

# Housing and Economy Committee

**10.00am, Thursday, 1 November 2018**

## **Strategic Housing Investment Plan (SHIP) 2019-2024**

|                            |           |
|----------------------------|-----------|
| <b>Item number</b>         | 7.6       |
| <b>Report number</b>       |           |
| <b>Executive/routine</b>   | Executive |
| <b>Wards</b>               | All       |
| <b>Council Commitments</b> |           |

### **Executive Summary**

The purpose of this report is to seek approval for the Strategic Housing Investment Plan (SHIP) for 2019/20 - 2023/24 prior to its submission to the Scottish Government.

The Council commitment in January 2016 to build 8,000 homes over ten years was matched by housing association partners to form a combined 16,000 homes pledge. The SHIP of 2017 outlined the first part of that plan and set out the delivery of around 8,000 homes over a five year period.

Following the formation of the capital coalition this target was further increased to 20,000 homes, with 10,000 being delivered over the next five years. This year's SHIP outlines a programme over the next five years which would deliver nearly 10,500 homes. Nearly 80% of the grant funded Affordable Housing Supply Programme is for social rent with the remainder being for mid market rent and low-cost home ownership.

The SHIP includes an update on the strategic approach to addressing the key challenges; securing both land and finance, to deliver 20,000 homes. With over 2,300 affordable homes under construction on 35 sites in the city, work to achieve the commitment is well underway. This is the largest SHIP ever put forward to Committee for approval which identifies an acceleration in delivery since the 20,000 homes target was set. This reflects the response from the Council and housing association partners to increase delivery.

## Strategic Housing Investment Plan (SHIP) 2019-2024

### 1. Recommendations

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- 1.1 It is recommended that Housing and Economy Committee:
  - 1.1.1 Approve submission of the Strategic Housing Investment Plan 2019-2024 to the Scottish Government;
  - 1.1.2 Note progress in meeting the Council's commitment to deliver a programme to build at least 10,000 social and affordable homes over the next five years, with a plan to build 20,000 by 2027;
  - 1.1.3 Note progress in securing sites for affordable housing and discharge the commitment to report back on [Delivering Land for Affordable Housing](#);
  - 1.1.4 Note current grant funding resource planning assumptions and that Scottish Government has issued a discussion paper on ["Housing Beyond 2021"](#); and
  - 1.1.5 Note that a Rapid Rehousing Transition Plan is being developed and will be reviewed annually as part of the SHIP process.

### 2. Background

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- 2.1 Local authorities are required to submit an annual SHIP to the Scottish Government. The purpose of the SHIP is to:
  - 2.1.1 Set out investment priorities for affordable housing;
  - 2.1.2 Demonstrate how these will be delivered;
  - 2.1.3 Identify the resources required to deliver these priorities; and
  - 2.1.4 Enable the involvement of key partners.
- 2.2 On [24 August 2017](#), the Council agreed the Programme for the Capital - The City of Edinburgh Council Business Plan 2017-22, including a commitment to deliver 20,000 affordable homes over the next ten years. This clearly demonstrates Edinburgh's commitment to support the Scottish Government's target to deliver 50,000 affordable homes by 2021.
- 2.3 On [22 March 2018](#), Housing and Economy Committee approved actions set out in the Delivering Land for Affordable Housing report to secure land and increase control over the pace of housing development. Actions include increased

engagement with private land owners, exploring the potential for re-provisioning industrial estates, a review of the Affordable Housing Policy and establishing a public-sector land and property group.

- 2.4 In [June 2018](#), Committee agreed to increase the target number of homes to be delivered for older people and those with complex needs to 4,500 from 3,000.
- 2.5 In August 2018, the South East Scotland City Region Deal was signed. This includes a range of measures to support the delivery of new homes, including support for local authorities on a risk sharing basis to deliver infrastructure for strategic housing sites, a consents and funding package to establish a new partnership to deliver 1,500 homes (Edinburgh Living) and a commitment from Governments to work with regional partners to maximise the potential of public sector land and property to support the regional partners' ten-year affordable housing programme.
- 2.6 On [30 August 2018](#), Housing and Economy Committee received a report on Innovative approaches to increasing housing supply. It was noted that the report back on the SHIP would include a table setting out information on present state, targets, projections and predictions.
- 2.7 On 3 August 2018 Scottish Government issued [Guidance](#) on preparation of SHIPs outlining that Rapid Rehousing Transition Plans should be an integral part of the SHIP and should be reviewed annually as part of the SHIP process.

### 3. Main report

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#### Context

- 3.1 Edinburgh is one of the most highly pressured housing markets in the country. The latest Housing Need and Demand Assessment (HNDA2) states there is demand for between 38,000 and 46,000 new homes in Edinburgh over ten years; over 60% of these homes need to be affordable. There is a high demand for social rented housing in the city.
- 3.2 Over 21,000 people in the city are registered for social rented housing through EdIndex, the Council's common housing register, with an average of 190 households bidding for every social rented home that becomes available for let. Around 70% of Council lets in Edinburgh go to homeless households (the highest in Scotland), alongside 41% of RSL lets. This compares to the Scottish average of 43% of Local Authority lets and 26% of RSL lets to homeless households in 2017/18. Further information regarding the breakdown of lets per priority group for Council and RSL is noted below:

| Landlord                       | Lets to priority groups |            |            |             |                                 |           |                    |           |                 |           |                 |            |             |              |
|--------------------------------|-------------------------|------------|------------|-------------|---------------------------------|-----------|--------------------|-----------|-----------------|-----------|-----------------|------------|-------------|--------------|
|                                | Gold                    |            | homeless   |             | demolition/<br>officer<br>panel |           | under<br>occupancy |           | over<br>crowded |           | waiting<br>time |            | total       |              |
|                                | %                       | No.        | %          | No.         | %                               | No.       | %                  | No.       | %               | No.       | %               | No.        | %           | No.          |
| Council                        | 17%                     | 224        | 70%        | 909         | 1%                              | 19        | 1%                 | 19        | 3%              | 42        | 7%              | 93         | 100%        | 1,306        |
| RSL on<br>Key to<br>Choice     | 15%                     | 155        | 41%        | 414         | 2%                              | 21        | 1%                 | 14        | 6%              | 60        | 34%             | 347        | 100%        | 1,011        |
| RSL not<br>on Key to<br>Choice | 0%                      | 0          | 42%        | 13          | 0%                              | 0         | 3%                 | 1         | 3%              | 1         | 52%             | 16         | 100%        | 31           |
| <b>Total</b>                   | <b>16%</b>              | <b>376</b> | <b>57%</b> | <b>####</b> | <b>2%</b>                       | <b>47</b> | <b>1%</b>          | <b>23</b> | <b>4%</b>       | <b>94</b> | <b>19%</b>      | <b>446</b> | <b>100%</b> | <b>2,348</b> |

- 3.3 The average house price is six times the average gross annual earnings in the city, making it least affordable city in Scotland to buy a home ([Bank of Scotland 'Affordable Cities Review' 2017](#)). The average monthly private rent in Edinburgh is over £1,000 and it is projected that rent will account for 45% of the average income by 2020.
- 3.4 Around a third of people presenting as homeless are in employment. Council officers are working with RSL partners to make mid market rent more accessible for people in work and presenting as homeless. A key element of this is ensuring that mid rent options are incorporated into housing options and advice work undertaken by housing officers.
- 3.5 In June 2018, the Scottish Government accepted the recommendations of the HARSAG group; which included a requirement for local authorities to develop a Rapid Rehousing Transition Plan (RRTP) to support rapid re-housing for homeless people. Work has begun on development of the first RRTP for submission to Scottish Government in December 2018. In future years, it is anticipated that RRTP will be reviewed annually as part of the SHIP.
- 3.6 The tenure of mid market rent is aimed at people who cannot afford home ownership, but would not usually be eligible for social housing. The average mid market rent for a two-bedroom home in the city is c.£590 a month; almost half the average private rent (c.£950).
- 3.7 Significant demographic changes are expected which impact on housing needs. Over the next 20 years, the number of people aged 65 and over in Edinburgh will increase significantly. The number of people aged over 85 is expected to almost double by 2032. It is anticipated that people who require intensive levels of support will increase by 60% over the next 20 years. More people will be living with long-term conditions, disabilities and complex needs. The number of people living with dementia is also projected to increase by 65% over the same period.

### **Current delivery**

- 3.8 Work is well underway to accelerate the delivery of affordable housing in the city. Each year, following submission to the Scottish Government, the SHIP is used by the Council to set the Affordable Housing Supply Programme (AHSP) which is the Scottish Government's grant funding programme for new affordable homes.

- 3.9 On 24 August 2017, the Council agreed the Programme for the Capital - The City of Edinburgh Council Business Plan 2017-22, including a commitment to deliver 20,000 affordable homes over the next ten years.
- 3.10 Year one of this commitment (2017/18) saw a record 1,475 homes approved for social rent, mid market rent and low-cost home ownership; a 20% increase on the average approvals achieved over the last five years. That same year, 966 new affordable homes were completed. Approvals this financial year (2018/19) are expected to reach 1,600 homes and based on current delivery programmes an additional 1,000 homes are expected to be completed. The 2018/19 AHSP is expected to account for 1,032 of these approvals.
- 3.11 This is the largest number of homes identified for approval through the AHSP programme to date and maintains the high level of approvals set last year. Furthermore, there are over 2,300 homes currently under construction on 35 sites across the city. See Appendix 1 for details.
- 3.12 The strong performance is due to work that has taken place over a number of years to acquire sites, develop new investment models and deliver cost efficiencies. A strong pipeline programme underpins the main programme enabling sites to be brought forward. Due to the strength of the pipeline programme, the Council secured an additional £9.3m in grant funding in 2017/18 and Government increased the 2018/19 resource planning assumptions by £4m at the beginning of 2018/19.

### **SHIP Outputs**

- 3.13 The SHIP 2019-2024 has identified a pipeline of 7,075 affordable homes that could be approved for site start and 10,569 potential completions, with delivery strongest in the first three years. This is due to greater levels of certainty around delivery timescales in the earlier years. The SHIP is reviewed annually and will be increased to meet the 20,000 target, as confidence in the development pipeline grows.
- 3.14 The approvals are split into two categories:
- 3.14.1 3,734 homes delivered through Affordable Housing Supply Programme; and
  - 3.14.2 3,341 homes delivered through innovative funding mechanisms, requiring little or no grant funding.
- 3.15 The 3,734 homes that have been identified to be approved through the AHSP require grant of £299.72m over the SHIP period, or £59.94m per year on average.
- 3.16 The majority (76%) of the AHSP approvals are for social rent, with the remaining split between mid-market rent (21%) and low cost home ownership (3%). This is in line with Scottish Government targets for delivery of social rented homes.
- 3.17 The table below provides a summary of the projected outputs and funding requirements of the AHSP projects identified in the SHIP. Table 1 identifies a shortfall of £77m in grant funding over five years. This is an increase of £20m on the reported £57m shortfall in last year's SHIP and is due to the acceleration towards the 20,000 homes target.

**Table 1 Summary – AHSP**

| YEAR         | HOMES APPROVED | HOMES STARTED | HOMES COMPLETED | GRANT REQUIREMENT (£M) | SG RESOURCE PLANNING ASSUMPTIONS (£M) |
|--------------|----------------|---------------|-----------------|------------------------|---------------------------------------|
| 2019/20      | 1,752          | 1,735         | 763             | 71.199                 | 42.117                                |
| 2020/21      | 865            | 1,219         | 1635            | 82.237                 | 45.147                                |
| 2021/22      | 926            | 1,008         | 1578            | 85.369                 | 45.147                                |
| 2023/24      | 191            | 513           | 1128            | 38.868                 | 45.147                                |
| 2024/25      | 0              | 22            | 837             | 22.049                 | 45.147                                |
| <b>TOTAL</b> | <b>3,734</b>   | <b>4,497</b>  | <b>5941</b>     | <b>299.720</b>         | <b>222.705</b>                        |

*\*RPA only known for the next two years; years, three, four and five assume grant levels remain static.*

- 3.18 The remaining 3,341 homes will be delivered through innovative funding schemes that require little or no grant. This includes the Council's two new Limited Liability Partnerships (LLP) and The Scottish Government' MMR initiative. A more comprehensive breakdown of innovative funding mechanisms is set out in section five.
- 3.19 The AHSP is the main delivery programme to meet the 20,000 homes target and provides the only source of funding for social rented homes. Innovative funding and delivery models are key to accelerating the number of homes identified for delivery in the SHIP. Table 2 identifies the combined affordable completions/approvals for 2017/18 and for the current year, which includes the non-grant funded delivery programmes. It identifies the forward programme of projected completions and approvals, outlining progress against the 20,000 homes target.

**Table 2 Meeting 20,000 Homes - Affordable Housing Approvals 2017/18 and projected 2018/19 – 2023/24**

| 20,000 Homes   | Year 1  | Year 2  | Year 3  | Year 4  | Year 5  | Year 6  | Year 7  | Total  |
|----------------|---------|---------|---------|---------|---------|---------|---------|--------|
| Financial Year | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/23 | 2023/24 |        |
| Approvals      | 1,475   | 1,600   | 3,504   | 2,085   | 1,273   | 213     | 0       | 10,150 |
| Completions    | 966     | 1,000   | 1,578   | 3,414   | 2,517   | 1,701   | 1,359   | 12,535 |

- 3.20 It is important to note that the delivery targets projected are dependent upon additional grant funding being made available to enable delivery. Table 2 identifies a high level of approvals and (resulting completions) in year three which are based upon a significantly higher level of funding than is currently committed. This is further discussed in 3.27 below.
- 3.21 In addition to this, and as noted at 3.13, the reduction in projected approvals and completions from year five is due to uncertainty regarding delivery timescales rather than planned reduction. The SHIP is reviewed annually and will be increased to meet the 20,000 target, as confidence in the development pipeline grows.
- 3.22 More homes are being built to meet the housing needs of Edinburgh's changing demographic. In 2016, the Council and its partners made a commitment to provide 3,000 new affordable homes to be integrated with health and social care services,

to meet the needs of older people and people with complex physical and health needs. Now that the pledge has been increased to 20,000 homes, the commitment has been increased to 4,500 over the next ten years. Around 9% of the homes to be approved in the first two years of the SHIP are specifically designed for older people and those with complex needs. This includes amenity and supported housing, fully wheelchair accessible homes and housing for veterans.

### **Key Challenge 1. Delivering Land for Affordable Housing**

- 3.23 One of the key risks to the delivery of 20,000 affordable is failure to secure suitable land for development. Around 52% of the homes completed over the SHIP period are expected to be delivered on private sector sites secured through the Affordable Housing Policy. All of the sites are within the City Development Plan. The Council and RSL delivery partners have significantly less influence over the type of housing that will be brought forward for development and development timescales on private sector sites.
- 3.24 [Delivering Land for Affordable Housing](#) proposed a three-pronged strategy for the Council to accelerate sites that may be identified for housing development by:
- 3.24.1 Engaging with owners to understand intentions and delays in sites being brought forward for housing development;
  - 3.24.2 Working with house builders and RSLs to find ways to unlock development;
  - 3.24.3 And/or acquiring sites for housing development; including statutory intervention in cases where owners are unwilling to bring forward development.
- 3.25 Section 5.10 of Appendix 2 identifies progress with bringing forward sites with capacity for just under 6,000 homes, which could benefit from direct intervention by the Council.

### **Key Challenge 2. Funding Affordable Housing Delivery**

- 3.26 In June 2017, the Scottish Government announced long term resource planning assumptions which provided certainty over forward funding until 2020/21 which in Edinburgh is an average of £42.844m. This is welcomed, however, should this level of funding be maintained there will be an annual funding shortfall of around £15.403m required to deliver the current commitments set out in the SHIP. There is also a risk that grant funding post 2021 will be less than current resource planning assumptions; further increasing the funding shortfall.
- 3.27 In order to achieve the Council's affordable house building target of delivering 2,000 homes a year (1,400 through AHSP grant funding and 600 from non-grant funded sources) £88m of grant funding will be required annually. The programme therefore requires almost double the funding currently set out in Scottish Government's three-year resource planning assumptions. It is, therefore, essential to continue the work initiated through City Region Deal, to secure an uplift in grant funding in years three, four and five of the SHIP and greater certainty in future years.

- 3.28 On 4 September 2018, the First Minister announced the Programme for Government for the next 12 months, and as part of that, the Scottish Government has committed to begin work on a vision for how homes and communities should feel in 2040 and the options and choices to get there. A discussion paper on [“Housing Beyond 2021”](#) has been published to initiate discussion with stakeholders, including local government, on development of the vision with a view to this informing a route map to 2040. The paper states that a whole systems approach to housing delivery needs to take account of all public sector housing-related costs and receipts, e.g. grant, loan, guarantee, taxation, benefits, receipts (e.g. from equity share sales), and possible new sources of funding, such as land value capture.
- 3.29 The Council is at the forefront in increasing affordable housing delivery through innovative approaches. Affordable mid rent housing for people on low to moderate incomes are being proposed on a number of sites and through a number of initiatives, many of which represent a development of the NHT model. These are detailed in Appendix 2 and include: NHT; Scottish Government MMR Invitation; the Council’s Edinburgh Living project and LAR Housing Trust.
- 3.30 The City Region Deal will see the Scottish Government invest up to £25m in an Integrated Regional Employability and Skills Programme. This programme is being designed to reduce skills shortages and gaps, and boost the flow of individuals from disadvantaged groups into the good career opportunities that will be generated through the City Region Deal investment. Collaboration between public, private and construction industry professionals, combined with City Region Deal investment, can help to increase the supply of skilled construction sector workers needed across the city region.
- 3.31 Committee is requested to approve the SHIP for submission to Scottish Government.

## **4. Measures of success**

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- 4.1 The SHIP sets out a strategy for delivering 10,569 affordable homes by 2023/24. This would:
- 4.1.1 Generate additional investment in the local and national economy;
  - 4.1.2 Develop strategically important sites in the city;
  - 4.1.3 Deliver additional council tax revenue for Council services; and
  - 4.1.4 Deliver new accessible homes, built to meet the needs of older and disabled people.



## 5. Financial impact

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- 5.1 Current development costs for the programme is on average around £140,000 per unit and therefore requires around £1.4 billion of investment to fund just over 10,000 completions identified in the SHIP.
- 5.2 There are various sources of funding to support the affordable housing programme. The SHIP notes that grant funding of £299.72m is required to deliver 5,941 new homes identified through the AHSP. This is significantly above the £222.705m that would be received, should funding levels continue at the same level as announced in June 2017. The AHSP programme is supported by around £356m of housing association and Council own funding; a mixture of up front capital (i.e. reserves and bond finance), and private finance (borrowing repaid by rental income).
- 5.3 The Council's affordable housing building is principally funded through Housing Revenue Account (HRA) borrowing. The [HRA Budget Strategy 2018-2023](#) outlines a five-year capital investment programme, which includes £522m to support the Council's new build programme (including the upfront capital costs for Edinburgh Living's mid market and affordable market homes, which will be repaid to the HRA upon completions).
- 5.4 In addition to this, the Council has provided support for NHT, where the Council has committed over £100m for the development of eight NHT developments in Edinburgh. The final phases of the 886 homes delivered through NHT are currently under construction. There are no further NHT approvals within the lifetime of this SHIP, but the remaining NHT completions are identified within the SHIP.
- 5.5 On [18 January 2018](#), the Housing and Economy Committee agreed that the Council could enter into agreements with SFT to establish two LLPs to support the delivery of homes for market rent and mid market rent. This followed Scottish Government Consent for the City of Edinburgh Council to on lend up to £248m to the two LLPs, one for market rent and one for mid market rent for the purpose of delivering a minimum of 1,500 homes for market and mid market rent in Edinburgh.

## 6. Risk, policy, compliance and governance impact

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- 6.1 One key strategic risk to delivery of the SHIP is the availability of funding to deliver projects. Section 3.26, identifies an annual average shortfall of around £15m to deliver the current commitments set out in the SHIP.
- 6.2 Another key strategic risk to delivery of the SHIP is the availability of land. Section 3.23, identifies 52% of the total number of new homes completed over the SHIP period are to be provided on AHP land. These are sites which are developer-led and not in the control of affordable housing delivery partners and therefore present a risk to the overall delivery timetable.

- 6.3 Under the Housing (Scotland) Act 2001, Local Authorities are required to have a Local Housing Strategy (called the City Housing Strategy in Edinburgh). The affordable housing priorities of the City Housing Strategy (CHS) are delivered through the SHIP.
- 6.4 The CHS is reviewed annually. This ensures the strategic housing priorities and work streams continue to reflect changes to policy and legislation, economic changes, financial pressures and wider Council priorities. An update is provided to Committee.
- 6.5 [Guidance](#) on preparation of SHIP completion was issued by the Scottish Government in August 2018.

## **7. Integrated Impact Assessment**

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- 7.1 The Integrated Impact Assessment (IIA) concludes that the SHIP should have a positive impact on tackling inequality through investment in new affordable homes for people on low to medium incomes.
- 7.2 The SHIP contributes to the public sector equality duty and advances equality of opportunity. It will increase access to affordable housing and well-designed, safer and cleaner communities. It will contribute to improved health by increasing the supply of good quality homes, reducing fuel poverty and providing homes which are physically accessible.
- 7.3 The majority of new build properties delivered by the Council and its housing association partners are accessible for people of limited mobility, meaning particular needs housing requirements can often be met through allocation of a standard general needs property.
- 7.4 Each year the Council allocates and spends around £500,000 on adaptations through the AHSP to enable housing association tenants to remain in their own homes and to live independently. In addition to this, the Council funds adaptations to Council homes through the HRA.
- 7.5 A successful partnership has been established between the Scottish Veterans Garden City Association (SVGCA) and the Council and housing association delivery partners. The Council seeks to identify opportunities to provide at least 150 new homes for disabled veterans over the next ten years.

## **8. Consultation and engagement**

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- 8.1 All developing housing associations have been involved in producing the SHIP and will be prominent in delivering the housing projects contained within.

- 8.2 Local Authorities working across the Edinburgh and South East Scotland City Region all produce SHIPs which outline the collaborative measures being undertaken to accelerate new housing delivery. This includes working together to identify and to unlock sites suitable for affordable housing development to address the housing crisis facing the region.
- 8.3 The Edinburgh Affordable Housing Partnership has established a health and social care sub group and the Chair of this sub group is the housing representative on the Strategic Planning Group.
- 8.4 A workshop was held in August 2018 with housing association partners to consider the next steps to achieve delivery of 20,000 affordable homes with discussions around the themes of: Resource, Delivery Models and Land Supply. This is part of the ongoing consultation and liaison between the Council and housing association delivery partners.

## 9. Background reading/external references

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- 9.1 [ESES City Region Deal Heads of Terms Agreement – July 2018](#)
- 9.2 [Guidance on the Preparation of Strategic Housing Investment Plans \(SHIP\) July 2018](#)
- 9.3 [City Housing Strategy Update – Health, Social Care and Housing Committee 13 September 2016](#)
- 9.4 [City Housing Strategy Update – Housing and Economy Committee 02 November 2017](#)
- 9.5 [Edinburgh Economy Strategy – Housing and Economy Committee, 18 January 2018](#)
- 9.6 [Delivering Land for Affordable Housing March 2018](#)

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## 11. Appendices

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Appendix 1 – Affordable homes under construction

Appendix 2 – Strategic Housing Investment Plan 2018/19 – 2022/23

Appendix 3 - Average housing costs per tenure, in relation to income

## Appendix 1 - Over 2,300 Affordable homes currently under construction on 35 Sites



# **Strategic Housing Investment Plan**

## **2019/20 – 2023/24**

# Index

1. Summary
2. Strategic Context
3. Current Delivery
4. Outputs of the SHIP
5. Means of Delivery
6. Carbon Emissions and Energy Efficiency
7. Consultation and engagement
8. Integrated impact assessment
9. Conclusion

## 1. Summary

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- 1.1 The Strategic Housing Investment Plan (SHIP) sets out the approach by the City of Edinburgh Council and our housing association partners to investing in affordable housing in the city over a five-year period.
- 1.2 This SHIP outlines a programme which would deliver nearly 10,500 completed homes over the next five years. Of these, there are around 5,900 homes which require £300m of grant funding through the Scottish Government's Affordable Housing Supply Programme (AHSP). The remaining 4,600 homes are being delivered through innovative funding schemes which either do not require grant, or do so at significantly reduced levels.

## 2. Strategic Context

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- 2.1 Edinburgh is one of the most highly pressured housing markets in the country. Falling incomes and rising housing costs in the private market and an insufficient number of new affordable homes are the main drivers of poverty and inequality in the city. Demand currently outstrips supply resulting in rents that are not affordable to people on low and moderate incomes.
- 2.2 Edinburgh does not have an adequate affordable and social housing supply. The latest Housing Needs and Demand Assessment (HNDA2) states that there is demand for between 38,000 and 46,000 new homes in Edinburgh over ten years; over 60% of these homes need to be affordable.
- 2.3 Pressure for social rented housing is increasing, there are over 21,000 applicants registered on EdIndex (the Common Housing Register), with an average of 190 households bidding for every social rented home that becomes available for let. Around 70% of Council lets in Edinburgh go to homeless households (the highest in Scotland) alongside 41% of RSL lets.
- 2.4 The average house price is six times the average gross annual earnings in the city, making it least affordable city in Scotland to buy a home. More than one in four households in the city rent homes from a private landlord. The sector has doubled in size over the last 15 years. The average monthly private rent in Edinburgh is now over £1,000 and it is projected that rent will account for 45% of the average income by 2020.
- 2.5 It is important to note that around a third of people presenting as homeless are in employment. The Council is working with RSL partners to make mid market rent more accessible for people in work, presenting as homeless. These measures include tailored housing option advice and improved information around the availability of mid rent homes, including homes in development.
- 2.6 The tenure of mid-market rent is aimed at people who cannot afford home ownership, but would not usually be eligible for social housing. The average mid



market rent for a two bedroom home in the city is c.£590 a month; almost half the average private rent (c.£950).

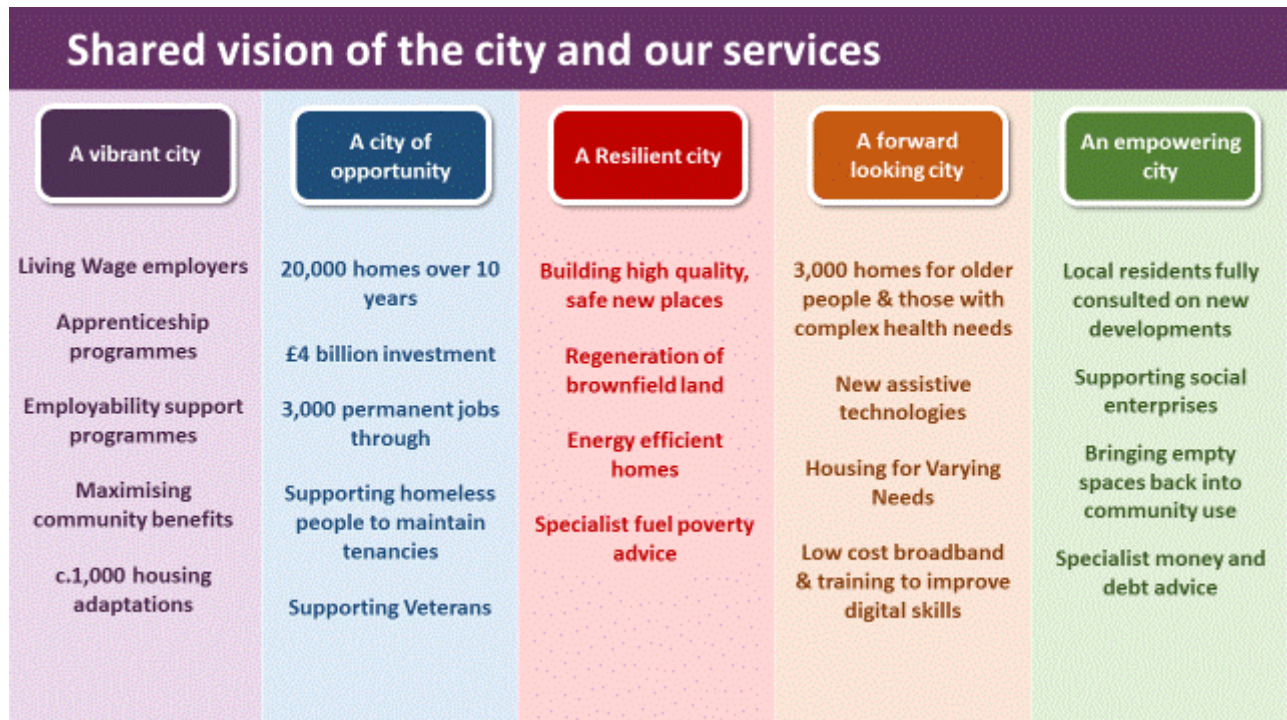
- 2.7 The introduction of mid market since 2010 has aided the Council in driving more value for every pound of Scottish Government grant provided. Homes receiving help from Scottish Government either through grant or rental guarantees have their rents restricted to the mid-point of market rent levels for the property sizes in the relevant Broad Rental Market Area. This guarantees the long term affordability for tenants.
- 2.8 Over the last five years Edinburgh has consistently delivered homes requiring grant at least 8% below benchmark on average across the whole programme. Most social rented housing in the city is delivered alongside other tenures. This creates opportunities for cross subsidy from other tenures, as well as, supporting development of sustainable, mixed tenure communities.
- 2.9 Significant demographic changes are expected which impact on housing needs. Over the next 20 years, the number of people aged 65 and over in Edinburgh will increase significantly. The number of people aged over 85 is expected to almost double by 2032. It is anticipated that people who require intensive levels of support will increase by 60% over the next 20 years. More people will be living with long-term conditions, disabilities and complex needs. The number of people living with dementia is also projected to increase by 65% over the same period.
- 2.10 These factors impact households in a variety of ways, for those on low incomes, the shortage of affordable accommodation is a contributing factor towards homelessness in the city.

### **Affordable Housing Partnership – Supporting Council Priorities**

- 2.11 The recent commitment to provide 20,000 affordable homes builds upon a strong foundation of partnership working between the Council and our developing housing associations partners. Our strategy is to build much needed new affordable homes and to provide a range of innovative services to reduce social and economic inequalities for our tenants. This commitment goes a long way beyond the building of new homes; providing a framework for future investment and joint working with partners which is closely aligned with the Council's strategic goals set out in the *City Housing Strategy 2018* and more widely in *The Programme for the Capital: The City of Edinburgh Council Business Plan 2017-22*. Figure 1 below illustrates the range of commitments, outputs, services and projects undertaken by housing association partners.



**Figure 1 Housing Association Services and the Council Business Plan**



- 2.12 The housing crisis outlined above affects not only Edinburgh but also neighbouring Local Authorities as rising inequality and cost of living impacts on households in other parts of the region.
- 2.13 In August 2018, the South East Scotland City Region Deal was signed. This includes a range of measures to support the delivery of new homes, including support for local authorities on a risk sharing basis to deliver infrastructure for strategic housing sites. Consent was also granted to Edinburgh to on-lend up to £248m and an additional one-off £16m capital grant to enable the Council to establish a new partnership to deliver 1,500 homes for mid market and market rent.
- 2.14 Through the City Region Deal, Governments have agreed to work with regional partners to maximise the potential of public sector land and property to deliver new homes to support the regional partners' ten-year affordable housing programme.
- 2.15 Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh's Community Planning Partnership) is in the process of establishing a land and property group, chaired by the Council's Chief Executive. Once working effectively at a city scale, there would be an opportunity to extend this to regional partners.
- 2.16 Scottish Government have agreed to work on the next phase of the programme and the associated funding profile beyond 2020/21 to achieve agreed outcomes over the next ten years.

- 2.17 The city region will continue to collaborate to develop and deliver the city region deal housing programme. The regional housing partnership provides a unique opportunity to share resources, learning and thinking across six local authorities. The aim is to unlock the major challenges of; accessing land, funding infrastructure and to drive innovation in the supply chain required to accelerate the delivery of new homes.

### **3. Current delivery**

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- 3.1 Work is well underway to accelerate the delivery of affordable housing in the city. Each year, following submission to the Scottish Government, the SHIP is used by the Council to set the AHSP which is the Scottish Government's grant funding programme for new affordable homes.
- 3.2 On 24 August 2018, the Council agreed the Programme for the Capital - The City of Edinburgh Council Business Plan 2017-22, including a commitment to deliver 20,000 affordable homes over the next ten years.
- 3.3 Year one of this commitment (2017/18) saw a record 1,500 homes approved for social rent, mid market rent and low-cost home ownership; a 20% increase on the average approvals achieved over the last five years. That same year, 966 new affordable homes were completed. Approvals this financial year (2018/19) are expected to reach 1,600 homes and based on current delivery 1,000 homes are expected to be completed. The 2018/19 AHSP is expected to account for 1,032 of these approvals. This is the largest number of homes identified for approval through the AHSP programme to date and is a 42% increase on last year. Furthermore, there are over 2,300 homes currently under construction on 35 sites across the city. See Appendix 1 for details.
- 3.4 The strong performance is due to work that has taken place over a number of years to acquire sites, develop new investment models and deliver cost efficiencies. A strong pipeline programme underpins the main programme enabling sites to be brought forward. Due to the strength of the pipeline programme, the Council secured an additional £9.3m in grant funding in 2017/18 and Government increased the 2018/19 resource planning assumptions by £4m at the beginning of 2018/19.

### **4. Key Outputs of the SHIP**

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- 4.1 The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a five-year period. The SHIP provides the basis for the development of agreed Strategic Local Programme Agreements (SLPA) between local authorities and the Scottish Government. The SLPAs set out the programme of housing projects that will be funded over the next three years. This is reviewed and updated annually to ensure delivery remains on track.

- 4.2 Each year, following submission to the Scottish Government, the SHIP is used by the Council to draft SLPAs in partnership with all local delivery partners and for final agreement with the Scottish Government. These individual programmes will combine to form the grant funded AHSP for the city.

### **Prioritisation**

- 4.3 Projects have been selected for inclusion in the SHIP on the following basis:
- 4.3.1 The tenure mix; priority is given to social rent in line with Scottish Government targets of 70% Social Rent;
  - 4.3.2 Development of brownfield sites;
  - 4.3.3 Sites within the Local Development Plan (LDP) which have been identified as land for housing; and
  - 4.3.4 Deliverability considerations such as site ownership, planning status and delivery timetable.
- 4.4 Housing type, such as family housing, whilst a priority for the city is not considered in the core criteria, but is determined on an individual project basis in consultation with local communities and housing management colleagues. Furthermore, Planning Design Guidance advises that 20% of the total number of homes delivered on sites of 12 or more should be designed for growing families.

### **Key Outputs**

- 4.5 The SHIP has identified a pipeline of 7,075 affordable homes that could be approved and 10,569 potential completions over the next five years. The approvals are split into two categories:
- 4.5.1 3,734 homes delivered through Affordable Housing Supply Programme; and
  - 4.5.2 3,341 homes delivered through innovative, non-grant funded mechanisms.
- 4.6 The AHSP is the Scottish Government's grant funding programme for new affordable homes and is managed by the Council. The 3,341 homes that have been identified to be approved through the AHSP require grant of £299.720 m, or £59.944 m per year on average.
- 4.7 Of the 3,734 AHSP homes proposed for approval, 76% are for social rent, 21% for mid market rent and 3% for low cost home ownership. This is in line with Scottish Government targets for delivery of social rented homes. Table 1 provides a summary of the projected outputs and funding requirements of the AHSP projects identified in the SHIP.

**Table 1 Summary – AHSP**

| YEAR         | HOMES APPROVED | HOMES STARTED | HOMES COMPLETED | GRANT REQUIREMENT (£M) | SG RESOURCE PLANNING ASSUMPTIONS (£M) |
|--------------|----------------|---------------|-----------------|------------------------|---------------------------------------|
| 2019/20      | 1,752          | 1,735         | 763             | 71.199                 | 42.117                                |
| 2020/21      | 865            | 1,219         | 1,635           | 82.237                 | 45.147                                |
| 2021/22      | 926            | 1,008         | 1,578           | 85.369                 | 45.147                                |
| 2022/23      | 191            | 513           | 1,128           | 38.868                 | 45.147                                |
| 2023/24      | 0              | 22            | 837             | 22.049                 | 45.147                                |
| <b>TOTAL</b> | <b>3,734</b>   | <b>4,497</b>  | <b>5,941</b>    | <b>299.72</b>          | <b>222.705</b>                        |

*\*RPA only known for the next two years; years three, four and five assume grant levels remain static.*

- 4.8 A further 4,628 homes will be delivered through innovative funding schemes that require little or no grant, the detail of which is set out in section 5.4 below.
- 4.9 A total of 61 new sites are included in the SHIP. Priority is given to brownfield sites. Of the 61 new sites contained within the SHIP, 44 (or 72%) are on brownfield land and 17 (28%) are on greenfield land. Almost all the homes being developed on greenfield sites are private developer-led through the Affordable Housing Policy.
- 4.10 Almost a third (18), of the 61 new sites identified in the SHIP are being delivered by the Council's own house building programme, with the remaining 43 sites to be taken forward by housing association partners. However, the majority of the sites taken forward by housing association partners are in control of the private sector as they are being delivered through the Affordable Housing Policy.

### **Meeting complex needs**

- 4.11 More homes are being built to meet the housing needs of Edinburgh's changing demographic. In 2016, the Council and its partners made a commitment to provide 3,000 new affordable homes to be integrated with health and social care services, to meet the needs of older people and people with complex physical and health needs. Now that the pledge has been increased to 20,000 homes, the commitment has been increased to 4,500 over the next 10 years. Around 9% of the homes approved in the first two years of the SHIP are specifically designed for older people and those with complex needs. This includes amenity and supported housing, fully wheelchair accessible, housing for older people and veterans and letting properties to care providers to allow people to receive support in their own homes.
- 4.12 The commitment to provide homes to support health and social care priorities is monitored and progressed through the Housing, Health and Social Care Forum, which sits within the Edinburgh Health and Social Care Partnership's governance structure. The Housing Contribution Statement to support the next Health and Social Care Strategic Plan for 2019-22 is being developed with health and social care partners and informed by the commissioning plans for different client groups.

To date, the draft commissioning plans for learning disabilities and physical disabilities have identified key housing requirements over the next few years and are being used to inform the SHIP.

- 4.13 It is important to note that the majority of new build properties funded through the AHSP are designed to meet the Housing for Varying Needs Standard. Many properties delivered through the AHSP are therefore accessible for people of limited mobility, meaning particular needs housing requirements can often be met through allocation of a standard general needs property.
- 4.14 A successful partnership has been established between the Scottish Veterans Garden City Association (SVGCA) and the Council and housing association delivery partners. The Council seeks to identify opportunities to provide at least 150 new homes for disabled veterans over the next ten years. The SHIP will be the tool for developing housing associations to identify suitable homes to meet the needs of disabled veterans.
- 4.15 In addition to building new homes to meet changing and varying needs, the SHIP includes grant funding for RSLs to carry out adaptations to homes to enable people to remain in their own homes and to live independently. Adaptations will continue to be a strategic housing investment priority. Each year around £500,000 supports 230 adaptations within RSL homes.

## 5. Means of Delivery

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### Funding Delivery of 20,000 Homes

- 5.1 In June 2017 the Scottish Government announced long term [resource planning assumptions](#) which provided certainty over forward funding until 2020/21. For Edinburgh this was on average of £42.844m, an increase of around £10m on the previous year. This is welcomed, however, should this level of funding be maintained there will be an annual funding shortfall of around £15m required to deliver the current commitments set out in the SHIP. Table 1 identifies a shortfall of £77m in grant funding over five years. This is an increase of £20m on the reported £57m shortfall in last year's SHIP and is due to the acceleration towards the 20,000 homes target. Last year's AHSP programme saw the approval of an additional 300 homes. Project approvals require grant payments to be provided in stages over two or three years. This carry forward commitment was around £55m last year but is now over £70m in this year's SHIP.
- 5.2 Approvals and associated funding requirements slowdown in years four and five of the SHIP. This has been the standard pattern for the SHIP since it was first introduced. In general, years one to three contain sites which partners have both knowledge of, and confidence in their ability to deliver and this begins to tail off in later years.

- 5.3 In order to achieve the Council's affordable house building target of delivering 2,000 homes a year (1,400 through AHSP grant funding and 600 from non-grant funded sources) £88m of grant funding would be required annually. This assumes a programme that will deliver a tenure split of 70% social rent and 30% mid market rent, which is in line with Scottish Government targets. The programme therefore requires almost double the funding currently set out in Scottish Governments three-year resource planning assumptions.

#### **Innovative funding mechanisms**

- 5.4 Affordable mid rent housing for people on low to moderate incomes is being developed on a number of sites across the city. In some instances this is supported through the grant funding programme. The introduction of mid market since 2010 has aided the Council in driving more value for every pound of Scottish Government grant provided. Over the last five years Edinburgh has consistently delivered homes requiring grant at least 8% below benchmark on average across the whole programme.
- 5.5 The Council works with partners to identify opportunities for innovation to deliver affordable housing without using funding provided through the AHSP. Affordable mid rent housing for people on low to moderate incomes is being developed on a number of sites across the city without grant funding. Further detail on each of these innovative projects is provided below:
- 5.5.1 **National Housing Trust (NHT)** – Edinburgh has been at the forefront of the initiative, with nearly half of all the homes built under the NHT in Scotland being built in the city. NHT demonstrates public and private sector innovation to deliver affordable homes. Eight Limited Liability Partnerships will deliver 886 mid-market rent homes in Edinburgh, backed by £107m of Council loans, underwritten by the Scottish Government. NHT has stimulated development and provided developers and housebuilders with confidence to invest in affordable housing;
- 5.5.2 **New Housing Delivery Partnership** –A unique collaboration between the Council, Scottish Futures Trust (SFT) and Scottish Government has led to the Council establishing two new LLPs. Edinburgh Living will deliver around 1,500 homes for mid-market and market rent, meeting housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent. The City Region Deal process secured the financial package and consents required to establish the LLPs and will enable the Council to develop large mixed tenure sites and procure homes from private developers;
- 5.5.3 **Scottish Government Mid-Market Rent invitation (MMR Invitation)** – The Council is working with Forth Ports and Retties to develop a strategic business case to support delivery of 1,600 affordable homes without grant at Western Harbour. The business case has been developed in response to Scottish Government's MMR Invitation. The objective of the initiative is to

attract pension fund investment into the sector and to bring forward more affordable housing than would be possible under the AHSP programme. This project, if supported by Scottish Government, would amount to 3.2% of the Scottish Government's own 50,000 affordable homes target and 8% of the Council's 20,000 affordable homes target;

Places for People (PfP) have also been successful in securing Scottish Government loan funding of £47.5m for their proposal to the Scottish Government's MMR Invitation Fund. The project will deliver 1,000 affordable mid-market rent homes, across Scotland. PfP's MMR Fund will utilise Scottish Government loan funding to attract further equity investment including pension funds. Opportunities are being progressed to secure as much of this investment as possible in Edinburgh. There are around 400 homes currently identified in potential projects; and

- 5.5.4 **Local Affordable Rented (LAR) Housing Trust** – LAR is a Scottish Charity set up in 2015 to provide long-term, mid-market rented housing in Scotland. LAR launched with a £55m loan from the Scottish Government and now has plans to build around 1,000 homes, which will be available at mid-market rent across Scotland. Two developments are being progressed in Edinburgh on Gorgie Road and will see the conversion of former commercial buildings, Chesser House and Westwood House, into 87 MMR homes

### **Maximising land supply**

- 5.6 The scale and ambition of achieving the 20,000 homes should not be underestimated. In order to reach the 20,000 homes target a wider strategic partnership approach needs to be adopted that looks at a wide range of issues, including accessing land. One of the key risks to the delivery of 20,000 affordable is failure to secure suitable land for development.

### **Affordable Housing Policy**

- 5.7 The Affordable Housing Policy is a planning policy which ensures that 25% of homes on all housing sites with 12 homes or more, are required to be affordable. This is an important delivery mechanism and contributes 54% of AHSP sites funded through the SHIP. The Council's own house building programme uses land secured either from its own assets or by acquisition on the open market. For housing associations, the AHP is a vital to ensuring land supply, with 3,112 homes, or 71% of their programme being delivered on AHP land. The AHP will also deliver a number of homes for low cost ownership, which will be negotiated on a site by site basis. The Edinburgh LDP2 project is now underway and in the context of Strategic Development Plan 2, will review and consult on the AHP, in relation to the 25% provision of affordable housing.
- 5.8 The Affordable Housing Policy can go some way to securing land for affordable homes. However, as these sites are still developer-led they can impose limitations in the type and tenure of housing and lead to delays in delivery as developers seek to secure the maximum return for their initial investment. There is therefore a



requirement to develop rather than dispose of Council land and to purchase additional public and private sector sites.

- 5.9 A report on [Delivering Land for Affordable Housing was approved](#) by Committee in March 2018. The report identifies a three-pronged strategy for the Council to accelerate sites that may be identified for housing development through:
- 5.9.1 Engaging with owners to understand intentions and delays in sites being brought forward for housing development;
  - 5.9.2 Working with house builders and RSLs to find ways to unlock development; and/or
  - 5.9.3 Acquiring sites for housing development; including statutory intervention in cases where owners are unwilling to bring forward development.
- 5.10 The Housing Land Audit Delivery Plan 2017 identified land considered suitable for housing, enough for 8,312 homes on sites where there is currently a constraint preventing development. The land audit included a long list of 42 sites (34% of which were constrained) which could benefit from direct intervention by the Council, with a view to ensuring timely delivery of housing.
- 5.11 In summary, eight sites are already being developed for affordable housing, have been acquired by the Council and affordable housing delivery partners or are in advanced stages of being progressed by a developer. The Council and delivery partners had already acquired, or begun to bring forward for development a further 8 sites, with capacity of over 2,000 homes. Three sites are currently in other uses. Nineteen sites have limited capacity for new homes (capacity ranges from six homes to 19 homes) and have, therefore, not been prioritised for further action at this time.
- 5.12 From this, a short list of 12 constrained sites with capacity for nearly 6,000 homes which have been assessed as being suitable for intervention to accelerate housing development. They are being brought forward by a combination of methods as outlined below:
- 5.12.1 **Re-provision of existing non-housing land** – this has the potential to bring forward three large sites, which are currently allocated as employment space, which may be considered suitable for housing. When delivered these would have a combined capacity of over 4,000 homes.
  - 5.12.2 **Public Sector Land** – There is potential to deliver affordable homes and other strategies through a partnership approach to development of public sector land. This work will be taken forward under the auspices of the Edinburgh Partnership.
  - 5.12.3 **Statutory intervention for land assembly** – This approach can work alongside other approaches; such as purchase of land for regeneration purposes as set out below.



**5.12.4 Regeneration** – The purchase of the Forthquarter site is pivotal in the Council's overall strategy to regenerate [Granton Waterfront](#). This site provides the opportunity to connect the wider area with its waterfront and has potential for development of around 1,500 homes alongside retail and services and restoration of the iconic listed gas holder, which will provide a flagship project within the wider programme of regeneration.

5.13 The Council is working closely with Forth Ports who own a significant proportion of the land that has been identified for intervention. A joint Council / Forth Ports strategic business case has been presented to Scottish Government to provide a loan to secure 1,600 mid rent homes to develop Western Harbour. It is anticipated this project will catalyse development of other derelict sites at Western Harbour.

5.14 Good progress has been made on all 12 sites using a combination of approaches outlined above.

#### **Rapid rehousing transition plans**

5.15 The Council is working with partners to prepare a Rapid Rehousing Transition Plan (RRTP) by December 2018, as required by Scottish Government. The RRTP is expected to set out how the Council, and partners, will move to a 'rapid rehousing by default' model, whereby the priority and default solution for people who are homeless or at risk of homelessness is to move them into mainstream, settled accommodation as soon as possible, minimising the time spent in any form of temporary accommodation. Work is ongoing to assess the ability to implement the rapid rehousing model based on current supply and planned development in the city. The RRTP will consider the impact on housing supply and the resource requirements of transitioning to a rapid rehousing model within five years. The RRTP will be used to inform the SHIP.

#### **Procurement**

5.16 Through City Region Deal, Edinburgh's Waterfront is identified as a strategic site with commitment from Scottish Government to explore options to support the delivery of essential infrastructure. The scale of the opportunity at Edinburgh's Waterfront creates potential for innovation in the procurement and delivery of housing.

## **6. Carbon Emissions and Energy Efficiency**

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6.1 Energy efficiency standards are in place for new affordable housing in Scotland. All new developments are required to meet the Building Regulations, which contain stringent targets for energy efficiency. The Council requires affordable housing developments to have a low environmental impact and to contribute to the wider equality objective of eradicating fuel poverty. Housing association and Council house building partners are working to sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy. It is

expected that all SHIP partners will continue to follow these principles. The environmental impact of individual projects is assessed through the planning process.

## **7. Consultation and engagement**

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- 7.1 There is a strong partnership approach to delivering new build affordable housing in the city. This is evidenced by the joint and ambitious commitment to deliver 20,000 homes over the next ten years. To ensure delivery of this pipeline of projects the SHIP is kept under constant review through continuous discussion with partners at regular meetings, working groups and forums. The projects are refined and revised throughout the year, to ensure a high number of quality sites are selected for inclusion in the SHIP.
- 7.2 Regular meetings are held with RSL development directors and chief executives to ensure the efficient and effect delivery of the programme and alignment of strategic objectives.
- 7.3 The Edinburgh Affordable Housing Partnership has established a health and social care sub group and the Chair of this sub group is the housing representative on the Strategic Planning Group.
- 7.4 A workshop was held with RSL partners in August 2018 to consider the next steps to achieve delivery of the target and discussions were held along the themes of: Resource, Delivery Models and Land Supply. This is part of the ongoing consultation and liaison between the Council and housing association delivery partners.

## **8. Integrated impact Assessment**

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- 8.1 The Integrated Impact Assessment (IIA) concludes that the SHIP should have a positive impact on tackling inequality through investment in new affordable homes for people on low to medium incomes.
- 8.2 The SHIP contributes to the public sector equality duty and advances equality of opportunity. It will increase access to affordable housing and well-designed, safer and cleaner communities. It will contribute to improved health by increasing the supply of good quality homes, reducing fuel poverty and providing homes which are physically accessible.

## **9. Conclusion**

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- 9.1 There is a significant shortfall of affordable housing in Edinburgh and that is why the Council and housing associations are working in partnership to significantly increase the number of new affordable homes in the city. This has been further

strengthened with the coalition's commitment to increase this target to 20,000 homes over the next ten years. The strong history of partnership working and award winning housing development means that work is already well under way to achieve these ambitious commitments, with over 2,300 affordable homes under construction on 35 sites in the city.

- 9.2 The SHIP sets out the delivery of over 10,500 new homes over the next five years, with delivery strongest in the first three years. This is due the reducing levels of certainty around planning, land and delivery timetables in later years of the SHIP. The SHIP is reviewed annually and will be increased to meet the 20,000 target, as confidence in the development pipeline grows.

### Appendix 3 Average housing costs per tenure in relation to income

The table below sets out the average cost (rent) of living in a two bedroom flat in Edinburgh. It sets out the ratio of expenditure against the average gross disposable income.

| Tenure   | Average housing cost <sup>a</sup><br>(2 Bedroom flat) |            | Ratio of Income to<br>Housing Cost <sup>b</sup> |
|--|---|------------|---|
|  | Monthly   | Annual     |   |
| Social Rent <sup>1</sup>                               | £394.92   | £4,739.00  | 21.70%  |
| Mid Market Rent <sup>1</sup>                           | £590.00   | £7,080.00  | 32.42%  |
| New Housing<br>partnership market rent<br><sup>d</sup> | £787.75   | £9,452.95  | 43.29%  |
| Private Market Rent <sup>2c</sup>                      | £986.00   | £11,832.00 | 54.18%  |

<sup>a</sup> Rent only; does not include council tax, or service charges etc.

<sup>b</sup> Average Gross Disposable Income per head in Edinburgh is £21,837<sup>3</sup> in 2016 (latest available).

<sup>c</sup> The average private market rent across all homes is £1,087 per month<sup>2</sup> in 2018 Q2.

<sup>d</sup> Estimated market rent of 2 bed homes to be provided by the Council's new housing partnership.

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<sup>1</sup> Social Rent and Mid Market Rent are based on average rent for two-bedroom flats advertised through Key to Choice and RSLs' websites in 2017/18.

<sup>2</sup> Private Rent is based on latest Citylets data for rented properties in 2018 Q2  
[www.citylets.co.uk/research/datahub](http://www.citylets.co.uk/research/datahub)

<sup>3</sup> Office of National Statistics  
<https://www.ons.gov.uk/economy/regionalaccounts/grossdisposablehouseholdincome/datasets/regionalgrossdisposablehouseholdincomegdhbylocalauthorityintheuk>