

INFORMATION/DISCUSSION

	Sanctuary Scotland Housing Association North East Area Committee		
	14/05/2025	Item 11a	No. of appendices: 2
	Housing Manager		
Subject: Lettings Strategy 2026/2027			
Group Corporate Strategy - Strategic Objectives: Customer Centred services ☒ Homes fit for the future ☐ Sustainable growth and development ☐ High performing teams ☒			
Executive Summary To provide the North East Area Committee with the outcome of targets set in the 2025/2026 lettings strategy. North East Area Committee approval is sought for the local letting strategy for the North East of Scotland for 2026/27 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 2026/2027.			
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 2026/2027 for general needs and retirement 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 2025/26 we had a total of 177 general needs or sheltered/retirement living re-lets (up again from 164 last year. Which is four years running). There were 153 re-lets for general rented housing (up from 129 during 2024/25). There were also 24 sheltered re-lets (down from 35 for 2024/25). There were no new lets this year. However, there were 6 supported tenancies let.

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 fifty-three general need properties allocated, by priority pass.

Band	Total (153 voids)	% Actual	Comments
Gold	35 (Medical 1; Homeless 28; Section 5, 5; Overcrowding 1)	24%	This is below the target of 50%. (29% 2024-25)
Silver+	2 (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	44 (41 in 2024-25) (Impending Homeless 3 (City); Medical 13; Overcrowding 3; Personal Circumstances 24; Under Occupancy 1)	29%	The highest category in silver passes is for Personal Circumstances followed by Medical. (32% 2024-25)
Bronze	40 (38 in 2024-25) (Lacking Facilities 1; Medical 8; Overcrowding 14; Personal Circumstances 12; Under-occupied 5).	26%	
No pass	28 (11 in 2024-25)	18%	Percentage doubled from 2024- 25
Transfer	4 (2 in 2024-25)	3%	

Table above shows the number of general needs allocations to homeless applicants has decreased to twenty-four percent. Twenty-nine percent of general needs re-lets went to applicants with silver priority. Twenty-six percent of applicants housed had bronze priority.

The majority of those housed with silver priority were in the personal circumstances category. 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 twenty-four sheltered/retirement living properties allocated, by priority pass. Of those housed, the highest priority group is those with Silver pass (59%). The highest category of award covers two pass types. Whilst Medical remains high (1 gold and 7 silver passes), which is expected,

there were 8 properties allocated where the applicant had no priority awarded.

Band	Total (24 voids)	% Actual	Comments
Gold	1 (Medical 1)	4%	
Silver	14 (Medical 7; Personal Circumstances 6; Under Occupancy 1)	59%	This category is usually highest when allocating sheltered housing
Bronze	1 (Under-occupancy 1)	4%	
No pass	8 No award (2 of which were Transfers)	33%	Five of these were in Aberdeenshire. (26% 2025-26)
	0 Management Transfers	0%	

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 2026 and therefore our ability to accommodate demand from the waiting list.

Table below provides Stock Composition by Size

<u>Aberdeen & Shire</u>	2 APT	3 APT	4 APT	5 APT+	Total
General Needs	215 flats 99 cottages	329 flats 318 houses	46 flats 504 houses	71	1582
Sheltered, Disabled	79 flats 124 cottages	16	2	0	221
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 properties 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/retirement living tenancies.

Of the 154 properties that were advertised and closed on the system, a total of 15,365 bids were received (half the level during 2024-25 at 32,088). This provides a ratio of 100 applicants / 1 property. This is back to the average level of bidding, after a spike of 143 last year, when advertising the new build properties. With an average of 100 applicants applying for every available property, demand far exceeds supply in many areas.

Generally, most areas have remained fairly static for the number of bids being received for each property. In Aberdeen there has been an increase in demand for larger properties. However, demand for properties in Peterhead and Portsoy have reduced. (See appendix I for further detail.)

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 2026, 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 8.5 per cent. Due to the number of properties available across Aberdeen and Aberdeenshire, it provides a wide choice for applicants to choose from. The number of voids has remained at the higher level for five consecutive years. Therefore, turnover is not expected to decline during 2026-27. Allocation of flats, specifically older properties, has become more difficult.

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 and difficulty in achieving the target the local authorities have agreed this will be broken down by property size to provide a deeper understanding. During 2025-26 forty-eight percent of homeless applicants were successful for one bed properties; thirty-five percent for two beds and seventeen percent for three bed properties or larger. The shared 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. Staff continue to work in partnership with the local authorities to ensure a relationship remains in place and consider new ways to improve levels of homeless allocations.

Accommodation for refugees – the Board of Management 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. These have been successful. 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.

Properties classed as retirement living (properties with an emergency alarm system) have been more difficult. Allocations are currently prioritised to those over 55 with a need for community alarm. During 2025-26 some applicants were considered under this age. However, they chose not to proceed with the allocation. 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.

Taking into account the information contained in this report and the issues

outlined above, the proposed Letting Strategy for 2026/2027, 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 and our partnership working more Section 5's have been presented by the Local Authority. In addition, requests for nominations from the local authority will continue to 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.

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 2026/2027.

Lettings Analysis – Aberdeen and Aberdeenshire

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

- **Sheltered in Aberdeen** – Average demand is 73 applicants per property. Most properties advertised were of a cottage style. The only 2 flats advertised, received an average of 43 applicants applying. Different schemes attracted different levels of applicants applying:
 - *Bressay Brae* received an average of 78 bids.
 - *Garthdee* properties received an average of 43 applicants applying
 - *Park Street complex* had the highest demand with one house receiving 117 applicants applying.
- **Sheltered in Aberdeenshire** the average demand was 14 applicants' per property (no change over the last 4 years). Flats have been advertised multiple times and nominations have been sought from the local authority but demand remains low.
 - *Fraserburgh* has the lowest demand with an average of 10 applicants applying.
 - *Mintlaw* has an average of 13 applicants, and
 - *Roanheads* is slightly higher with an average of 17.
- **General Needs in Aberdeen** have an average demand of 141. This is considerably lower than the 212 applicants applying for each property last year.
- **General Needs in Aberdeenshire** have seen a decrease in average demand from 79 last year to 61 applicants per property.

Local Authority:

Demand in **Aberdeen City** is varied across the City:

- Flats received an average of 92 applicants applying. Lowest demand was for flats in City Centre which attracted just over 46 applicants.
 - *Garthdee* received an average of 70
 - *Donside* received an average of 81.
 The highest demand was for the recent new builds:
 - *North Anderson Drive* received an average of 102 applicants applying
 - *Persley Den* received an average of 118.
- Houses received an average of 290 applicants applying. Highest demand was in *Garthdee* with a two-bed house attracting 630 applicants. A three-bed house attracting 473 applicants.

Properties in **Aberdeenshire** cover a wide geographical spread. Therefore, demand has been considered by areas:

- *Aboyne* – 1 let with a demand of 206 applicants
- *Balmedie* – 1 let with a demand of 266 applicants
- *Boddam* – 1 let with a demand of 75 applicants

- Fraserburgh – 8 lets with an average demand of 65 applicants per property, this is higher than previous years. However, all properties advertised were houses.
- Peterhead – 31 lets with demand of 42 applicants per property; almost half compared with last year's average of 71. This changes to an average of 26 applicants for the 19 flats; and 67 applicants for the 12 houses – down by nearly half last years average of 117).
- Port Elphinstone – 6 lets with an average demand of 103 applicants per property. An average of 55 applicants per flat and 344 for the houses.
- Portlethen – 3 lets with demand of 170 applicants per property. This changes to an average of 90 applicants for the 2 flats; and 330 applicants for the house.
- Portsoy – 6 vacancies led to average demand of 33 applicants per property; almost half compared with last year's average of 58. The averages change to 22 applicants per flat (same as previous years). However, the level of applicants applying for houses has dropped significantly from 85 to 42
- Rothienorman – 2 vacancies had a demand of 198 applicants

Property size:

- Demand for general needs **1 bed** properties remains much higher.
 - Aberdeen City had an average of 102 applicants applying.
 - Aberdeenshire had an average of 19 applicants applying.
- There is a relatively high turnover in **2 bed** properties. Seventy-eight vacancies resulted in an average of 96 applicants applying, down from last years average of 166 applicants.
 - Aberdeen City had an average of 146 applicants.
 - Aberdeenshire had an average of 57 applicants.
- The turnover of our larger properties (**3 and 4 bedroom**) decreased this year from 27 to 14 vacancies. When a larger property is advertised it attracts a high level of interest. The fourteen vacancies attracted an average of 228 applicants per property, up from last year.
 - Aberdeen City had an average of 439 applicants.
 - Aberdeenshire had an average of 144 applicants.

In all cases, demand is higher than supply.