

## South West Mull and Iona Development

### Bunessan Feasibility Study



## 1.0 Introduction

Rural Housing Scotland is delighted to have been offered the opportunity to work with South West Mull and Iona Development to undertake a Feasibility Study for their potential project in Buinessan.

The study has several inter-related requirements which together will help determine the viability of the proposed development in Buinessan.

This report is therefore split into four sections:

**Section 1** An investigation of housing need and demand below housing market area level including:

- ▶ the analysis of a community survey and consultation to identify any hidden local need and demand.
- ▶ a literature review of strategic documents relating to the Ross of Mull including Local Housing Strategy, Strategic Housing Investment Plan, and Local Development Plan.
- ▶ an analysis of local demographic trends involving data from the Scottish Neighbourhood Statistics and 2011 Census.
- ▶ a consultation with local employers regarding the impact of housing on business development

**Section 2** Appraisal of the potential models for delivering housing on the site currently owned by WHHA in Buinessan.

**Section 3** Outline designs and cost plan for the development to inform the Business Plan and funding strategy

**Section 4** A detailed Business Plan for the housing for a minimum 25-year period

## Section 1

### Housing Need and Demand in the Ross of Mull



## 2.0 Investigation of Housing Need and Demand Below Housing Market Area Level

### 2.1 Ross of Mull Housing Market

#### 2.1.1 Tenure<sup>1</sup>

	Households	Owner Occupied	Social	Private Rent	Tied	Caravans
Iona	69	36	5	22	6	0
Kintra	26	24	0	2	0	2
Fionnphort	48	31	10	6	1	0
Buinessan(South)	44	30	4	6	4	1
Buinessan (Village)	47	19	22	5	1	0
Buinessan (North)	47	42	1	3	1	3
Total	281	182	42	44	13	6
%		64.7	14.9	15.6	4.6	2.1
% Argyll		66.5	18.9	12.5	2.1	0.4

Amalgamating data from the six census output areas within the Ross of Mull provides an overall tenure profile for the area. Just under two thirds of households own their own homes; whilst just over 15% rent privately and just under 15% rent from a social landlord. The tenure figures for the Ross of Mull are comparable to Argyll as a whole; although there is significantly fewer social housing opportunities in the Ross compared with Argyll and double the amount of tied or rent free accommodation. Also significant is the much higher number of caravans used as permanent accommodation - 2.1% of all housing compared with 0.4% across the local authority.

#### 2.1.2 House Prices

Data from Statistics Scotland suggests that the mean house price in the Ross of Mull was £174,611 in 2018. This average was £11,655 higher than the Argyll average but £17,277 lower than the overall Mull average.

In the last year (to 31 March 2020) there have been 8 house sales within the survey area at an average price of £224,446; with transactions ranging from £30,000 to £450,000.

There are currently no houses for sale in the survey area although there are 6 house plots for sale ranging in price from £34,950 for a house plot in Buinessan to a beach view plot at Uisken for £80,000.

<sup>1</sup> Data from 2011 Census - six output areas within the west of the Ross of Mull

### 2.1.3 Housing Market Pressure

Tourism is the main economic sector in the Ross of Mull and Iona, with Iona alone attracting 125,000 visitors every year. Over 86 businesses in the area depend on tourism, a total of 24.8% of the working age population are employed in accommodation and food services. This compares with between 15-20% on the rest of Mull and 9.7% of Argyll and Bute as a whole.

Whilst tourism is important to the economy the flip side of this popularity is the pressure placed on the housing market for second homes and holiday lets.

*"As a housing market area, these islands (Mull & Iona) exhibit the lowest level of self-containment in the authority...with only 41% of house sales going to local purchasers. Around 19% of properties are bought by persons from elsewhere in Scotland; and a third of all sales are to purchasers originating elsewhere in the UK, by far the highest proportion of any HMA in Argyll and Bute. Mull & Iona tend to have the highest house prices in Argyll & Bute, well above the average for the authority as a whole and 86% higher than Bute for example; and along with Coll & Tiree this is the least affordable housing market for local residents"*  
Argyll & Bute Local Housing Strategy 2016-2021 p32.

The survey area overall has approximately 64 dwellings which are second homes or empty - some 17% of the total dwellings.<sup>2</sup> This overall figure masks particular concentrations in communities like Iona where 30% of all dwellings are holiday homes or lets<sup>3</sup>.

### 2.1.4 Private Rental Sector

Private lets comprise 15.6% of all permanently occupied homes in the survey area. Iona accounts for half of the 44 private tenants in the area and private renting comprises almost a third of households on the island. The sector is less important in the villages of Fionnphort and Bunessan where there are more social housing opportunities.

### 2.1.4 Social Housing

Social housing in the survey area is provided by Argyll Community HA and West Highland HA. In total there are 42 general needs homes in the area and 6 amenity bungalows at MacDougall Place in Bunessan.

	Mainstream				Sheltered/Very Sheltered				
Area	1bed	2bed	3bed	4+bed	1bed	2bed	3bed	4+bed	Totals
Bunessan	5	16	6		6				33
Fionnphort		9							9
Iona		3	3						6
TOTALS	5	28	9	0	6	0	0	0	48

The social housing stock is predominately 1 and 2 bedroom - 79% of general needs housing is of this size. There are just 9 three bedroom homes in the social housing stock the result of larger homes being bought through Council House Right to Buy.

<sup>2</sup> Statistics Scotland - Mull, Iona, Coll and Tiree - 04 Datazone

<sup>3</sup> Iona Housing Partnership - Tenure Audit

## ► Waiting List - Home Argyll<sup>4</sup>

Demand for housing in the area is measured through applications to the Common Housing Register - Home Argyll. Most demand expressed through the waiting list is for smaller properties but this perhaps reflects the predominance of this house size in the housing stock rather than need for this size of property.

HOMEARGYLL COMMON HOUSING REGISTER								
Active Applicants by 1st Area of Preference								
Area	1 bed	2 bed	3 bed	4 bed	Total	0 points (no need)	In Need	Max. 200 points
Iona	4	1			5	4	1	0
Buinessan	16	5	1		22	5	17	2
Fionnphort	4	2			6	2	4	0
<b>Totals</b>	<b>24</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>33</b>	<b>11</b>	<b>22</b>	<b>2</b>
NB. 0 points indicates no need (as determined by the allocation policy) and not eligible for RSL allocation.								

## ► Social Housing Stock Turnover<sup>5</sup>

Lets - year to Jan 2019	General Needs				Sheltered/Very Sheltered				
Area	1bed	2bed	3bed	4+bed	1bed	2bed	3bed	4+bed	Totals
Buinessan	1	1	1		1				4
Fionnphort									0
Iona									0
<b>TOTALS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

There are very few vacancies in the social housing stock with just three lets per year within the general needs homes in Buinessan, and no lets in either Fionnphort or Iona. The waiting list may therefore underestimate housing demand as people will not register for homes if they don't think this is a realistic route to securing housing. This is particularly true of larger households who have limited access to social housing of this size.<sup>66</sup>

## 2.2 Literature Review

### 2.2.1 Argyll & Bute Housing Strategy 2016-21

The local authority housing strategy highlights the significant pressure on local housing markets from external purchasers with Mull & Iona exhibiting "the lowest level of self-containment in the authority area ..., with only 41% of house sales going to local purchasers. Around 19% of properties are bought by persons from elsewhere in Scotland; and a third of all sales are to purchasers originating elsewhere in the UK, by far the highest proportion of any HMA in Argyll and Bute"<sup>6</sup>

<sup>4</sup> Home Argyll Waiting List Data Jan 2019

<sup>5</sup> Home Argyll Waiting List Data Jan 2019

<sup>6</sup> ABC Local Housing Strategy 2016-2021 p32

The document also states that “Mull & Iona tend to have the highest house prices in Argyll & Bute, well above the average for the authority as a whole... and along with Coll & Tiree this is the least affordable housing market for local residents”<sup>7</sup>.

The strategy also highlighted the “much higher proportion of ineffective stock here, with second/holiday homes and long-term vacant properties making up 26% of the total” and the pressure on the limited social housing stock with “around 3 or 4 applicants for every available let in the area, and certain settlements (exhibiting) higher pressure ratios”<sup>8</sup>.

The strategy recommends a “small-scale programme of new build affordable housing will help to sustain remote island communities”<sup>9</sup>

### 2.2.2 Argyll & Bute Strategic Housing Investment Plan 2020/25

The Strategic Housing Investment Plan (SHIP) sets out the proposed programme for housing association development over the next 5 years. Despite the context of the Islands Plan and whilst acknowledging the particular housing pressure being faced by Mull & Iona, the SHIP does not include the development of any affordable housing within its Core Programme. Possible development of 20 homes in Tobermory and Salen are proposed as “projects for consideration in later years”. It states that the council is “engaging with, and providing support to, island and rural communities who are pursuing funding bids and feasibility studies via the Scottish Government’s Rural & Island Housing Fund”<sup>10</sup>

### 2.2.3 Argyll & Bute Local Development Plan 2015

The Argyll & Bute Local Development Plan 2015 identified a network of Key Rural Settlements where medium and small scales of development would be encouraged on appropriate sites. Those settlements included Bunessan where an allocation of land for the development of 18 homes was made. Further allocations of housing land were made for 4 homes at Baile Mor on Iona and 15 homes at Pennyghael. No other housing allocation was made within settlements in the study area although a “Potential Development Areas” was identified in Fionnphort.



<sup>7</sup> ABC Local Housing Strategy 2016-2021 p32

<sup>8</sup> ABC Local Housing Strategy 2016-2021 p32

<sup>9</sup> ABC Local Housing Strategy 2016-2021 p32

<sup>10</sup> Argyll & Bute Strategic Housing Investment Plan 2020/25 p9



Over the course of the Local Development Plan none of these allocations was utilised. The last affordable homes to be built in the study area were 5 homes built by Iona Housing Partnership with West Highland HA which were completed in 2015.



#### **2.2.4 Argyll & Bute Proposed Local Development Plan 2**

The proposed new Local Development Plan retains Buinessan as a Key Rural Settlement and retains its allocation of housing land - though this is reduced to 15. The allocation for 4 homes in Iona is also retained but the proposed development land at Pennyghael is downgraded to a potential development area. The PDA at Fionnphort is also retained.

An additional site for possible residential use is identified as Tiroran Community Woodland where SWMID propose to develop woodland crofts.

#### **2.2.5 Stimulating Housing Development in the Highlands & Islands - HIE 2017**

This report published in 2017 highlighted the housing needs within the Highlands & Islands and the barriers to affordable housing development.

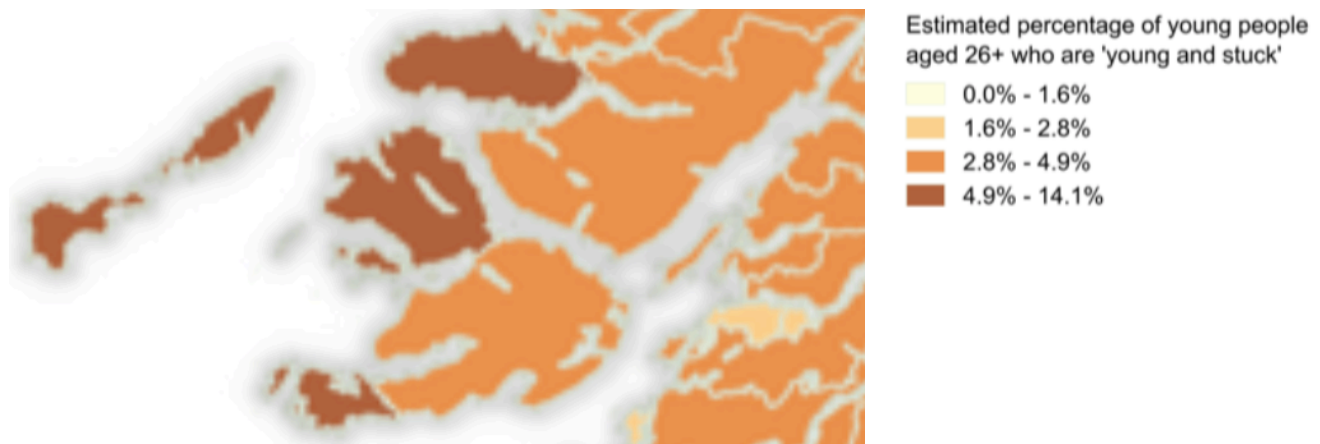
One of the main findings of the report was the prevalence of the “young and stuck” - young people aged over 26, employed but who can't afford local housing and whose only option is the parental home.



These emerging households are not given priority in housing allocations which results in young people leaving, using 'housing options' like caravans or living with parents which for many young people, particularly those who are LGBT is not an option.

The report found a strong correlation between fragility of an area, the proportion of 'young and stuck' and the house price to income ratio

The survey area has one of the highest rates in Argyll with between 4.9% and 14.1% of young people who are "young and stuck"



## 2.2.6 Demographic Change in the Sparsely Populated Areas of Scotland - James Hutton Institute

The James Hutton Institute's recent research shows that Argyll and Bute is one of the most at risk of serious population decline, predicting that without intervention, the population will have decreased by around 30% between 2011 and 2046. The decline in population is particularly marked amongst people of working age and this trend is already evident within the study area and is projected to get worse. Although the overall population has remained more or less unchanged since 2011, the number of older people has increased by 33 whilst the number of working age people has declined by 36.

Working age populations are set to shrink by 33% by 2046 whilst populations of children and older people will just decline by less than 20% - increasing the number of economically inactive people dependent on a decreasing number of people of working age

### **3.0 Community Consultation to Identify Any Hidden Local Need and Demand**

#### **3.1. Background/ Methodology**

As discussed above there is limited social housing in the Ross of Mull and the availability of this stock is limited with little turnover and little variation in size - much of the stock is one or two bedrooms. For this reason island residents will often highlight their housing need through registering with the local social housing provider. The perception that there are few options can also lead to a 'make do' attitude and this can lead to a high level of hidden need.

The Rural Housing Fund requires evidence of this hidden housing need and demand to determine whether to invest in housing development in an area and any housing developer will also want to ensure that there the type of housing they are providing is what is required. As well as identifying any hidden need and demand, this survey will help determine the potential quantity and tenure mix of units that would meet this need and demand, and guide the development of the cost plan for the project.

To this end we undertook a survey of local housing needs primarily through Survey Monkey but also through multiple methods of engagement including delivering hard copies of surveys to households, attending community cafés and other events and using our social media.

#### **3.2. Survey Respondents**

##### **3.2.1 Geography**



The survey was promoted throughout the area covered by South West Mull & Iona Development. This covers the Isle of Iona, the settlements of Bunnassan, Fionnphort, Tiroran, Pennyghael, Kintra and Uisken and the whole of the peninsula of the Ross of Mull. Residents of the Ross of Mull were invited to take part in the Housing Needs Survey. Most of the survey area is represented by the census data zone; Mull, Iona, Coll and Tiree - 04. The small settlements of Pennyghael, Carsaig and Tiroran which are within the SWMID area are

included in a much larger data zone covering Craginure making the extraction of the small amount of data relevant to these settlements impossible. Therefore for the purposes of this report the demographic data from the area encompassing the west of the Ross of Mull has been used.



The total population of the survey area is 628 split between Buessan, Fionnphort, Iona and the smaller settlements of Kintra and Ardtun. There are 385 dwellings with 321 resident households in this area.

### 3.2.2 Response Rate

The survey was completed by 96 households - 84 from the immediate area. This is a response rate of 26.2% - which is a very good response rate for a predominately online survey.

Location of Respondents	
Fionnphort	25
Buessan	33
Pennyghael	4
Iona	16
Kintra	2
Ardtun	3
Erraid	2
Tioran	2
Kilfinichen	1
Elsewhere on Mull	5
Other - off island	3
	<b>96</b>

### 3.2.3 Respondents Household Type

The survey asked respondents to indicate what kind of household they lived in: overall the largest number of households (43%) live in couples - 15 of these households contain someone of pensionable age; 34% of respondents live in family households with dependent children; 14 households (15%) are single people - half of whom are of pensionable age; and 8 households contained more than 3 adults sharing accommodation.

Household Type - All	
Couples	41
Family (Couple/Lone Parent w/dependent children	33
All adult household (3+)	8
Single	14
	<b>96</b>

### 3.2.4. Respondents - Tenure



Overall households renting their home privately or from social landlords were slightly more prevalent amongst respondents to the survey than the overall proportion indicated by the census data. Whilst households who own their own homes were slightly less likely to take part in the survey.

### 3.2.5 Respondents - Housing Need

Twenty two of the 96 households state that they need to move from their current home - this is 23% of respondents and 6.8% of all households in the survey area.

Those stating that they need to move from their current home comprised the following household types:

Couples	5
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Family (Couple/Lone Parent w/dependent children)	9
All adult household (3+)	2
Single	6
	<b>22</b>



Most, 17 of the 22 households with housing need currently rent their homes or live in tied housing. 40% of all respondents in these tenures state that they have a housing need.

### 3.2.6 Location

Location of households with housing need	
Bunessan (including Ardtun)	5
Fionnphort	7
Iona	4
Mull (Lochdon, Pennyghael, Salen, Tobermory)	4
Mainland	2
	<b>22</b>

## ► Buinessan

There are five households who state that their current home is unsuitable for them who currently live in Buinessan and surrounding area.

These households comprise 2 single people (including one older household); two families and one couple.

All of the households currently rent their homes; three from the local housing association and single person in a shared winter let and a family with one child currently in a caravan.

The households need to move for the following reasons:

Household	Reason	Home Argyll	Need	Tenure	Affordability
Family in Caravan	Current accommodation is too small; current accommodation is in poor condition; would like to have our own place.	Yes	3 bed	Own	>£50,000
Single Person in Winter Let	Winter let till Easter	No	1 bed	no answer	no answer
Single Older Adult	Health Reasons	dk	2 bed	Rent	£400-£450
Single Person (HA tenant)	Current accommodation is too small	No	2 bed	Rent	£400-£450
Family (HA Tenant)	Would like to have opportunity to buy (affordably!)	No	3 bed	Shared Equity	£110,000 - £129,999

Three of the households state that their housing need is urgent and immediate - the household in a winter let; the household in a caravan and the older household who needs to move for health reasons.

## ► Fionnphort

There are seven households who state that their current home is unsuitable for them who currently live in Fionnphort and surrounding area.

These households comprise 5 small families ( 2 x two adults and children; 2 x 2 adults and 1 child); one single older person and one large adult households with 4 adults.

Three of the households currently rent their homes from West Highland HA; two rent privately; one lives in tied housing and one household is living c/o

The households need to move for the following reasons:



Household	Reason	Home Argyll	Need	Tenure	Affordability
Family (2 +2)	HA home too small (2 bed)	Yes	3 bed	Rent	no answer
Family (2 +2)	HA home too small (2 bed)	No	3 bed	Rent	no answer
Family (2 +1)	Living with parents	No	1 bed	Rent	£250- £300
Family (2 +1)	No heating	No	3 bed	Rent	no answer
Family (2 +1)	HA Home too small	Yes	3 bed	Rent	£400 -450
Single	Tied / Health	Yes	1 bed	Rent	£250- £300
Large Adult	Living with parents	No	1 bed	Rent	no answer

Three families living in housing association properties say that their homes are too small for them - all three are looking for three bedroom accommodation.

Two of the households are young people living in the family home who would like to move into their own housing.

One family household living in a private let states that their home does not have adequate heating.

One single adult living in tied housing states that they need a new home which is easier for them to utilise as their current home is difficult for them to move around in.

#### ► Iona

There are four households who state that their current home is unsuitable for them who currently live in Fionnphort and surrounding area.

These households comprise 1 small family ( 2 adults and 1 child); two single people (including one older) and one and one couple.

Three of the households currently rent their homes and one lives in tied housing.

The households need to move for the following reasons:

Household	Reason	Home Argyll	Need	Tenure	Affordability
Family (2 +1)	No heating/ health reasons/ asthma; current accommodation is too small; poor condition/ damp; change in family /household circumstances; currently in an insecure tenancy / threatened with homelessness; rent is too expensive.	Yes	3 bed Mull	Own/ Rent	£110,000+/ £400-450

Couple	Current accommodation is too small; poor condition/ damp; currently in an insecure tenancy / threatened with homelessness; rent is too expensive.	Yes	3 bed	Rent	no answer
Single Older	To be close to employment/ too small; want to self build in community project	No	3 bed	Rent	no answer
Single	Tied - ends 11/2020	No	1 bed	Rent	£300-350

Three households have urgent housing needs relating to the insecure and poor condition of their current housing. Although most households are looking for a different home on Iona, one would prefer to move to an alternative home on Mull preferably Buessan or Fionnphort.

#### ► **Mull (including Salen, Pennyghael and Lochdon)**

There are three households who state that their current home is unsuitable for them who currently live elsewhere on Mull but are interested in housing in the Ross of Mull.

These households comprise one single person and two couples.

One household currently rents their homes; one owns a shared equity home; and one lives in tied housing.

The households need to move for the following reasons:

Household	Reason	Home Argyll	Need	Tenure	Affordability
Couple	Return to Buessan - to be near work and family	no	3 bed	Own	<£50,000
Couple	Rent too expensive - wanting to buy but nothing available which is affordable	yes	3 bed	Own	£90,000 - £119,000
Single	Tied	No	2 bed	Own	no answer
Family (2 +1)	No heating	No	3 bed	Rent	no answer

#### ► **Mainland**

Two households who state that their current home is unsuitable for them currently live elsewhere on the mainland but are interested in moving/returning to the Ross of Mull.

These households comprise one small family and one large adult family.

One household currently lives in a shared equity home and the other owns their own home outright.

The households need to move for the following reasons:

Household	Reason	Home Argyll	Need	Tenure	Affordability
Small Family	Health/ to be nearer family	no	2 bed	Shared Equity	£70-90,000
Large Adult Family	Health	no	2 bed	rent	£250

### 3.2.7 Overall Housing Needs

#### ► Tenure of homes needed - Rent

Most of the households looking for alternative housing require homes to rent - 15/22 (68%).

These households comprise **9 single households** who need 1/2 bed homes - just one of whom is on the Home Argyll register. They include:

- two of these households are currently living c/o the parental home
- two are in tied housing which they expect to lose in the near future
- three state that there are health reasons they need an alternative house (including one of the tied tenants)
- one tenant is living in a Winter Let which runs out in April 2020
- one tenant states their home is too small and
- one would like to move to housing closer to their employment and would like to self build

There are **5 family households** who need 3 bed homes to rent - two of whom are not on the Home Argyll register. These include:

- four families currently renting from a housing association who state their house is too small - these comprise 3 households with two children in two bedroom homes and one household with one child in a 2 bedroom home.
- one family with a child in a private rented tenancy states that their home has no adequate heating

**One couple** state they need a 3 bedroom home as their current private let is too small, in poor condition; their rent is expensive and the tenancy is insecure.

Household	Reason	CHR	Need	Tenure	Affordability
Single	Winter let till Easter	No	1 bed	Rent	no answer
Single	Living with parents	No	1 bed	Rent	£250- £300
Single	Tied / Health	Yes	1 bed	Rent	£250- £300
Single	Living with parents	No	1 bed	Rent	no answer
Single	Tied - ends 11/2020	No	1 bed	Rent	£300-350
Single Older	Health Reasons	dk	2 bed	Rent	£400-£450

Single (HA)	Current accommodation is too small	No	2 bed	Rent	£400-£450
Single	Health	no	2 bed	Rent	£250
Single Older	To be close to employment/ too small; want to self build in community project	No	2 bed	Rent	no answer
Family (2 +1)	HA Home too small	Yes	3 bed	Rent	£400 -450
Family (2 +2)	HA home too small (2 bed)	Yes	3 bed	Rent	no answer
Family (2 +2)	HA home too small (2 bed)	Yes	3 bed	Rent	no answer
Family (2 +2)	HA home too small (2 bed)	No	3 bed	Rent	no answer
Family (2 +1)	No heating	No	3 bed	Rent	no answer
Couple	Current accommodation is too small; poor condition/ damp; insecure tenancy / threatened with homelessness; rent expensive.	Yes	3 bed	Rent	no answer
Family (2 +1)	No heating/ health reasons/ asthma; current accommodation and in poor condition/ damp; change in family circumstances; insecure tenancy; rent is too expensive.	Yes	3 bed Mull	Own/ Rent	£110,000+/ £400-450
Single	Tied	No	2 bed	Own	no answer
Family (HA)	Would like to have opportunity to buy	No	3 bed	Own	£110,000 +
Small Family	Health/ to be nearer family	no	2 bed	Own	£70-90,000
Family (Caravan)	Current accommodation is too small and in poor condition.	Yes	3 bed	Own	>£50,000
Couple	Return to Buessan - to be near work and family	no	3 bed	Own	<£50,000
Couple	Rent too expensive - wanting to buy but nothing available which is affordable	yes	3 bed	Own	£90,000 - £119,000

► **Tenure of homes needed - Rent or Buy**

One family with a child currently living in private rented housing with a number of issues including poor condition which is affecting their health state that they have no preference which tenure their new home would be but need new accommodation soon. They could purchase a home for approximately £110,000.

► **Tenure of homes needed - Buy**

Six of the household looking for alternative homes would like to buy a house.

These households comprise **2 family households** who need 3 bed homes.

- one of these households is currently living in caravan and could afford to pay £50,000 for a home

- ▶ one household currently rents from the housing association and would like the opportunity to buy - possibly through shared equity - they could afford to pay over £110,000

One family states they need a 2 bedroom home to enable them to move back to Mull for health reasons.

One single person household in tied housing would like to buy their own home - they did not state the value of property that they could afford.

Two couples would like to buy 3 bedroom homes in the area including:

- ▶ household wishing to move back to Buinessan to be closer to work and family - they moved away as they couldn't afford to buy locally - they would be interested in shared equity housing and could afford to pay £50,000 +
- ▶ one household who are currently renting and who would like to buy a three bedroom home but there is nothing affordable locally - they can afford between £90,000 and £120,000

### 3.2.8 Housing Need Conclusions

The survey has uncovered **significant housing need** within the communities of the Ross of Mull identifying **twenty two households** requiring alternative housing.

Much of this **need is hidden with 64% of the households in need not** currently registered with Home Argyll.

There are two main type of housing need:

- ▶ small **1/2 bed housing for rent for single households** currently living c/o, in tied housing or private rented accommodation
- ▶ **three bedroom homes for rent for family households** living in caravans, private rented or small housing association properties

In addition there is some demand for **affordable home ownership options such as shared equity** in the Ross of Mull area from current residents in rented homes and households who have moved away to access more affordable housing and would like to move back.

### 3.3 Demand from island business for housing to meet employment opportunities

We interviewed 8 employers employing 38 full and part time staff in Fionnphort and Bunessan. Our interviews asked the following questions:

- ▶ What challenges did they face as employers in housing staff?
- ▶ Did any of their positions remain unfilled due to a shortage of housing?
- ▶ Was their business unduly affected by a shortage of housing?
- ▶ Had they explored their own solutions to the problem?
- ▶ Did they have any other comments to make?

All bar one of the employers highlighted housing as a significant challenge, an added cost they had to bear and an obstacle to staff recruitment and retention. Comments included:

*"All staff have somewhere to live but this is not secure for one member of staff. When jobs have been advertised, difficulty in finding housing has been an issue for applicants"*

*"...it took several months for one staff member to find secure housing moving around every few weeks and was very stressful at the same time as starting a new job"*

*"Staff is often limited because there is no accommodation nearby"*

*"Our employee was technically homeless for a while, living in a caravan that did not have heating/running water."*

*"As a business we rent a caravan and two other rental places plus our own staff accommodation which can only house 7 max. We have to subsidise those staff housed outside hotel staff accommodation as it is more than 3 times as expensive as our own accommodation. This adds to staff costs."*

*"we curtail our business to a level that is manageable with lower staff support."*

Most of the employers were able to fill their vacant positions but some highlighted housing as a key reason for the limited pool of labour from which they could source their workforce. For some this restricted their capacity to expand their businesses: *"we curtail our business to a level that is manageable with lower staff support"*. For others the type of accommodation they were able to provide restricted the type of people who applied and this limited the level of skills and experience they could expect from employees *"we have had considerable difficulty but in securing more mature staff who have greater expectations"*

Many of the employers saw housing as crucial to their ability to grow their business:

*"more homes would create opportunities for our business to expand and with that would come the ability to employ more staff"*

*"we could attract more business for longer if we were able to employ part time staff that could find affordable accommodation"*.



A number of employers offered accommodation in order to make recruitment easier but this was a significant cost for businesses and the accommodation they could offer such as shared houses or caravans was not always conducive to the employment of permanent or mature staff.

Employers noted that new housing had been built in Lochdon and Tobermory. Whilst this was welcome it was having consequences for their business as some employees were moving to this housing from the Ross of Mull and trying to maintain jobs a 60 miles round trip away in the short term affecting their ability to undertake their roles and in the long term probably leading to them looking for other employment.

The consensus amongst employees was that new housing for rent and sale in the Ross of Mull was required and would benefit the community and local economic development.

*"We are aware of a severe shortage of accommodation for both seasonal and long-term workers on the Ross of Mull. Every year we come across people unable to find accommodation. And we see homes for sale on the Ross being snapped up by off-islanders to use as holiday homes - so the pool of available accommodation for workers reduces. The potential for accommodation to be built at Bendoran is welcome - it is a start, but more affordable accommodation for sale is needed"*