



ORKNEY
ISLANDS COUNCIL

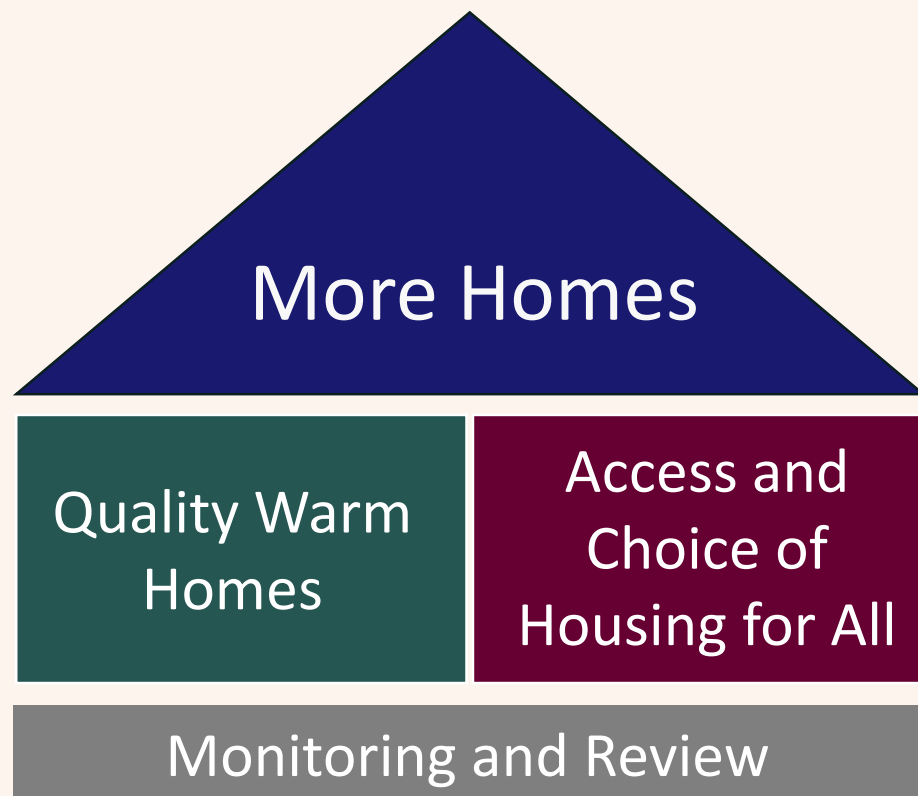
Housing Market Partnership

Quarterly Update – June 2026

Laura Baillie

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Education, Communities and Housing

The Local Housing Strategy



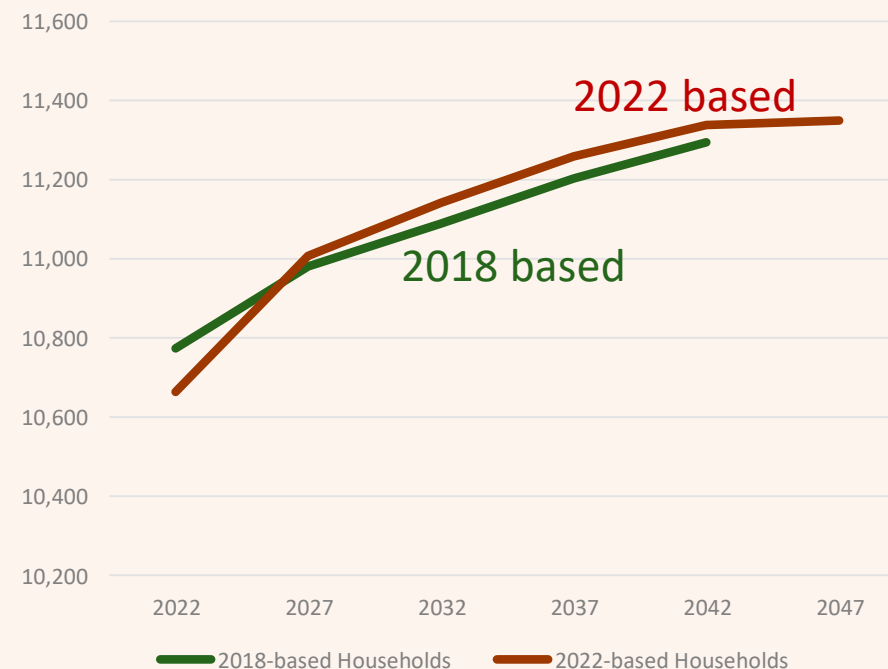
Housing Market update

Housing Market Drivers

- NEW - 2022 household projections now published (based off census)
- Shows similar trends if not slight increase projected growth in number of households (vs 2018 based)
- Household Projections – main evidence base for the Housing Need and Demand Assessment (HNDA)
- Therefore – main driver for new housing supply, and the strategy required remains the same



2018 vs 2022 based household projections



Housing Market update

Housing Market Performance – House Prices

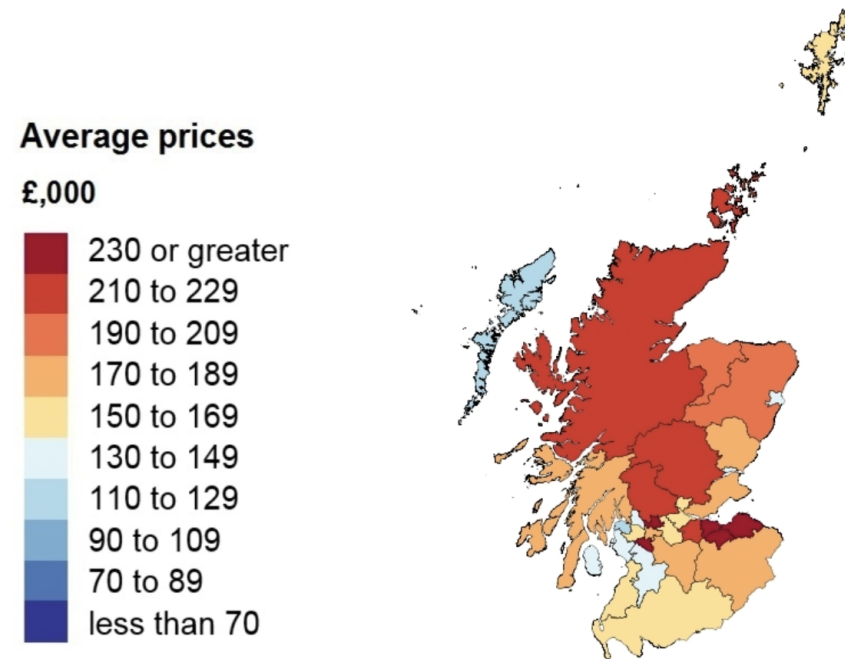


- Fluctuations due to small numbers but average January to March 2026 vs 2025
- Orkney continues to have higher house prices than Scotland, other island LAs, and Highlands and Moray
- Orkney £223k vs Scotland £187k (+£36k)
- More affordable housing supply needed including low-cost home ownership

Average house prices over Jan-March	2026	2025	% change
Orkney	£223k	£205k	8.5
Scotland	£187k	£183k	1.7

Example - February 2026 house prices
Orkney 18% increase on 2025

Average price by local authority for Scotland



<https://www.gov.uk/government/collections/uk-house-price-index-reports-2026>

Housing Market update

The cost of new affordable housing development



- Building new affordable housing in Orkney **often costs more than market value.**
- Costs are higher, but average cost of building in Orkney is also higher than expected, when compared to averages from the Scottish Social Tender Housing Price Index.
- Costs are higher due to logistics, supply chain, market structure/competition. Vary by site.
- Local Housing Strategy objectives
 - Value for money / lower costs so can spread grant further and get more affordable houses built for the available grant.
- OIC Guidance Note issued in January 2026 provided design guidance in relation to size and cost standards for SHIP projects.

As at March 2026	Construction cost average 3-person equivalent
Scotland average	£190,484
Expected Orkney	£203,817
Actual Orkney	£250,000

Source: Scottish Government More Homes

More Homes – Delivery



End of year 2025/26

Affordable Housing Supply Programme

- 74 approvals
- 58 site starts
- 40 completions

Key worker Fund

- 2 approvals
- 2 site starts
- 7 completions



More Homes – Record Investment

End of year 2025/26

Resource Planning Assumption (budget from Scot Gov)	Actual Spend	Difference	% increase spend
£4.068m	£6.57m	£2.502m	61%

- First time in more than 10 years that Orkney has exceeded its annual Scottish Government funding allocation.
- Demonstrates strong project delivery and confidence in Orkney's housing programme.

More Homes – achievements / ongoing



ORKNEY ISLANDS COUNCIL

- **Walliwall 9a** – 6 units for social rent completed
- **Cairston Road, Stromness** – 8 family homes for social rent; 2 homes completed, remaining 6 due for completion shortly.
- **Moar Drive** (4 persons) accessible independent living: site start expected beginning July.
- **Coplands Road Stromness**- 25 homes for Social rent; contract awarded, planning applications submitted.
- **Dounby Site** – Design and pre-planning work underway for a mixed housing development, including social rented homes and serviced self-build plots.
- **Houton** – SSEN/OIC initiative to service site for eventual permanent housing
- **St Rognvald's house** - Project progressing to provide accommodation for agency staff – Islands Programme funding submission.
- **Former Papdale Halls** – Demolition project progressing, with procurement underway.

More Homes – Achievements / ongoing



Orkney Housing Association Ltd

- **Walliwall 9a** – 8 shared equity – complete
- **Walliwall 10** – 41 mixed tenure homes under construction, with phased completion through to 2027/28
- **Toab, St Mary's and Burray** – Design team appointed. Planning applications programmed for Autumn 2026, with current delivery programmes remaining achievable
- **Off-the-shelf acquisitions** – 5 homes acquired during 2025/26, with additional acquisitions anticipated during 2026/27.



More Homes – Achievements / ongoing

Places for People Scotland

- Early work on due diligence on former Papdale Halls and Weyland sites

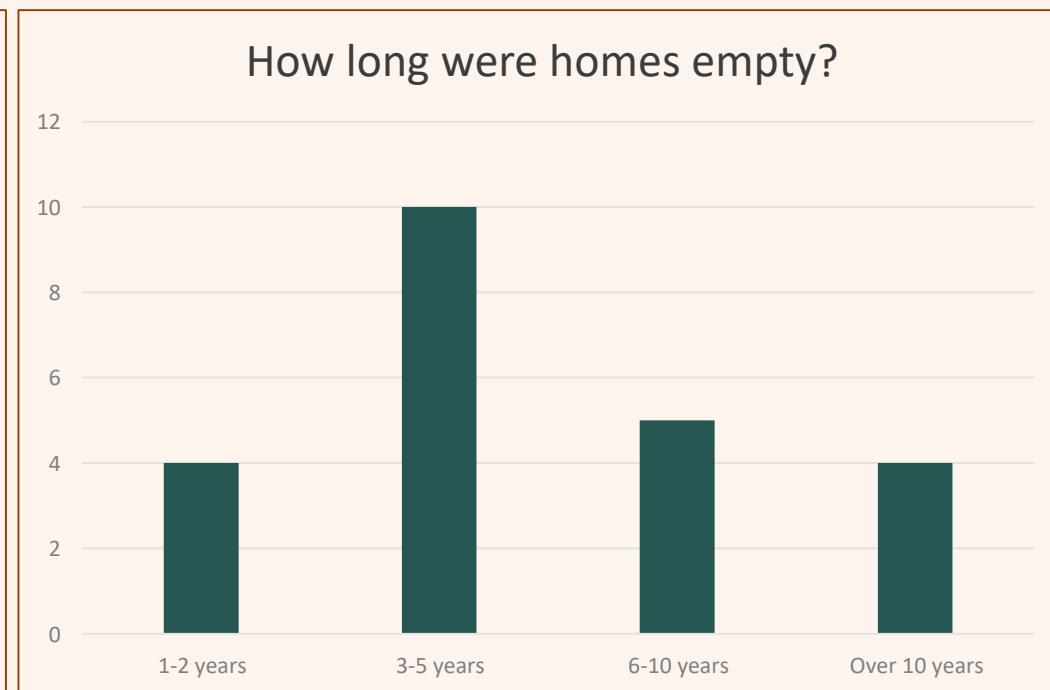
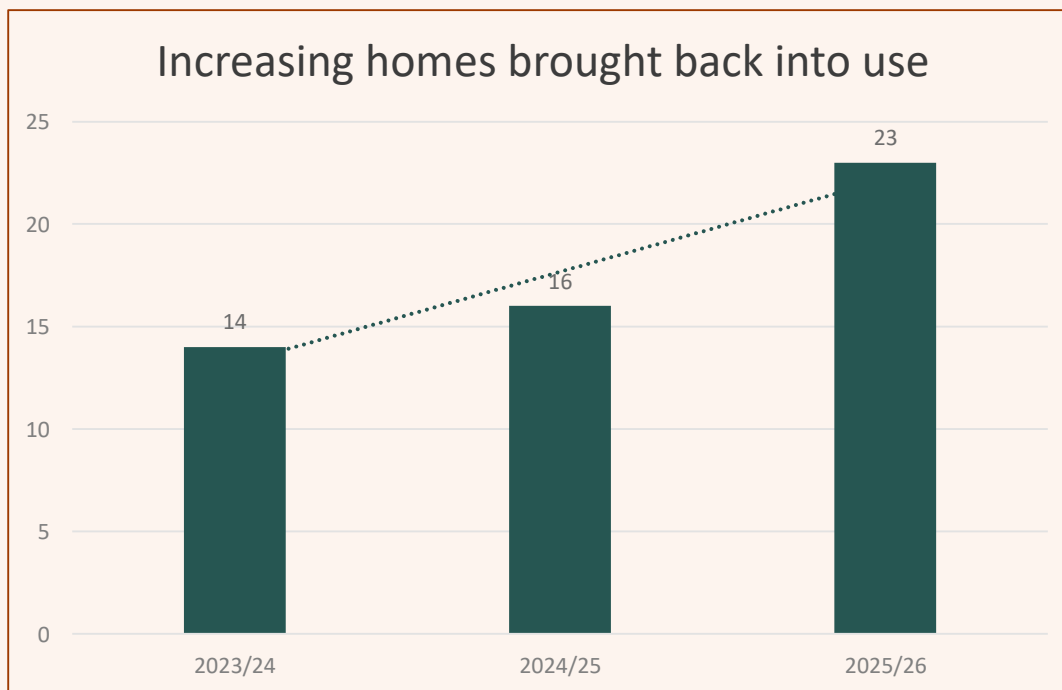
Development Trusts

- Since 2019 Isles Development Trusts have completed 14 affordable units across seven islands
- Six development trust projects currently on site across North Ronaldsay, Papa Westray, Westray, Eday, Rousay and Shapinsay, providing ten additional homes for island communities

More Homes - Achievements



Empty Homes – Increasing supply



- 11 became private lets, 8 became owner-occupied homes, 4 became short-term lets
- Wider context of 123 homes brought back into use since 2017/18

More Homes



Empty Homes – What's next

- Funding secured for full- time Empty Homes Officer (previously part time)
- Council's Empty homes Loan Scheme launched
 - £25k per property to bring up to the Repairing Standard (owners can add own funds too)
 - Let to essential workers
 - Further publicity to follow soon

More Homes

Strategic Housing Investment Plan – 2027 onwards

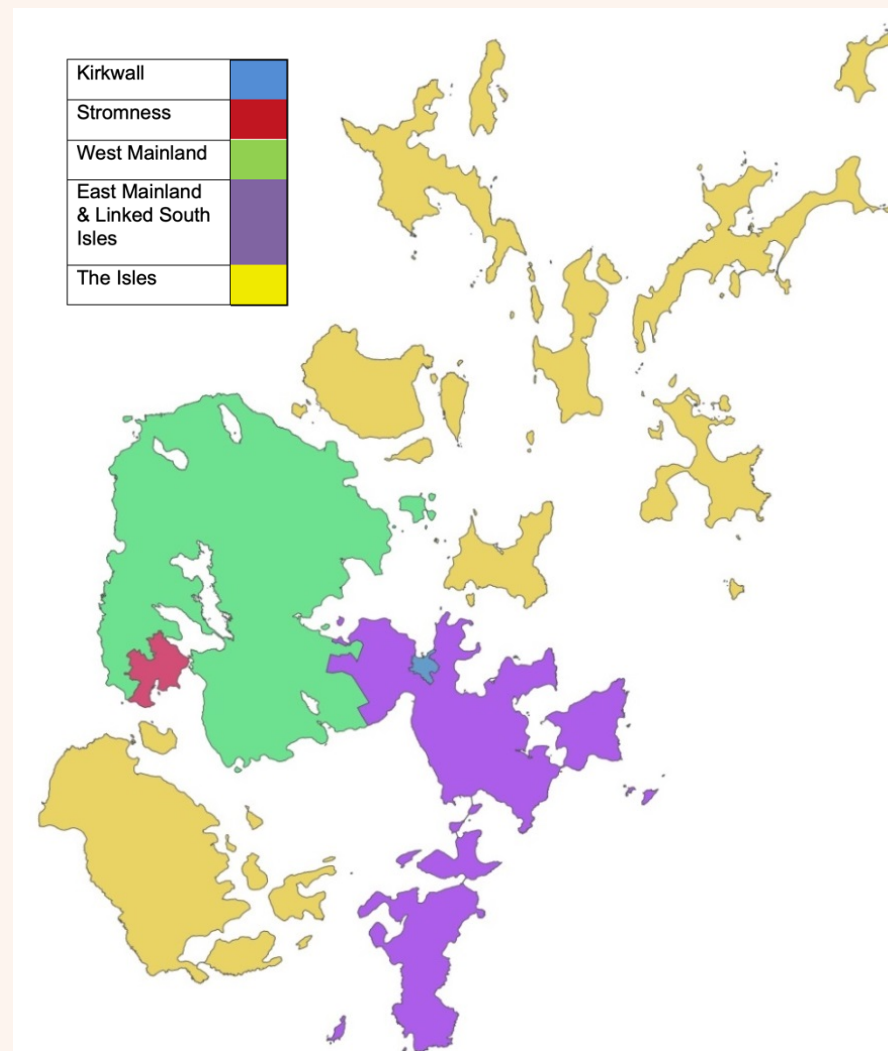
- The SHIP determines what affordable housing funding goes where
- Considered/approved by Education, Communities and Housing Committee in September
- Consultation / Call for proposals – 22nd June
- Meetings with affordable housing providers from 29th June
- Drafting SHIP during July
- Further information see <https://www.orkney.gov.uk/our-services/housing/housing-market-partnership/>

More Homes

Strategic Housing Investment Plan – 2027 onwards

How proposals will be assessed

- Spread across Housing Market Areas
- **Green**
- **Amber**
- **Red**
- Not for inclusion



Quality Warm Homes



Fuel Poverty in Orkney

% Households in fuel poverty	Fuel poverty	Extreme fuel poverty
Orkney	51%	34%
Scotland	31%	17%

- Survey period covered **2022–2024**
- This included the peak of the UK household energy price crisis
- Results are based on a relatively small Orkney sample
- **The figures highlight fuel poverty as a major issue in Orkney and should be read in context**

Quality Warm Homes



What Influences Fuel Poverty

- Factors we cannot control
 - Energy prices – reliance on electricity and no mains gas
 - Orkney's climate and exposure
- Areas where local partners can help
 - Housing quality -
 - Across tenure - EPC D most common rating
 - BUT one third of houses are E, F or G, more common in older houses
 - Higher concentrations of lower-performing homes are evident in parts of the Isles
 - Energy efficiency – OIC EESSH: **94.64%**, OHAL EESSH: **100%**
 - Access to funding
 - Advice and support
 - Better targeting of assistance / cost of living / household income
- **Focus local resources on the areas where they can make the greatest impact.**
 - Discussion with THAW at later HMP

Quality Warm Homes



Looking ahead

HEES: ABS programme – private sector housing

- **£1.97m** secured during 2025/26
- Programme nearing completion at end June 2026
- Projected 127 households supported
- Projected 199 energy efficiency measures installed

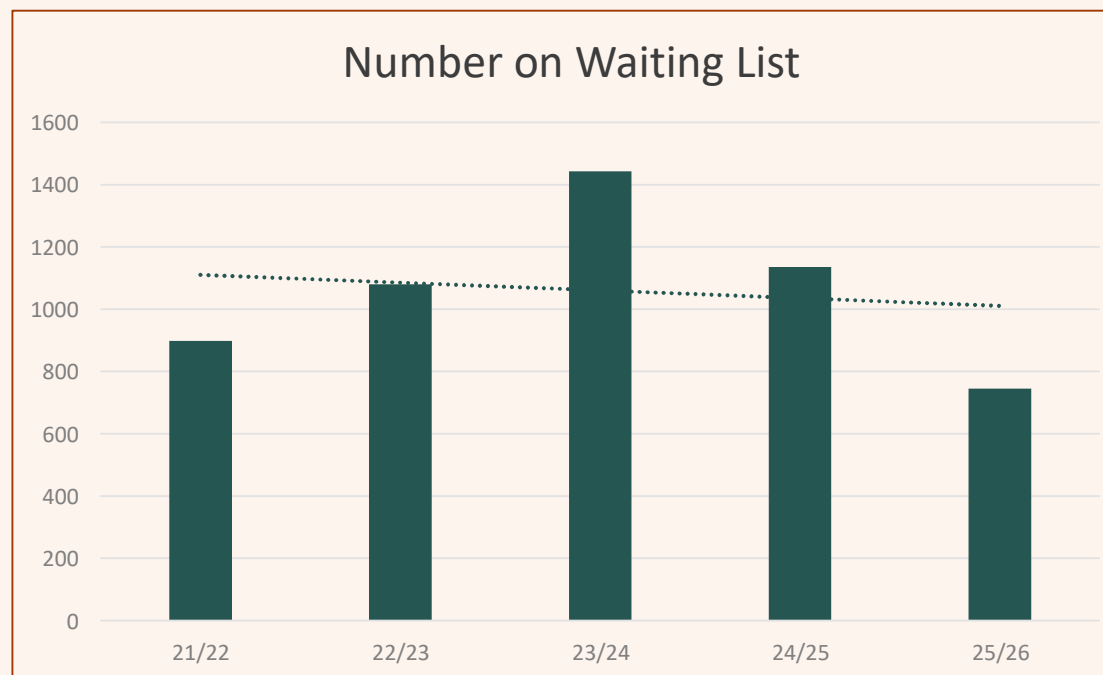
Looking Ahead

- Better use of EPC and local housing data
- Target lower-performing homes
- Focus support where it can have the greatest impact
- OIC Stock Condition Survey commencing during 2026/27
- Updated evidence to inform future investment in Council housing
- Better information will help target future investment and support more effectively.

Access and Choice of Housing



Housing Register Trends



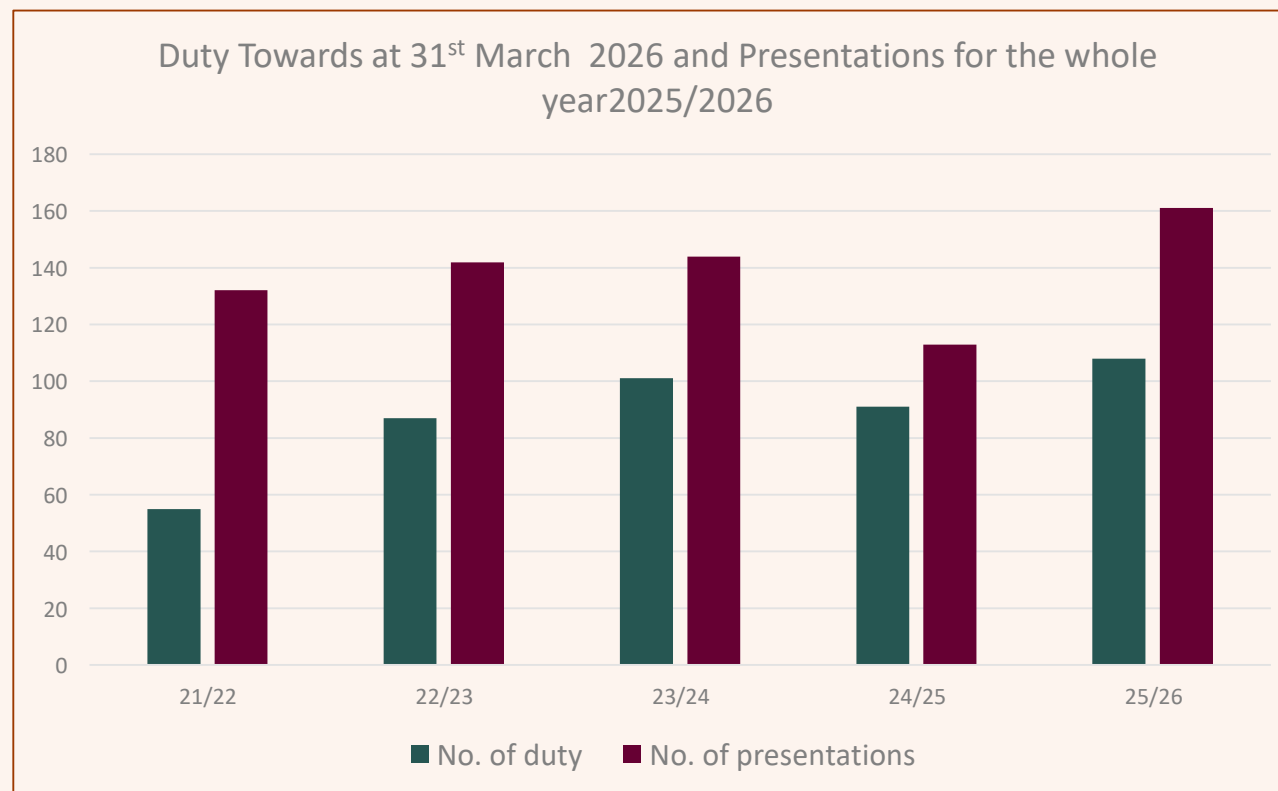
- **The reduction in housing register numbers does not necessarily represent a comparable reduction in housing need.** The peak in 2023/24 was influenced by issues with the rolling review process, resulting in applications remaining on the register for longer than intended. Following a review and cleansing exercise, the current figures provide a more accurate reflection of demand.

Access and Choice of Housing



Homelessness Presentations and Duty Owed

- Homelessness presentations have continued to increase, placing additional pressure on housing and support services

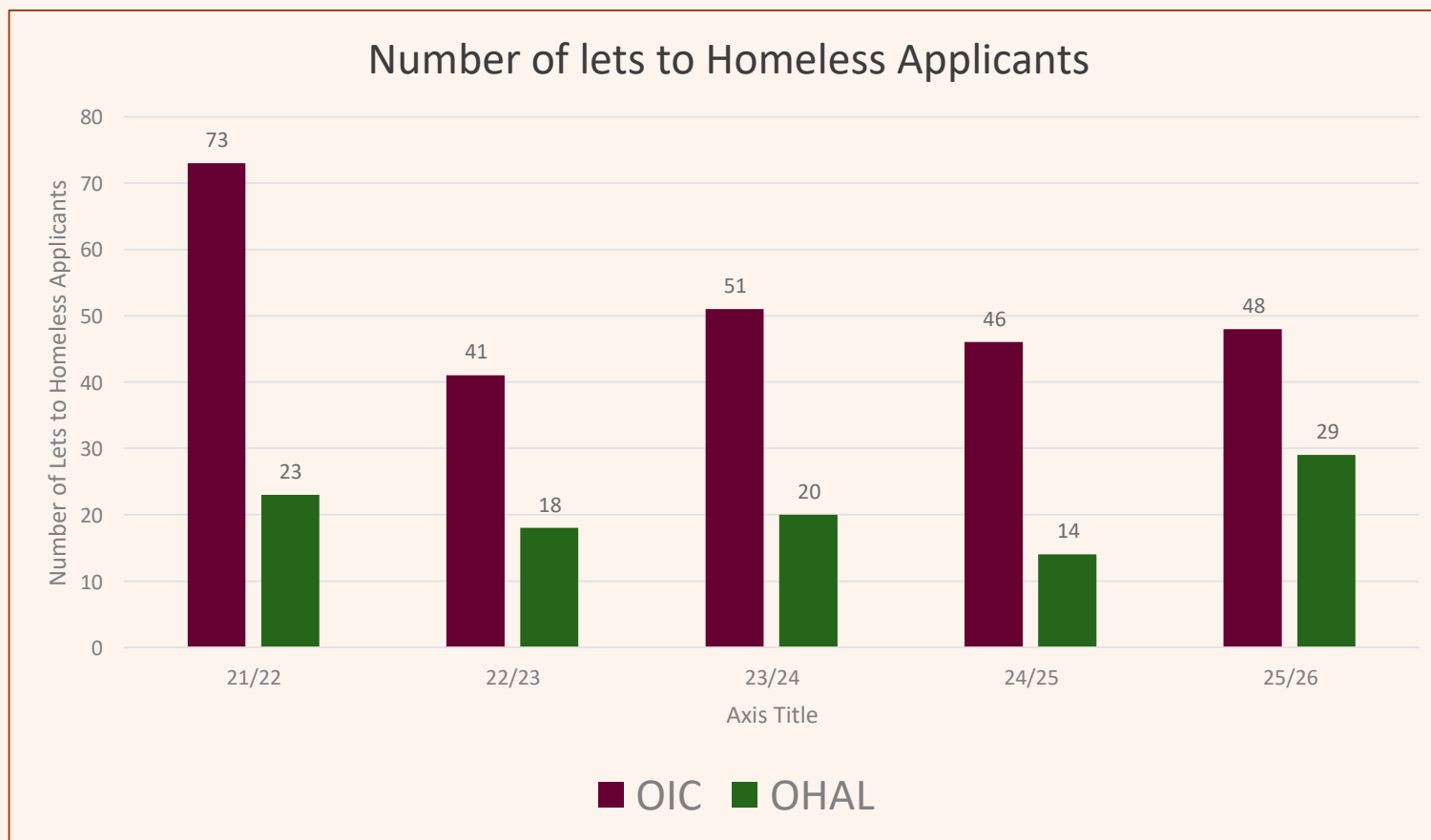


Access and Choice of Housing



Lets to Homeless Households

- A significant proportion of lets are allocated to homeless households

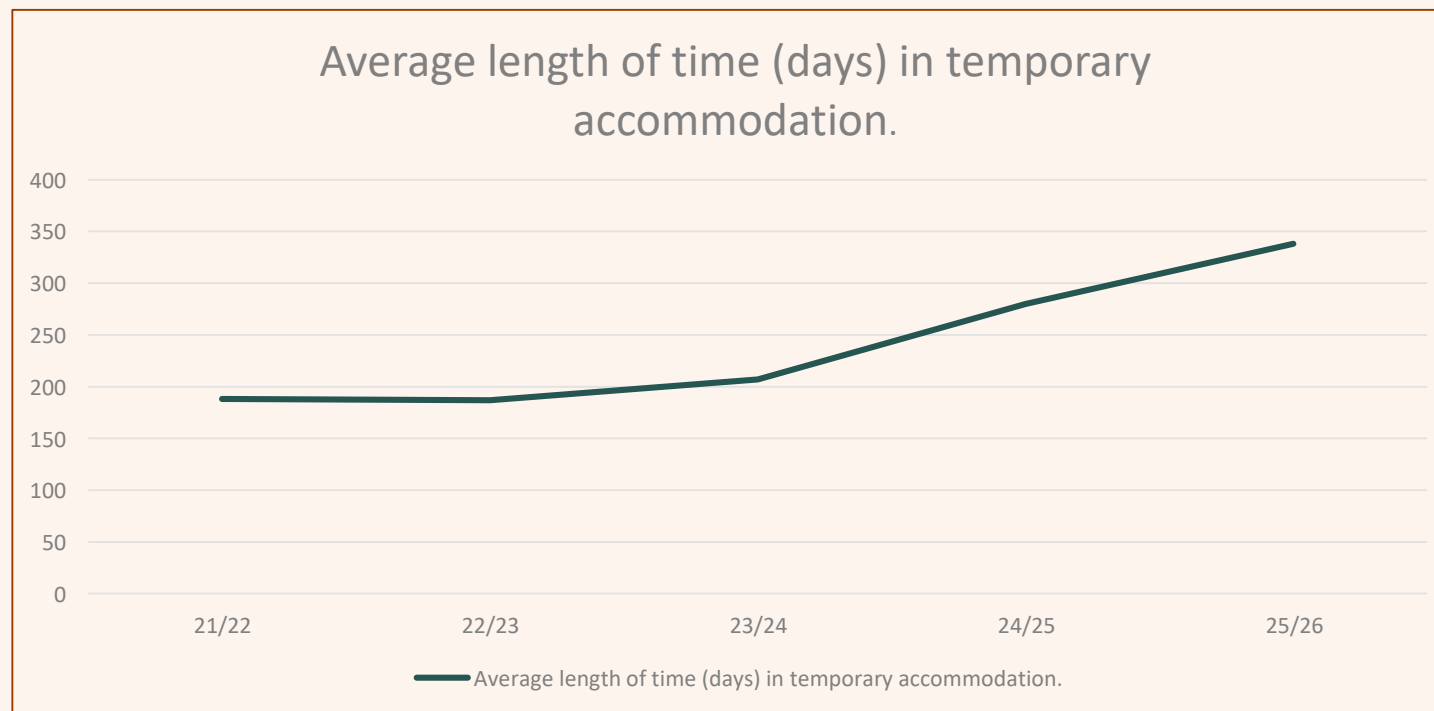


Access and Choice of Housing



Time Spent in Temporary Accommodation

- The average time spent in temporary accommodation has increased by 80% since 2021/22, reflecting growing pressures on housing supply and increasing difficulties in securing permanent accommodation.



Access and Choice of Housing



Current Homelessness Position

- 129 households awaiting permanent accommodation
 - 12 homelessness applications awaiting assessment
 - 92 in temporary accommodation includes B&B and self-catering
 - 12 staying with family or friends / homeless at home
 - 14 awaiting temporary accommodation placements.
-
- **The housing crisis is no longer affecting only those traditionally considered most vulnerable. Rising house prices, limited private rented accommodation and a shortage of affordable homes mean increasing numbers of working households and older people are now seeking assistance through homelessness services.**