



**SALE AND REFURBISHMENT OF VACANT PROPERTIES IN WINFIELD WAY,
BALIVANICH.**

Report by Chief Officer, Economic and Community Regeneration

PURPOSE

- 1.1 The purpose of the report is to seek approval to investigate proposals to reinstate a number of vacant properties in Winfield Way, Balivanich back into domestic use.

EXECUTIVE SUMMARY

- 2.1 The Winfield Way Housing Plan proposes to redevelop five vacant properties in Benbecula, which are in the ownership of Comhairle nan Eilean Siar (the Comhairle) and return them to domestic use. The intention is for the Comhairle to redevelop the properties and make essential housing available in Uist, supporting the aims of the Comhairle, partners and the Uist Repopulation Zone Action Plan to retain and attract people to live, work and study in Uist.
- 2.2 Two options have been identified to allow finance to be raised and the required refurbishments to be undertaken. The first is to borrow finance from the Comhairle against the properties to bring them up to an acceptable standard and provide much-needed rental accommodation in Uist. The rental income would then be used to repay the borrowing. The second is to sell two of the units, possibly following some initial development investment (and with appropriate restrictions in place), to provide funds to redevelop a further three units for rent.
- 2.3 Based on initial exploratory work and consultation, option one - using borrowing to fund the refurbishment of all five properties - is proposed for further development. It is believed this would allow the properties to be reinstated into domestic use relatively quickly, and that retention of the assets for rental purposes would be most appropriate for the current gaps within the local housing market. There is currently a high demand for rental housing in Uist and therefore insufficient interest in these properties is not foreseen. Potential grant funding avenues have been, and will continue to be, explored.
- 2.4 In order to ensure the proposals meet policy aims and objectives, it is assumed that specific criteria would be placed on any sale or rental of the properties. Specifically, it is envisaged that the criteria would reflect the need for worker accommodation and / or support the 'Trial the Isles' programme, which seeks to attract economically active people to Uist.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle:**
 - (a) **agree to the further development of proposals to allow five vacant properties in Winfield Way, Balivanich, to be returned to domestic use; and**
 - (b) **note that a further report will be brought to Members seeking approval of the final proposals.**

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Background Papers: [Uist Repopulation Zone Update Report to SD Committee - 23 April 2023](#)

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	Finance will be required to develop the properties. It is recognised that the financial model will need to provide assurance that income generated will be sufficient to repay any borrowing and cover any recurring costs.
Legal	Officers will continue to liaise with the Head of Law and Governance to ensure any legal requirements are identified and addressed.
Staffing	The plan will require input from staff from across the Comhairle.
Assets and Property	Existing Comhairle assets in Winfield Way, Balivanich would be renovated and transferred from business to domestic use.
Strategic Implications	Implications/None
Risk	Reputational risk for the Comhairle should the properties remain vacant, be sold in their current state, or returned to business use, due to community demand to see the properties being put back into full time housing.
Equalities/Child Rights	The final proposals will be assessed in terms of potential equalities issues.
Corporate Strategy	Proposals would contribute to all four strategic priorities within the Corporate Strategy 2022-27.
Environmental Impact	Little in comparison to building new units.
Consultation	The Uist Repopulation Action Zone community consultation, conducted in March 2023, identified housing as the key priority and critical area. Potential interventions suggested within the final report included key worker accommodation and an Empty Home repurposing pilot.

BACKGROUND

- 5.1 Uist is recognised as an area suffering critical depopulation. As a social and economically fragile community facing issues with childcare, transport, staffing shortages, skills gaps, housing and more, it is becoming increasingly difficult to retain young people and to attract people to return / relocate to Uist.
- 5.2 Limited housing supply is understood to be the biggest fundamental challenge for people and families wanting to remain in or relocate to Uist. The extremely limited housing opportunities make it difficult, particularly for young people, to find suitable accommodation to meet their needs within their own community. A highly competitive market means it is challenging to get on to the housing ladder, the social housing provided is oversubscribed with large waiting lists, and the Private Rented Sector is also extremely limited.
- 5.3 Through the Settlement Officer work, we continually see a trend of economically active people, often with a family, with a job offer to allow them to relocate to or remain in Uist, however the inability to source suitable accommodation sees them forced to decline the job and relocate elsewhere.
- 5.4 Businesses across Uist are currently unable to adequately fill positions within their organisation and there continues to be staffing shortages across the Public, Private and Third sector due to lack of accommodation for workers and the ongoing population decline.
- 5.5 With only 6% of houses in the Outer Hebrides available for private rent, and 48 applicants currently on the HHP wait list for Benbecula alone, rental housing is a particular area that needs investment.

- 5.6 The Comhairle has five assets in Uist's main settlement of Balivanich, which sit within a housing scheme and were recently used as business lets — No's 23, 27, 41, 44 and 45 Winfield Way, Balivanich. With the businesses now vacated from the units the Comhairle have an opportunity to turn these back to homes within the popular township. This would provide a relatively low-cost response to issues having a significant impact on the local community.
- 5.7 At the time of writing, there is currently no business demand to occupy all the units for business let, and in addition to this HIE are progressing with phase two of Eabhal business park which will provide six businesses units within the area. There are also other various dedicated business premises currently available for use. The community has repeatedly stressed that they would prefer the units to be reinstated to domestic use and not accommodate businesses. Most of the properties have now been empty and unused for more than a year and therefore there is a need, and will, from the community and partners, that these be reinstated into housing stock promptly as there is a demand.
- 5.8 In addition to addressing known demand for rented accommodation in the Uists, these proposals could also support the Trial the Isles initiative, part of the Uist Repopulation Zone Action Plan to retain and attract people back to Uist. This initiative is still being developed and would aim to provide temporary rented accommodation to those who wish to relocate to Uist with a job offer (e.g. 12 months set period) allowing them time to get settled into the community and find a more permanent home.

DEVELOPMENT OPTIONS

- 6.1 There are a number of options available to finance the refurbishment of the properties. Extensive discussions have been undertaken both internally with colleagues from various departments and external partners to inform these.
- 6.2 The following are the two proposed options:

OPTION ONE:

- Retain the five properties within the Comhairle and borrow against the value of the houses to raise the finance to undertake the developments/refurbishments to bring them up to market and legal rental requirements. A proportion of the rental income would then be used to repay the loan.
- All five houses could then be used for Trial the Isles / worker accommodation, or a proportion could be leased to local businesses to sub-let the property to their own employees who are based in Uist full time.
- This would result in the Comhairle retaining all assets and potentially sub-letting to a third party, or direct to individuals depending on regulatory requirements.

OPTION TWO:

- This would deliver two new low-cost home ownership properties, three rental accommodations, and opportunities for further development. This would be conducted in three stages.

Stage one:

- Either sell two Winfield Way properties in their current state or borrow finance to bring them up to an adequate standard to put to market.
- Officers, with assistance from legal services, will investigate the most effective method to ensure that any houses sold are used only for permanent residence. This is to avoid them being purchased to be used as either second homes, or self-catering visitor accommodation.

Stage two:

- Following the sale of the properties, the profits raised would be invested in the renovation of the further three properties, or if finance was secured to redevelop these then a proportion could be used to repay any borrowing.
- The three remaining properties would then be available for both the proposed Trial the Isles initiative and medium-term worker accommodation.

- 6.3 In order to ensure the proposals meet policy aims and objectives, it is assumed that specific criteria would be placed on any sale or rental of the properties.
- 6.4 If the second option was progressed, a policy exemption would be sought in relation to the Comhairle's Procedural Guide to Surplus Property/Land Disposals to allow any profit made from the proposals to be ring-fenced and used to fund redevelopment of empty homes in Uist.

FINANCIAL ASPECTS

- 7.1 It is estimated that each unit would require the following investment:
- £60-65k for bathrooms, electrics, external insulations, and heating.
 - £4k for legal fees.
- 7.2 The Comhairle's Technical Services section will be instructed to survey to undertake a valuation of each property and ascertain the refurbishment costs. Consequently, the actual amount of borrowing required will be confirmed once this work is completed.
- 7.3 Option one proposes that the required capital is borrowed against the value of the properties to allow the essential works to be undertaken to get the houses fit for purpose. Discussions have begun with relevant departments to ascertain the feasibility of this option. This would ensure that all five assets remain on the Comhairle's Economic Development assets portfolio. It would also ensure that the houses are being used for the intended purpose of repopulating the area and directly address the need for rental accommodation.
- 7.4 Option two proposes the sale of two properties, which could generate approximately £190,000 to develop the additional three units to make them available for the rental market. There is also the option to undertake remedial works on the two properties prior to sale with the intention that this benefits the first-time buyers as the properties would be in 'move-in' condition.
- 7.5 The monthly rent payment for the properties would be equivalent to the corresponding Hebridean Housing Partnership rent for a similar sized property, thus ensuring affordability. This would generate an estimated profit of £4k per annum, per property, with a proportion being used to repay any borrowing.
- 7.6 The intention would be for any profit, either from house sales or rental income, to be ring-fenced to create a revolving fund to invest in other housing or depopulation initiatives in Uist. This would in effect create on-going investment into housing and repopulation in Uist. Opportunities would be identified through working alongside the Empty Homes Officer, the estate landlords and various housing groups and in consultation with the local community.

BENEFITS SUMMARY

- 8.1 There are a range of critical benefits to be gained from this plan. These can be summarised as follows:
- It brings five homes into the market for relatively low investment, providing either affordable rental accommodation or home ownership opportunities to families.
 - It kickstarts the Trial the Isles Initiative
 - It provides worker accommodation which could help to fill critical areas of skill shortages.

- Adoption of criteria requirements would allow targeting of provision to meet depopulation policy objectives.
- The plan increases the housing supply in the area.
- Contributes towards population retention in the area.
- Provides accommodation to attract new talent into the area, further addressing depopulation.
- Has a reduced environmental impact compared to new builds.
- Contributes towards local and national housing targets.
- It would be financially progressive as it would create an on-going revolving Housing fund for repopulation and Uist.

CONCLUSION

- 9.1 The Winfield Way Housing Plan would bring five vacant properties back into full time residential use, in a central and desired location, supporting the aims of the Comhairle, partners and the Uist Repopulation Zone Action Plan to retain and attract people to live, work and study in Uist.
- 9.2 Progressing the preferred option will allow retention of all the units, providing essential rental housing in the Uists, and the opportunity for people to 'Trial the Isles'.
- 9.3 Officers will continue to consult with colleagues across the Comhairle and external partners including Rural Housing Scotland, Tighean Innse Gall and the Scottish Government's More Homes Division, in the development of the proposals and to identify any additional match funding that may be available. The local community will also be consulted to ensure the next step is both in line with community needs and is well received
- 9.4 Assuming that any legal, financial and operational matters can be satisfactorily addressed, a final proposal will be presented to the Comhairle for approval.