


INFORMATION & DISCUSSION

	Sanctuary Scotland Housing Association North East Area Committee		
	29/05/2025	Item 12	No. of appendices: 3
	Tamara Forgie-Watt Housing Manager		
Subject: Lettings Strategy 2025/2026			
Group Corporate Strategy - Strategic Objectives: Customers first <input checked="" type="checkbox"/> Investing in our assets <input type="checkbox"/> Growing our services <input type="checkbox"/>			
Executive Summary To provide the North East Area Committee with the outcome of targets set in the 2024/2025 lettings strategy. North East Area Committee approval is sought for the local letting strategy for the North East of Scotland for 2025/26 Recommendation: The Area Committee is requested to note the contents of this report and to approve the proposed Letting Strategy for Aberdeen and Aberdeenshire for 2025/2026.			
Customer Considerations There are no direct customer or employee considerations.			
Risk Management RM 3 Cost and Income Pressures; the allocation of Sanctuary Scotland houses and flats remains one of the most important aspects of our business. Ensuring that properties are allocated in a fair and transparent manner and in accordance with legislation and guidance is very important. The Lettings Strategy therefore contributes to the management of risks associated with low demand for properties and regulatory compliance.			
Value for Money Providing effective guidance on lettings promotes balanced communities, reduces turnover and minimises void loss which has a positive impact Sanctuary Scotland Housing Association Limited's cash flow and financial position.			

1. Strategic Context

The aim of the letting strategy is to assist in the creation and maintenance of balanced communities. This approach complies with the Scottish Federation of Housing Associations (SFHA) Performance Standards for Registered Social landlords and Section 20(1) of the Housing (Scotland) Act 1987 as amended by the Housing (Scotland) Acts 2001, 2010 and the Housing (Scotland) Act 2014.

2. Analysis/Proposal

This paper proposes the Lettings Strategy for Sanctuary Scotland Housing Association's properties in the Aberdeen and Aberdeenshire area of Scotland for 2025/2026 for general needs housing in accordance with the Lettings Policy.

Sanctuary Scotland Housing Association's Lettings Policy's primary aim is to provide affordable and well managed rented accommodation to those in housing need, and at the same time contribute to providing balanced and sustainable communities. Sanctuary Scotland Housing Association aims to achieve this, using the Lettings Strategy, by pursuing the following objectives:

- Allocating homes to people with high levels of housing need including applicants under-occupying properties, homeless persons and those living in unsatisfactory housing conditions
- Ensuring that access to the allocations process is open at all times to all sections of the community
- Making the best use of available stock and using the allocations process to assist in the creation and maintenance of balanced and sustainable communities
- Establishing comprehensive and clear targets for the allocation of properties

Review of Letting Strategy

During 2024/25 we had a total of 164 general needs or sheltered re-lets (up again from 140 during 2024-25). There were 129 re-lets for general rented housing (up slightly from 123 during 2023/24). There were also 35 sheltered re-lets (up considerably from 17 for 2023/24). No supported tenancies were created. In addition to the relets, there were 123 new first time lets for our new build properties; a further six were leased to the local authority.

Allocations are made by priority first and as such there are no defined targets for housing people in each category below Gold priority. Below is a guide to aim for:

- 50% to gold (including Section 5 referrals) or silver plus passes

- 35% to go to silver passes
- 10% to applicants with Bronze; and
- 5% to those with No Award.

Table below shows the one hundred and twenty-nine general need properties allocated, by priority pass.

Band	Total	% Actual	Comments
Gold	33 (Medical 0; Homeless 30; Section 5, 1; Overcrowding 1; Personal Circumstances 1)	29%	This is below the target of 50%
Silver+	4 (agreed with the Aberdeenshire Council that this category be included in homeless allocation figure)		This pass was introduced to help those who were pending homelessness gain priority above silver but not as high as gold priority.
Silver	41 (37 in 2023-24) (Impending Homeless 2 (City); Lacking Facilities 2; Medical 13; Overcrowding 4; Personal Circumstances 19; Under Occupancy 1)	32%	The highest category in silver passes is for Personal Circumstances closely followed by Medical.
Bronze	38 (32 in 2023-24) (Lacking Facilities 1; Medical 3; Overcrowding 18; Personal Circumstances 13; Under-occupied 3).	29%	
No pass	11 (9 in 2023-24)	9%	
Transfer	2 (6 in 2023-24)	1%	

Table above shows the number of general needs allocations to homeless applicants has decreased to twenty-nine percent. Thirty-two percent of general needs re-lets went to applicants with Silver priority – up from twenty-eight last year. Applicants being housed with bronze priority is twenty-nine. The majority in silver is now personal circumstances, not overcrowding. The majority of bronze award continues to be applicants with an Overcrowding pass closely followed by personal circumstances). Applicants with No Priority pass awarded have remained steady at 9 percent.

Table below shows the thirty-five sheltered properties allocated, by priority pass. Medical remains the highest category, which is expected. However, the bronze passes are now the highest group to be allocated.

Band	Total	% Actual	Comments
Gold	3 (Homeless 1; Medical 2)	8%	
Silver	9 (Medical 6; Personal Circumstances 1; Under Occupancy 2)	26%	This category is usually highest when allocating sheltered housing
Bronze	13 (Personal Circumstances 4; Medical 7; Under-occupancy 2; & Lacking Facilities 0)	37%	
No pass	9 No award	26%	Five of these were in Aberdeenshire.
	1 Management Transfers	3%	

Table below shows the one hundred and twenty-six new build properties allocated, by priority pass.

Band	Total	% Actual	Comments
Gold	63 (Medical 0; Homeless 62; Overcrowding 1; Personal Circumstances 0)	50%	Homeless allocations of 62 achieves a 49% which is just below target of 50%
Silver+	0 (All new builds are in Aberdeen City) (agreed with the Aberdeenshire Council that this category be included in homeless allocation figure)		This pass was introduced to help those who were pending homelessness gain priority above silver but not as high as gold priority.
Silver	25 (Impending Homeless 6; Lacking Facilities 0; Medical 5; Overcrowding 2; Personal Circumstances 10; Under Occupancy 2)	20%	The highest category in silver passes was equal for Personal Circumstances.
Bronze	30 (Lacking Facilities 0; Medical 5; Overcrowding 13; Personal Circumstances 9; Under-occupied 3).	24%	
No pass	5	4%	
Transfer	3	2%	

When considering allocation of new builds it can be seen that there was a high level of gold passes that were housed this year. This is due to the level of one bed room properties that were available. Then there is a slightly higher percentage of lets to bronze award rather than silver. This is the same as last year and is generally due to the demand for flats and the high number that have been built. A further breakdown can be provided if required.

Analysis of Housing Supply and Demand

Housing Stock

In the Northeast (Aberdeen & Aberdeenshire), Sanctuary Scotland Housing Association owns 1,803 houses and flats. Table 4 below details the composition of the Association's stock as of 31 March 2025 and therefore our ability to accommodate demand from the waiting list.

Table below provides Stock Composition by Size

Aberdeen & Shire	2 APT	3 APT	4 APT	5 APT+	Total
General Needs	215 flats 99 cottages	329 flats 318 houses	46 flats 503 houses	71	1581
Sheltered, Disabled	79 flats 124 cottages	16	3	0	222
Supported Tenancies	31 supported bed spaces (plus 14 supported room spaces)				31
Total	517	663	552	71	1834

In order to calculate waiting list pressure Sanctuary Scotland Housing Association must take the number of applicants for our area and divide it by the number of allocations (new build properties and re-lets). However, in the Northeast, participating in the Choice Based Letting Partnership means that simply counting the number of applicants on the waiting list would not provide accurate figures as it is not possible to determine the areas and property types an applicant is considering. Therefore, in order to calculate the number of applicants on the waiting list the number of bids for each property has been used. Please note, that if a property has been advertised more than once this has not been possible to count – this is more relevant to sheltered tenancies.

Of the 206 properties (203 last year) that were advertised and closed on the system, a total of 32,088 bids were received (up slightly from 29,068 during 2023-24). This provides a ratio of 143 applicants / 1 property. Whilst this has dropped from last year, it is higher than the usual ratio of approx. 95 applicants per property. It is believed this is still due to the new builds with some having over 600 applicants bidding, compared with some older stock only receiving around 10 bids. With an average of 143 applicants bidding for every available property, demand far exceeds supply in many areas.

To understand demand further, an analysis of areas has been completed.

- *Sheltered in Aberdeen* – Average demand is 60 applicants per property (down from 73 during 2023-24). Highest demand is for the Bressay Brae

complex with two properties receiving in excess of 100 applicants applying. Garthdee & Park Street average at 48 bids.

- *Sheltered in Aberdeenshire* – Average demand is 12 applicants' property (no change since 2023-24). Flats have been advertised multiple times and nominations have been sought from the council but demand remains low. Fraserburgh has the lowest demand with an average of 8 bids. Mintlaw and Roanheads both have an average of 15 bids
- *General Needs in Aberdeen* – Average demand is up to 221 applicants per property
- *General Needs in Aberdeenshire* – Average demand is considerably lower in Aberdeenshire, with an increase from 58 last year to 79 applicants per property this year

Due to the spread nature of properties in Aberdeenshire and the differences apparent, demand has been considered further by areas. Generally, most areas have seen an increase in the number of bids being received for each property. However, some areas have reduced:

- Aboyne – 2 lets with an average demand of 140 applicants per property.
- Balmedie – 1 x 3 bed house with a demand of 421 applicants
- Banchory – 2 lets with an average demand of 140 applicants per property
- Boddam – 3 lets with an average demand of 91 applicants per property.
- Fraserburgh – 3 lets with an average demand of 14 applicants per property, this is down from 40 in previous years, but the vacancies included 2 one bed flats.
- Kemnay – no vacancies this year.
- Inverurie – 2 lets in older stock had an average demand of 120 applicants per property. Only 38 applicants applied for the one vacancy in Balhalgardy.
- Peterhead and Boddam – 18 lets with an average demand of 71 applicants per property (this changes to an average of 23 applicants for the 8 flats; and 117 applicants for the 7 houses – up by more than 50% from last year).
- Portlethen – no vacancies this year
- Port Elphinstone – five lets with an average demand of 46 applicants per property (demand has decreased from 57 last year).
- Portsoy – nine vacancies led to average demand of 58 applicants per property (these change to 22 applicants for flats; and 85 applicants for houses)
- Rothienorman – one vacancy had a demand of 180 applicants
- Strichen – two vacancies led to average demand of 73 applicants per property

In Aberdeen City demand was higher. However, it varied across the City:

- Lowest demand was for flats in City Centre which attracted just over 40 applicants. Closely followed by flats in Donside and Garthdee which attracted an average of 67 bids.
- Highest demand was for a three-bed house in Persley Den which attracted an average of 611 applicants. With two bed houses attracting

an average of 538 applicants.

As indicated above, demand exceeds supply.

- Demand for one bed properties remains high, with an average of 100 applicants applying for general needs stock. Although, increased with the new build, there remains a limited supply.
- There is a relatively high turnover in 3 apartments (2 bedrooms) properties. Eight-four vacancies resulted in an average of 166 applicants applying.
- The turnover of our larger properties increased this year with 27 vacancies. There were also 20 new build houses. When a larger property is advertised it attracts a high level of interest. Overall these attracted an average of 219 applicants per property. When split, this became 391 in Aberdeen City and 113 in Aberdeenshire.
- It is clear from the figures above that demand in Aberdeen City remains higher than Aberdeenshire.

Criteria to distinguish areas of low demand have been set by the Scottish Housing Regulator to include: a small or non-existent waiting list; tenancy offers for dwellings which are frequently refused and higher than normal rates of tenancy turnover. Sanctuary Scotland Housing Association areas in Aberdeenshire that potentially fall into these categories include housing for older people in Burnside Court, Mintlaw; Caledonia Court, Fraserburgh; and Roanheads, Peterhead. Two-bedroom flats in both the Clerkhill Estate of Peterhead and Garthdee also are classed as low demand. This year additional properties have been classed as in low demand. This includes the two bedroom flats in Port Elphinstone and properties in Portsoy. Sanctuary Scotland Housing Association will consider properties which have been re-advertised several times as low demand when there is no one on the list or few applicants meet the criteria. In order to allocate some low demand stock alternatives have been sourced. This has included providing the properties to the council for refugee households and seeking nominations.

Lettings Strategy 2025/2026

Anticipated Turnover

As of 31 March 2025, Sanctuary Scotland Housing Association owned 1,803 properties throughout Aberdeen and Aberdeenshire.

Based on current trends and future stock, turnover in General Rented and Sheltered Housing it is anticipated to remain at the increased turnover level of approximately 9.1 per cent (8.1% last year). Due to the number of properties available in Aberdeen and Aberdeenshire, it provides a wide choice for applicants to choose from. Therefore, turnover is not expected to decline during 2025-26. In addition, allocation of flats with no garden, specifically older properties, has become more difficult. With the increase in one bedroom properties through the new builds this has also resulted in an increase in voids

already. Therefore, it is anticipated turnover will remain at the higher level of approximately 130 re-let voids. The number of voids has remained at the higher level for four consecutive years and increased this year.

Obligations to Local Councils

Under the terms of the Choice Based Lettings Protocols partners have agreed to contribute to the homeless allocations and agreeing to Section 5 referrals. The Housing (Scotland) Act 2001 and the Homelessness etc. (Scotland) Act 2003 have placed obligations on housing associations to assist the local authority in housing homeless persons and families. The 2014 Act introduced changes with homelessness and given the Scottish Government strategic policy objective of Rapid Rehousing, we will co-operate with Local Authorities. The Housing (Scotland) Bill contains new 'Ask and Act' duties which make preventing homelessness a shared responsibility across the public sector. With these duties, local authorities are requesting more use of Section 5 referrals of statutory homeless households. This is with a view to increase current homeless let figures and achieve the target of fifty percent of allocations going to homeless households. Sanctuary is currently working with local authorities and other landlords to find a suitable way forward for all.

Partnership shared protocol with the Council covers re-let properties and new build. It allows that 'all homeless Gold priority pass applicants who successfully bid for a property will be recorded as Section 5 homeless'. With the addition of a new Silver Plus pass for applicants who are Impending Homeless it has been agreed that they will be considered towards our Homeless target for Aberdeenshire. The target is to allocate at least 50 per cent of allocations to those registered as statutorily homeless. Due to stock profile the local authorities have agreed this will be broken down by property size as homeless priority is for one-bedroom properties. During 2024-25 thirty percent of homeless applicants were successful for one bed properties; twenty-six percent for two beds and twenty-six percent for three bed properties or larger.

Accommodation for refugees - The Board of Management has agreed to the provision of accommodation of housing for refugees where local authorities request this. In Aberdeen six properties were provided in the 2024/25. We will continue work with local authorities to identify the demand for accommodation from refugees aiding where required, either through direct lets or by leasing accommodation to the local authority. Further details will be provided to the relevant governing bodies throughout the year.

The protocol requires that our CBL office provide local authorities with copies of void property publications within 24 hours of the publication being printed, ensuring that a wide range of applicants can be informed about the vacancies.

Following the move on 1 July 2023 from sheltered properties to retirement living (properties with an emergency alarm system) allocations have been more difficult. Allocations are currently prioritised to those over 55 with a need for community alarm. The three schemes affected are in Mintlaw, Peterhead

and Fraserburgh. Whilst there have been some properties that have been difficult to let, some have let easily, this is usually the case if there has been a lot of vacancies on a scheme in a short period of time.

One hundred and thirty new properties were received during 2024-25. A close relationship with Aberdeen City Council was established for the new builds and receiving nominations. No new builds are expected during 2025-26. However, staff will continue to engage with the local authorities to ensure the relationship remains in place.

Taking into account the information contained in this report and the issues outlined above, the proposed Letting Strategy for 2025/2026, is to continue with the use of CBL to allocate existing properties. Ensuring that those with the highest need are housed and the properties allocated on best use. Following the Housing (Scotland) Bill more Section 5's have been presented by the Local Authority. In addition, requests for nominations from the local authority will be sought for low demand properties.

If there are exceptional circumstances, occasionally a property may be allocated out with the CBL system. Approval will be required from the Head of Housing. There has been an increase during 2024-25. This will be closely monitored during 2025-26.

Where a property is adapted for special needs, or waiting lists have been exhausted, then a referral will be sought from the council or another agency specific to the needs of the property.

3. Conclusion / Recommendation

The Area Committee is requested to note the contents of this report and to approve the proposed Letting Strategy for Aberdeen and Aberdeenshire for 2025/2026.