their home.

The table shows 1,100 potentially 'young and stuck' hidden households - these are households in addition to the need identified in the HNDA and in addition to the new supply estimates. There are also 685 young people who are struggling financially, and 560 young people that may be struggling with heating their home.

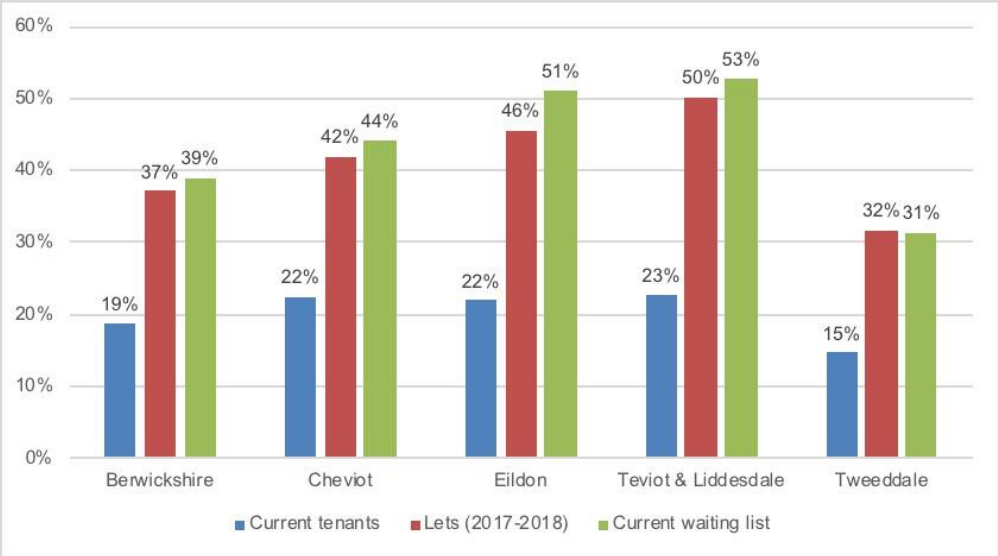
Table 4: Locations with the highest proportion of 'young and stuck' (Estimated 3% of households or more)

Locality	Young and stuck	Young and struggling	Young and fuel poor
Berwickshire	205	100	70
Cheviot	190	110	80
Eildon	355	250	240
Teviot and Liddesdale	170	140	110
Tweeddale	190	85	60
Scottish Borders	**1,110**	**685**	**560**

4.6 Social rented sector demand and sustainability for young people

Data provided from the local RSLs suggests that younger people (aged under 35 years) make up 29% of social tenants but 44% of new lets and 41% of the waiting list. This shows there is a **high level of demand from young people, and that the profile of social renting may be changing.** In all localities, young people make up about half the proportion of current tenancies compared to numbers of new lets and the waiting list.

Figure 5: Percentage of tenants, lets and waiting list aged <35 years old, by locality



In terms of **demand for social housing from young people**, Hawick is projected to see a loss in younger households over the next ten years, and has a low level of new supply requirement, but currently has high numbers of new lets and the waiting list demand from young people. This is in line with the data analysis that shows that demand from young people in this area will predominantly be for social housing. Demand from younger people is also high in Eildon.

Data provided by two of the local RSLs for 2016-2017 lets suggests that **tenancy sustainment rates are lower among younger tenants**, with one RSL reporting tenancy sustainment rates of 76% for under 35s, compared with 80% among tenants overall. Another RSL reported that 76% of tenancies let to people aged under 35 years lasted at least 12 months, compared with 87% of tenancies let to those aged 35 years old or older.

Consultation findings from young people and stakeholders provide a range of different viewpoints about the demand for, and perception of social housing. Those young people interviewed **living in the social rented sector** included a mix of people who were well settled and happy where they were, but also a number of people that had an aspiration towards home ownership; this was driven by whether or not individuals were currently economically active. From wider consultation with young people there is a perception of stigmatization in the social rented sector, and while this is also true from professional consultees, there is also a strong sense of the need for greater supply of affordable housing but a mismatch between current demand and supply by location.

4.7 Young people's housing aspirations and experiences

The Scottish Borders young people's housing survey outlined the housing tenure that young people are ideally looking for in the next five to ten years. As outlined above the majority see themselves moving to private rented sector and then eventually aspire to home ownership. Looking at the tenure preferences of former residents that may want to return to the Borders, the vast majority of these are looking at home ownership – most of these potential returners are aged over 25 years.

The preference to **eventual home ownership** was also reflected in the qualitative telephone interviews. Taking the cohort of younger people, typically living with their parents currently, the broad housing path they saw for themselves follow was:

- Typically, to remain with parents for a period of time, with there being some sense that people were staying an increasingly long time with their parents;
- To rent a property at some stage, with the desire for this being much more commonly "a small house" rather than a flat.
- To potentially buy in the future though, especially for people in their late teens and early twenties, this was sometimes seen as a relatively distant aspiration.

Being able to save for a deposit was the challenge identified by most of the people that were interviewed, an aspiring to home ownership was seen as an increasingly long-term aspiration and, in some cases, not something that people could see attainable due to issues of **affordability**:

"I am 29 now and the thing for me is to be able to save for a deposit and that's why I moved back with my parents. Over the medium term I would aim to buy my own property."

"A lot of my friends are not bothering to save anymore because they know home ownership is unattainable."

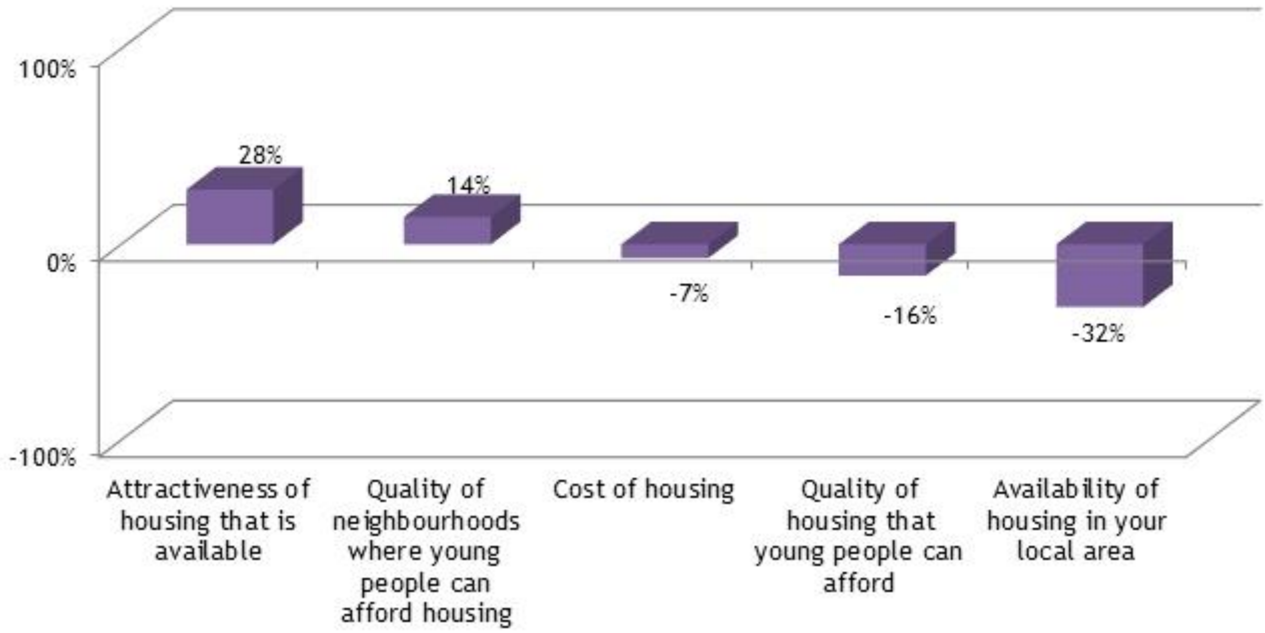
"It is difficult for people to save for a mortgage because rents are so high."

However, there were a number of observations from slightly older and more settled respondents that there could be **achievable options for young people to buy:**

"In the area where I am, I managed to buy my first flat for £45,000. There is definitely property in this area to buy that is much more achievable than the likes of Edinburgh."

There was a common theme of there being a **lack of housing generally**. This was articulated most commonly around more affordable homes to buy, but also lack of social housing. When asked to rate housing issues in their local area the most positive responses were around attractiveness, and the most negative were around the availability of housing in the local area.

Figure 6: Rating of Housing Issues in Local Area (figures represent net positive score)



However, despite this general opinion about overall supply the great majority of interviewees (85%) indicated that their **current housing arrangements were appropriate for their needs**. It is notable that the proportion of people that disagreed with this statement was higher in Duns / Eyemouth (22%), supporting views from some professional stakeholders that there is lack of affordable housing options in the East of the Borders.

There is general agreement that housing in the Scottish Borders is **less expensive** than in neighbouring areas (though this is clearly seen as a matter of degree, given the poor ratings noted above for cost of housing), buit a small majority (51%) also felt "it is getting harder to live here because property **prices are going up**". Agreement with this statement was particularly apparent in Duns / Eyemouth (86%) and in Peebles (76%) but was much less evident in Hawick / Jedburgh / Kelso (24%).

4.8 Wider housing options

The appetite to look at broader housing options was explored through the qualitative telephone interviews. It should be noted that this is a small sample of 20 respondents. The options and responses discussed are set out below.

Mid market rent – where rents are between the cost of private and social renting. They are often managed by a Housing Association but targeted at people in work.

Some interviewees that provided a view on mid-market rent were generally positive and saw particular benefits in it:

"This would be good if it gave you a bit more security. Part of the problem with private renting is that they can give you short notice."

However, people would generally compare any mid-market rental offer to the offer in the private rented sector and so support would be conditional on the detail of what was offered:

"It is maybe something that I would look at in the future but it would depend on the property and on the price."

"This is fine in principle but the price would need to be right."

In general terms, therefore, people were open to the idea of mid-market rent. It would be fair to say that the concept was not one that people always understood clearly, and its benefits and relative costs would need to be articulated clearly.

A 'matching service' for sharing a rented home - to help young people share properties with others rather than having a tenancy themselves; this could be private rented or Housing Association properties.

It was clear from a number of the interviews that the prevalence of sharing properties amongst friends was not as common as in cities (albeit not unheard of):

"There is not a lot of flat sharing here. It seems to be more of a city thing."

Some people saw this option in positive terms as giving some young people an option that they did not have previously:

"I could see this being a good thing for people if they find it hard to find someone to share with."

However, it was seen as being a short-term approach for most people:

"People prefer to have their own home. This is really just a short-term thing, like for people that are studying."

A key issue here would be the extent to which young people choose (and are able) to stay in the parental home for longer, often with the aim of building a deposit for their own home, as opposed to incurring costs in renting a flat, even if those costs are kept to a minimum by being shared with other people.

Lodging scheme - where a homeowner lets out a bedroom for a young person and the rent includes other costs (heat, light, possibly meals).

There was considerable skepticism about this concept amongst the people that we interviewed:

"I would have zero interest in this. You would have no privacy and would be as well staying with your parents."

"To be honest, you would want to know the person you were moving in with."

"I think people would be in and out of places like this; I don't think it is something people would stick with."

Worries about issues of independence and privacy were very common in interviewees' reaction to this concept and it will be important to clearly identify the specific nature and scope of any need and demand that may exist for this.

Shared ownership / shared equity - where the homeowner has a mortgage/deposit for a share of the home and pay rent for the remainder, or shares the equity with Scottish Government. Over time, the owner could buy a greater share of the home, when they could afford it.

A range of views were apparent about shared ownership / shared equity schemes. For a number of people, they recognised it as potentially a significant opportunity for them to get onto the housing ladder:

"This could be a good option for me in the future. My wages are not the highest but if it can keep costs down it might help me to get my own home. It would be slower but maybe more realistic."

"This sounds like a good idea to me. I'm also pursuing a "help to buy" scheme through my bank."

"We had shared ownership before. We bought 70% and it helped us get on the property ladder. In principle, the scheme was good."

Others were considerably more skeptical, with the concerns often relating to the practicality of the arrangements:

"I would rather do one thing or the other. If I decided I wanted to own a property I would want to invest as much in it as I possibly could. I wouldn't want half of it going on rent."

"What happens if you want to enhance the property? You wouldn't get all the benefit."

"My dad's partner had something like this and bought 25% of the house but it was quite hard to sell part of a house when she came to do so."

"This sounds like a complete mess."

In general, shared ownership / shared equity does have the potential to be of value to a number of young people in the Scottish borders but the devil would be in the detail in terms of what would be offered and at what cost. The content of some of our discussions suggested that the rights and responsibilities of shared ownership / shared equity may not be fully understood and would need to be articulated clearly.

Transition flats - where young people may learn about keeping a home, cooking and budgeting through light touch support / concierge.

In no instances did interviewees see this concept as being "for them". Some did, however, see it as having a relevance to certain young people in specific circumstances:

"A very good idea for young people who have been in care."

"I think this is a good idea for vulnerable young people."

"Something like this should only be for people who are vulnerable or have learning difficulties."

Others were significantly more sceptical:

"These skills should be taught at home and in schools"

"Surely it is parents that should prepare young people for moving into their own place?"

"I could see that this could make life easier for some young people but it might be better to throw them in at the deep end."

"This wouldn't be for me; I would rather just go out on my own."

In general, this would be seen as a specific offering for a relatively narrowly defined group of people who may not have formed part of the depth interview sample.

In conclusion, the data analysis confirms that there is a moderate need/demand for new housing supply for young people – around 80 new units per annum for the next five years with areas of highest need/demand in Galashiels, Lauderdale and Melrose, Tweeddale East, and Berwickshire. The impression from young people and professional stakeholders is the lack of affordable housing is greater than this, but this is likely more to do with challenges of lack of supply in areas of pressure, and over-supply in other areas – i.e. mismatch between supply and demand - housing is not always available in the right place at the right time. The large geographic spread in the Borders makes this mismatch between location supply and demand more challenging than in smaller geographic regions and makes achieving work and further education ambitions difficult for young people, especially lower income households. Wider strategies around affordable transport, economic development and accessible further/higher education would help young people with these challenges.

Most newly forming young households will be renting in the short to medium term (5 years), through a combination of social rent, mid-market rent and predominantly Private Rent. The strategy for young people's housing therefore needs to carefully consider supply options in the private rented sector – both existing supply and potential new supply.

In the social rented sector this is an ambition for a minority of young households, although a necessity for young households on lower incomes, and there is a call for more affordable rented housing. There appears to be scope to address the polarisation between social housing and other housing options through community well-being approaches, and ensuring future development is mixed tenure and mixed income. Housing strategists in the Council, and RSLs should be careful around future housing investment – the current public funding emphasis on social rent should be very carefully considered against the need for balanced communities to ensure there are mixed communities and choice in housing options. Housing investment in new supply should be concentrated in areas of pressure, with investment/reconfiguration in existing stock and place in areas of oversupply.

The long-term aspiration of young people is for home ownership. There is common call from young people for more affordable housing supply to buy, and to a lesser extent to rent in the

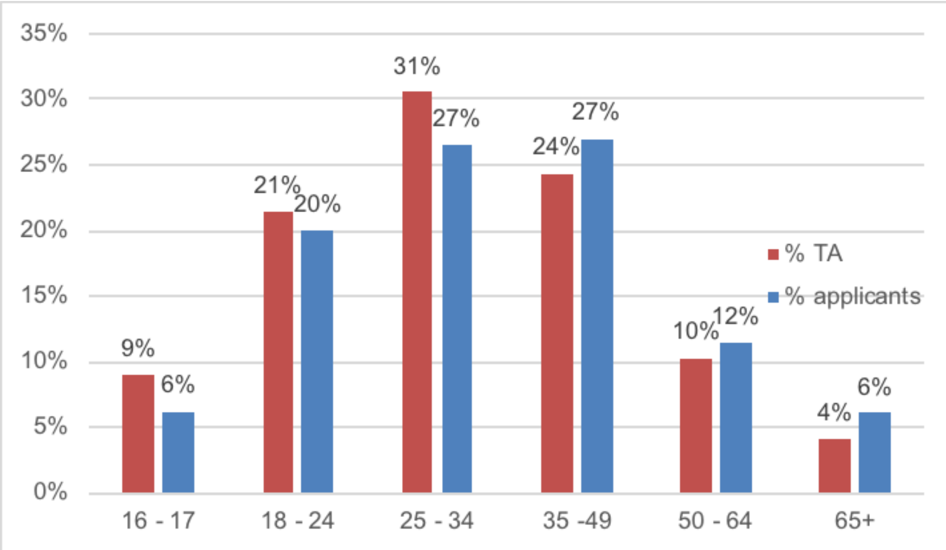
social sector. Options such as shared equity and Mid-Market Rent are tentatively welcomed, but options such as matching for sharing, and lodging schemes are viewed less favourably. Transition flats are acknowledged as a potential option for more vulnerable young people.

5. Housing needs of vulnerable young people

5.1 Homeless young people

The number of young people assessed as homeless or threatened with homelessness just **over 300 in 2016-2017**, down from a high of almost 500 in 2008-2009. The change in numbers over the last decade reflects a 'Housing Options' approach has been adopted, which is consistent with high levels of acceptances and more advice and assistance to prevent homelessness. **Young people make up a higher proportion of temporary accommodation residents, compared to all homeless applicants** - 61% of applicants aged under 35 years (compared with 53% of all homeless applicants).

Figure 7: Age profile of those in temporary accommodation and all applicants, Scottish Borders, 2016-2017



Most recent data for 2017-2018 shows the **Scottish Borders at 11th place out of 32 local authorities in terms of ranking of youth homelessness**, at 13.9 per 1,000 persons aged 16-24 11th place. This is a change from the previous 10th place.

5.2 Young people at risk

The Adult Protection Interagency Operational Group (APIOG) has flagged up a **growing unmet need in relation to support for young people at risk and appropriate available supported housing**. The group has identified an increasing number of young people at risk due to their vulnerability , specific health conditions, or substance abuse, or at risk of social exclusion, and even becoming involved in offending behaviour.

Data on the **exact nature and scale of the gap in supported accommodation for young people is lacking**. Qualitative feedback from professional stakeholders suggests there is lack of a range of support housing options, from transition (e.g. with concierge), to a range of higher supported accommodation options. Particular shortfalls are identified in Berwickshire and Tweeddale. The lack of caretaker at Maxmill Court (temporary accommodation) is suggested to make this resource unsuitable for vulnerable young people.

There is a call for **generic housing support** that does not necessarily have to follow a diagnosis, and a suggestion that housing officers could provide more low-level support. Stakeholders also called for more holistic working between education, social care and health to break down professional silos to meeting the housing support needs of vulnerable young people.

A total of 146 young people (aged under 35 years) received housing support services from Scottish Borders Council in 2017-2018. These were split through the localities as follows:

- 20 in Berwickshire
- 27 in Cheviot
- 81 in Eildon
- 34 in Teviot and Liddesdale
- 18 in Tweeddale.

5.3 Disabled young people

It is difficult to quantify the true 'market' for housing for young people with physical or mental health needs, including those with Autism/Asperger's **but current provision is not suitable**. Even if only 1 in 10 young people with health needs wanted to live independently, this would be 75 households.

Information about young people in institutional care is also incomplete. For historical reasons Scottish Borders Council do not have comprehensive contractual residential placement records for young people in institutional care. However, qualitative data suggests that some young people with complex needs live in residential care out of area apart from their families and local communities. There is currently an exploration underway for new residential accommodation, but apart from housing needs, consultees note that the barriers faced in relation to employment, housing and transport are even greater for disabled young people than they are for able bodied young people.

The evidence base of housing provision for at-risk young people is patchy and incomplete, but points to significant concerns about a lack of specialist and supported provision for vulnerable young people, both in volume and range of options. Particular geographic gaps are in Berwickshire and Peebles.

6. Summary, conclusions and next steps

6.1 Summary and conclusions

This large body of research provides a strong evidence base around the key challenges facing the Scottish Borders in retaining and attracting young people to the Borders. We see that the demographic projections show steady reductions in the working age population in the Borders, but a stable population of children. Scottish Borders' trends are actually more positive than other large rural and remote regions in Scotland and public sector agencies and their partners could use this potential to develop its economic development, education and training, housing and transport strategies to retain young people.

The research with young people and wider stakeholders has confirmed the key challenge for young people who want to continue living and working in the Borders is the inextricable linkages between jobs, transport and housing. The quality of life in the region is a key factor for those wishing to stay and those wishing to return to the Borders, and along with its proximity to Scotland's leading economy this is a key pull factor to retain and attract people to the Borders. However, the limited further and higher education opportunities are a major push factor for young people leaving, and there is an opportunity gap for those without the means to move out of Borders for further/higher education.

The focus of this work is about the housing needs and aspiration for young people, and developing a housing strategy/action plan to meet those needs. However, it should be recognised that housing is only one element of a complex landscape of needs that young people have to meet their potential living in the Borders – education, jobs, transport and housing all need to be considered by the local authority in the round.

In terms of housing needs there is a moderate need/demand for new housing supply for young people – around 80 new units per annum for the next five years with areas of highest need/demand in Galashiels, Lauderdale and Melrose, Tweeddale East, and Berwickshire. These projections are based on current demographic and economic projections - if education / economic development strategy changed positively then these housing needs would grow.

The impression from young people and professional stakeholders is the lack of affordable housing is considerable, but this relates to the challenges of lack of supply in areas of pressure, and over-supply in other areas – i.e. mismatch between supply and demand - housing is not always available in the right place at the right time. The large geographic spread in the Borders makes this mismatch between location supply and demand more challenging than in smaller geographic regions and makes achieving work and further education ambitions difficult for young people, especially lower income households. Again, we return to wider strategies around affordable transport, economic development and accessible further/higher education would help young people with these challenges.

Most newly forming young households will be renting in the short to medium term (5 years), through a combination of social rent, mid-market rent and predominantly Private Rent. The strategy for young people's housing therefore needs to carefully consider supply options in the private rented sector – both existing supply and potential new supply.

In the social rented sector this is an ambition for a minority of young households, although a necessity for young households on lower incomes, and there is a call for more affordable rented housing. There appears to be scope to address the polarisation between social housing and other housing options through community well-being approaches, and ensuring future development is mixed tenure and mixed income. Housing strategists in the Council, and RSLs should be careful around future housing investment – the current public funding emphasis on social rent should be very carefully considered against the need for balanced communities to ensure there are mixed communities and choice in housing options. Housing investment in new supply should be concentrated in areas of pressure, with investment/reconfiguration in existing stock and place in areas of oversupply.

The long-term aspiration of young people is for home ownership. There is common call from young people for more affordable housing supply to buy, and to a lesser extent to rent in the social sector. Options such as shared equity and Mid-Market Rent are tentatively welcomed, but options such as matching for sharing, and lodging schemes are viewed less favourably. Transition flats are acknowledged as a potential option for more vulnerable young people.

The evidence base of housing provision for at-risk young people is patchy and incomplete, but points to significant concerns about a lack of specialist and supported provision for vulnerable young people, both in volume and range of options. Particular geographic gaps are in Berwickshire and Peebles.

6.2 Possible outcomes

In developing a strategy / action plan for housing needs of young people we need to define outcomes that SBC / partners are seeking to achieve. Based on the evidence base two areas are proposed for discussion – one around new housing supply (or reconfiguration of existing supply), and one on management / support.

Initial suggestions are posed under themes/actions – steering group members are asked to consider and add to these for discussion.

- **Young people are able to access a range of different housing options which enable continued learning, training and work in the Scottish Borders**

  Themes / possible actions for discussion

  New supply focus on areas of higher demand - Galashiels, Lauderdale and Melrose, Tweeddale East, and Berwickshire. Is this match in the Strategic Housing Investment Plan (SHIP).

  Does the current / future SHIP and Local Development Plan support new housing in small rural communities?

  Opportunity of using land reform to encourage communities to invest in housing development?

Supply of private rent versus MMR versus social rent – emphasis, options and feasibility?

Areas of over supply, perceptions around polorisation and yet high demand for social housing – any plans / options for area renewal and reconfiguration in housing stock that can contribute to community well-being strategies?

Quality in the private rented sector – ways to support the PRS, combined with enforcement of legislation and regulations?

Options to increase access to housing / accommodation in existing private housing – social letting agency/ empty homes initiative (where public or voluntary sector support access to PRS), sharing and matching service in PRS and SRS, lodging scheme?

Supported housing accommodation new supply – Concierge / transition models Berwickshire and Peebles? Complex needs residential support?

Temporary accommodation investment / disinvestment – themes /actions coming out of Rapid Rehousing Transition Plan preparation?

- **Young people are able to access a range of housing information, advice and support to enable independent living.**

  <u>Themes / actions to discuss</u>

  Generic housing support – resources?

  Themes / actions coming out of Rapid Rehousing Transition Plans preparation?

  Joined up working between housing, health and social care – what and how?

  Management of place (as above) – community wellbeing strategies?

6.3 Next steps

October

- The next steering group meeting will concentrate on the conclusions, possible outcomes and areas for action for discussion.

November

- The actions will be developed further for resource identification, and commitment by partners.
- Final action plan will be concluded for publication.