

# Finalised Housing Land Audit 2023



Scottish Borders Council  
April 2025

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## Introduction

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### **Purpose of Audit**

Scottish Borders Council (SBC) undertakes an annual Housing Land Audit (HLA), to identify and monitor the established and effective housing land supply. The HLA has been produced using Planning Advice Note (PAN) 2/2010: Affordable Housing and Housing Land Audits, which sets out guidance for carrying out HLA's. The annual base date for the Scottish Borders HLA is 31<sup>st</sup> March.

The two key functions of the HLA are:

1. To demonstrate the availability of sufficient effective land to meet the requirement for a continuous five year supply; and
2. To provide a snapshot of the amount of land available for the construction of housing at any particular time.

This information is vital for the preparation of the Local Development Plan and the audit process enables adjustments to the supply to be made in response to issues identified.

PAN 2/2010 states that an HLA should contain relevant information about the established and effective housing land supply, allowing for monitoring and comparison with the housing land requirement. The starting point each year will be the inclusion of:

- All land with planning permission for residential development, including the remaining capacity of sites under construction;
- Land allocated for residential development (including the residential component of any mixed-use or re-development sites) in the adopted Local Development Plan (LDP), which includes the Housing Supplementary Guidance (SG) sites; and
- Other land with agreed residential potential.

The Scottish Government issued new HLA Guidance in January 2025 which replaces the HLA section of Planning Advice Note (PAN) 2/2010. This new guidance is to encourage a consistent approach to the methodology and presentation of audits across each of the local authority areas. Due to the timing of publication, the guidance has not been used for this audit however the new methodology and template will be implemented from the next HLA onwards.

## Policy Context

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### **Development Plan**

National Planning Framework 4 (NPF4), the national planning framework for Scotland, was adopted on 13<sup>th</sup> February 2023. NPF4 sets a Minimum All-Tenure Housing Land Requirement (MATHLR) for all local authorities. This figure represents the minimum number of houses to be provided within new Local Development Plans. It is to be considered as the starting point towards identifying the land for housing that will be needed in the future, and which Local Development Plan allocations will require to meet. The Scottish Borders 10 year MATHLR contained within NPF4 is 4,800 units. Further details of the MATHLR is included within Annex E of the adopted NPF4.

### **Local Development Plan**

The relevant Local Development Plan (LDP) for the base date of this audit was the Scottish Borders LDP 2016. However, the next LDP was adopted on 22nd August 2024 which takes into account the recommendations of the Reporters report following the Examination and supersedes the adopted LDP 2016. It should be noted that all new housing allocations and allocations with a housing element included within the adopted LDP 2024 will be included within the HLA 2025.

## Housing Land Audit Process

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### Land Supply Definitions

The Scottish Borders HLA sets out the established housing land supply, which includes; sites with planning consent, sites under construction and sites included within the LDP (including the residential element of any re-development or mixed-use allocation), which are not yet developed.

The **established housing land supply** comprises the effective land supply (Years 1-5), potentially effective land supply (Years 6-7), post year 7 land supply and the constrained land supply.

The **effective housing land supply** is the part of the established housing land supply, which is available to be developed within the next five years.

Details of definitions used in the audit are included in Annex A. Appendix 1 contains a schedule for each housing site with five units or more. Smaller sites are not detailed individually but are included as an aggregate figure only in Appendix 3.

### Preparation of the Audit

The Council collates data from existing records and databases held by the Council. The HLA is updated annually and the base date runs from the 1<sup>st</sup> April to the 31<sup>st</sup> March. The preparation of the audit includes, monitoring the housing completions from the previous year, new consents granted up to 31<sup>st</sup> March of the current year and any new LDP allocations, if applicable. Site specific information is collected annually through site visits and desktop investigation, which is then evaluated and used to programme the established land supply.

The likely demand is illustrated by the performance of the development industry over the previous five year period. As outlined above, this is measured by actual completions and is the most appropriate measure of market performance. Therefore, there is a clear distinction between providing land to meet the theoretical requirement, and ensuring the presence of a five year effective supply to meet prospective market demand.

Appendix 2 of the adopted LDP (2016) outlines the approach used by the Council to undertake the audit. The Council's adopted LDP (2016) was subject to Examination and the Reporter agreed with the Council's methodology in determining housing land supply and consequently made no changes to section B of Appendix 2, in respect of the HLA methodology. The approach used by the Council to undertake the audit is in accordance with PAN 2/2010, which states under the marketability criteria, that the test to identify if a site is effective is whether 'the site, or relevant part of it, can be developed in the period under consideration'. Therefore, the Council considers a site to be effective if there is a reasonable prospect that it could be developed within the five year period.

## Housing Land Audit Process

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### Stakeholder Involvement

The audit methodology is constantly being updated and improved to ensure the programming is as accurate as possible. A number of developers and land owners with an interest in sites included within the audit have been contacted to obtain their input into the programming process and to identify any relevant constraints. Where this information has been received, it has been incorporated into the audit report.

The draft audit is subject to consultation with Homes for Scotland, Scottish Water, Scottish Environmental Protection Agency, local Housing Associations and any relevant internal consultees from Scottish Borders Council. Stakeholders are encouraged to submit comments before the document is finalised.

Only one response was received during the consultation period. This response was from Homes for Scotland (HfS) who formally disputed the audit stating;

*‘Sites without planning consent should not be programmed in the Housing Land Audit - all units should be constrained. This is also the case for sites without a recognised developer attached. All sites currently programmed within the "effective supply" that do not have a valid, extant, implementable consent (and that do not have a recognised developer attached) are hereby formally disputed by Homes for Scotland’.*

### Presentation of the Audit

Stakeholders are encouraged to provide an input into the process, once finalised the audit will be published on the Council’s website together an online maps showing which sites contribute to the housing land supply.

## Housing Land Audit Process

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The HLA consists of a number of documents, which are outlined below;

- Appendix 1: Main Report (all large sites included in the audit, including site information and programming)
- Appendix 2: Affordable Housing Contributions
- Appendix 3: Small Sites
- Appendix 4: Sites with completions in 2022/2023
- Appendix 5: Site Maps

The information in the audit is presented for the four housing market areas in the Scottish Borders, shown below in Figure 1. Sites out with the settlements in the LDP are classified as being

**Figure 1: Scottish Borders Housing Market Areas**



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## Established Housing Land Supply

### Trends in Established Housing Land Supply

As outlined previously, the established land supply comprises the effective land supply (Years 1-5), potentially effective land supply (Years 6-7), post year 7 land supply and the constrained land supply. Table 1 contains a summary of the established land supply for this audit period, while Table 2 contains a summary broken down by HMA. Table 3 shows the overall established land supply for the past five years (2018/19-2022/23).

**Table 1: Established housing land supply (2022/23)**

Established Land Supply (2022-23)	Effective (Years 1-5)	Potentially Effective (Years 6-7)	Post Year 7	Constrained
8,225	2,653	2,095	1,996	1,481

**Table 2: Established housing land supply by HMA for (2022/23)**

Housing Market Area (HMA)	Berwickshire	Central	Northern	Southern
Established Land Supply (2022-23)	1,763	5,263	1,105	94

**Table 3: Established housing land supply annually (2018/19 to 2022/23)**

Audit Period	2018/19	2019/20	2020/21	2021/22	2022/23
Established Land Supply	9,176*	8,983*	8,715	8,316	8,225

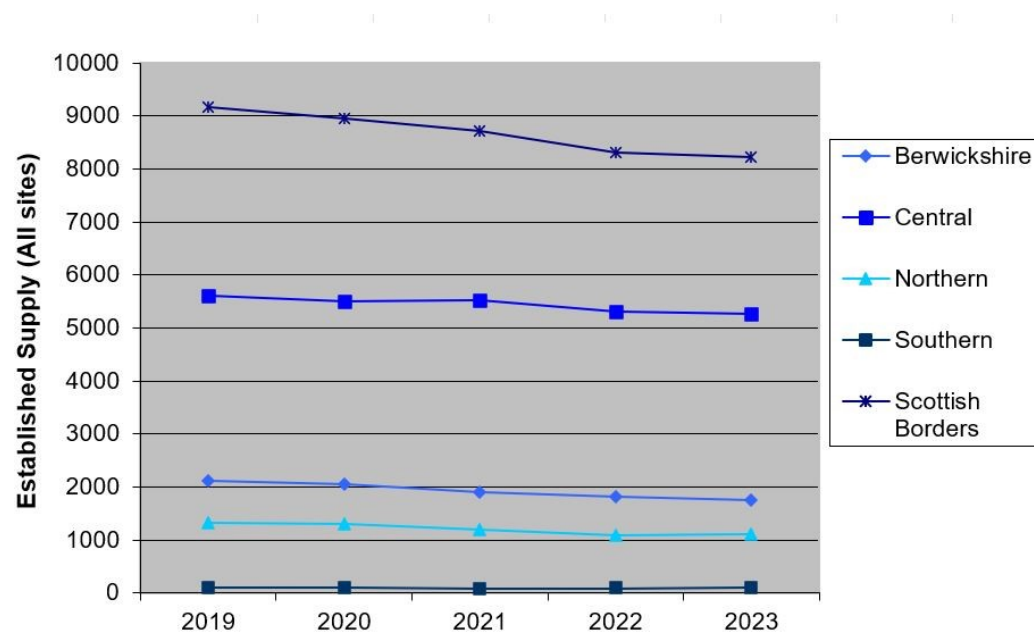
\* Note: any minor discrepancies relating to these figures is due to approval/completion corrections in the HLA database.

## Established Housing Land Supply

Over the past five years, the established land supply in the Scottish Borders peaked at 9,176 in the 2019 audit. The HLA 2023 established land supply has decreased by 97 units since the previous audit.

The trend in established land supply for (2019 to 2023) by Housing Market Area (HMA) is shown below in Figure 2. Figure 2 shows that the overall total established land supply fluctuated between 9,176 and 8,225 units between the 2019 and 2023 audits. However, there still remains a healthy land supply within each of the HMAs.

**Figure 2: Established Housing Land Supply (annually by HMA) (2019-2023)**



## Established Housing Land Supply

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### Greenfield and Brownfield Land

The total established land supply on brownfield sites is 1,578 units and 5,974 units on greenfield sites, this only includes sites with a site capacity of five units and over. 79% of the established land supply on large sites is on greenfield land and 21% is on brownfield land. This can be explained by the rural character of the Scottish Borders and the relatively tight boundaries of the settlements. Table 4 shows the split of established land supply on large sites by HMA. It should be noted that the classification of greenfield/brownfield is only recorded for large sites.

**Table 4: Greenfield and Brownfield Land by HMA (large sites over 5 units) (2022/23)**

Housing Market Area	Greenfield	Brownfield
Berwickshire	78%	22%
Central	82%	18%
Northern	67%	33%
Southern	79%	21%

### Affordable Housing

The Council records details on all planning approvals, which make contributions towards affordable housing through commuted payments, on-site or off-site provision. This data is included in the audit on a site by site basis and details the type of contribution received (Appendix 2).

## Effective Housing Land Supply

### Trends in Effective Housing Land Supply

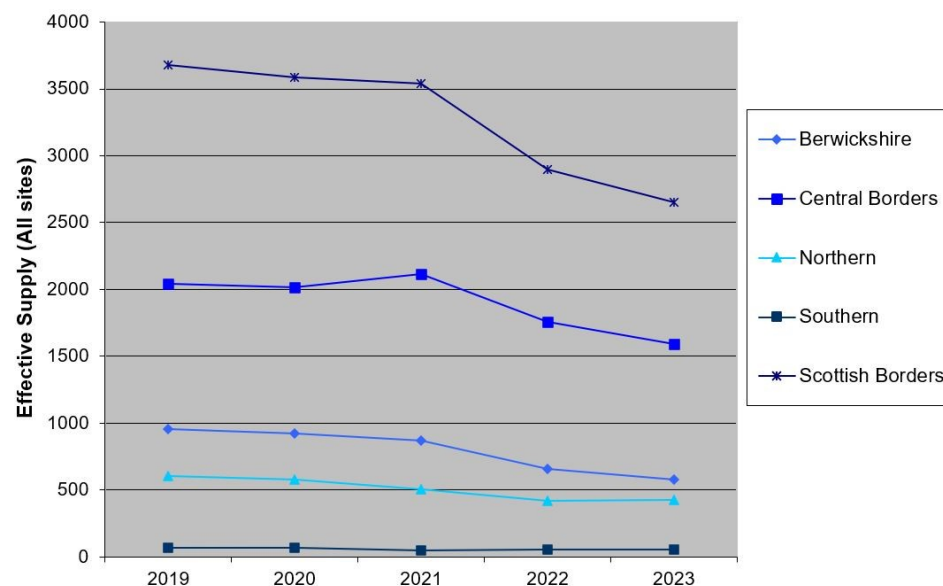
As outlined previously, the effective land supply is the part of the established land supply, which is free of constraints and able to be developed within the next five years. Programming of the effective land supply helps to identify if there is sufficient supply of effective land within the Scottish Borders for the next five year period. Table 5 contains a summary of the effective housing land supply for the previous five audits, while Figure 3 contains a summary of the current effective housing land supply by HMA. Over the past five years, the effective land supply has peaked at 3,679 units as part of the 2018/19 HLA.

Programming of the audit continues to be an increasingly difficult process, due to the market uncertainty, increased economic pressures and the difficulty for developers and potential buyers to obtain finance.

**Table 5: Effective housing land supply annually (2018/19 to 2022/23)**

Audit Period	2018/19	2019/20	2020/21	2021/22	2022/23
Effective Land Supply	3,679	3,585	3,538	2,895	2,653

**Figure 3: Effective housing land supply (2019 to 2023)**



## Effective Housing Land Supply

### Monitoring the housing land supply

To assess the availability of the five year housing land supply the Council measures likely demand. This is illustrated by the performance of the development industry over the previous five year period, using historical completions data for this purpose. This provides a clear distinction between providing land to meet the theoretical requirement and ensuring the presence of a five year effective land supply to meet prospective market demand. The rate of completions over the past five years is used as a measure of demand, as to the presence of an effective five year housing land supply within each of the HMA's. This approach is consistent with Appendix 2 of the adopted LDP (2016). It is the Council's view that completions are a good indicator of demand and the Council provides a flexible approach for and requirement. As housing demand is at a low level, this directly impacts upon the identification of the effective housing land supply from the total established land supply and there is a need to place the housing requirement into context.

Table 6 measures the five year effective land supply of the Scottish Borders using this approach. This demonstrates that there is a five year effective housing land supply, within all HMA's and an overall nine year supply for the Scottish Borders. It should be noted that there is nothing preventing development of the effective sites, other than a lack of market demand within the Scottish Borders. As part of the adopted LDP Examination, the Reporter agreed with the Council's methodology in determining the housing land supply and consequently made no changes to Section B of Appendix 2, in respect of HLA methodology. Therefore, the Council has continued to use this approach in monitoring the housing land supply within the HLA.

**Table 6: Completions compared to five year effective land supply**

Housing Market Area	Completions (2018/19-2022/23)	Effective Land Supply (2022/23)	Number of Years Supply
Berwickshire	418	581	7
Central	889	1,590	9
Northern	336	429	6
Southern	11	53	24
Scottish Borders	1,654	2,653	9

## Potentially Effective Housing Land Supply

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### Potentially Effective Supply

The potentially effective land supply includes sites or parts of sites that are free from constraints but are not programmed to be developed within the next five years. It also includes the 20% of small sites that are not seen as effective. Sites with units programmed in year 6 and 7 are mainly due to marketability issues and phasing of developments. The potentially effective supply and post year 7 supply is detailed in the main report and summarised below in Table 7.

**Table 7: Potentially Effective and Post Year 7 Land Supply (Large Sites) (2022/23)**

Housing Market Area	Years 6 and 7 (2028/29 to 2029/30)	Post Year 7 (Post year 2029/30)
Berwickshire	454	435
Central	1,339	1,146
Northern	267	409
Southern	35	6
Scottish Borders	2,095	1,996

## Housing Land Requirement v Housing Land Supply

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### **NPF4 - Minimum All-Tenure Housing Land Requirement**

As previously mentioned, NPF4 was adopted in February 2023, within the monitoring period for the (2022/23) audit. Annex E sets out the Minimum All-Tenure Housing Land Requirement (MATHLR) for the Scottish Borders, at 4,800 units over a 10 year period (480 units per annum). It should be noted, since the adoption of NPF4, the Local Housing Land Requirement (LHLR) is now included within the recently adopted Scottish Borders Local Development Plan 2024, at 480 units per annum. However, for the purposes of this audit base date, the LDP 2016 has been referenced, and all allocations brought forward as part of the new LDP, will be included within the 2025 audit.

It is important to recognise the MATHLR set out within NPF4, and compare it against the established housing land supply. This is set out below, and demonstrates that when comparing the overall established housing land supply (2022/23), against the MATHLR, there is sufficient land for a 10 year period.

- MATHLR within NPF4: **480 units** per annum (**4,800 units** over 10 year period)
- Established housing land supply (22/23): **8,225 units**

## Completions

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### Completion trends

Table 8 shows the level of completions by Housing Market Area for the past five years. It should be noted that very low levels of completion are recorded in the Southern HMA, this is due to the rural nature of the HMA with only one main settlement which attracts a low level of development, with no completions recorded in the Southern HMA during this audit period. The 2023 HLA has seen a significant decrease in completions since the previous audit, this is due to a peak in completions in 2021/22. This peak was due to a backlog of completions following the COVID-19 pandemic and associated issues including the supply of building materials, which resulted in a delay of units being completed and completion certificates being issued. The development rate within the Scottish Borders is relatively low, despite the large number of established sites available for development.

There were five sites which had 10 or more completions; Coldstream (BCS43); Duns (BD26); Galashiels (EGL157, EGL6, EGL84). No completions were recorded within the Southern HMA. The site breakdown of completions is contained within Appendix 4.

**Table 8: Completions by HMA (2018/19 to 2022/23)**

Housing Market Area	2018/19	2019/20	2020/21	2021/22	2022/23
Berwickshire	67	88	113	90	60
Central	208	157	80	289	155
Northern	66	76	101	80	13
Southern	4	3	4	0	0
Scottish Borders	345	324	298	459	228



## Waverley Development Contribution Area

### Waverley Contribution Area

The number of units completed within the Waverley Development Contribution Area in the last five years is shown below in Table 9. In 2022/23 approximately 61% of all completions in the Scottish Borders fell within the contribution area. Figure 4 shows the extent of the area covered by the Waverley Contribution Area.

**Table 9: Number of completions within the Waverley Contribution Area (2018/19 to 2022/23)**

	2018/19	2019/20	2020/21	2021/22	2022/23
Number of completions	172	103	84	199	138

**Figure 4: Map of the Waverley Development Contribution Area**



## Windfall Sites & Units not expected to be developed

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### Windfall Sites

Windfall sites are defined as sites that are not allocated within the LDP, which receive planning consent for residential units. The windfall sites are unexpected but still contribute to the established and effective land supply. The number of windfall sites delivers flexibility over and above the housing land requirement. Windfall sites also demonstrate that LDP policies allow for a range and choice of small and medium sites in addition to the sites allocated within the Plan. Table 10 shows the number of windfall sites included within this audit by HMA between 2018/19 and 2022/23. A total of 67 new windfall sites have been added to the audit this year, the total site capacity of these sites is 97 units. This comprises three large windfall sites and 64 small windfall sites (<5 units).

**Table 10: Number of windfall sites included within the audit (2018/19 to 2022/23)**

Housing Market Area	2018/19	2019/20	2020/21	2021/22	2022/23
Berwickshire	186	186	161	171	168
Central	283	286	258	262	264
Northern	144	143	129	130	136
Southern	35	34	23	24	27
Scottish Borders	648	649	571	587	595

### Units Not Expected to be Developed

The audit continues to monitor the number of units on sites which the developer is not intending to build. This indicated the total number of units, which have planning approval but are not anticipated to be developed. Therefore, where a site has not been developed to its maximum site capacity, but the site is completed, the site can be removed from the audit.

## Small Sites

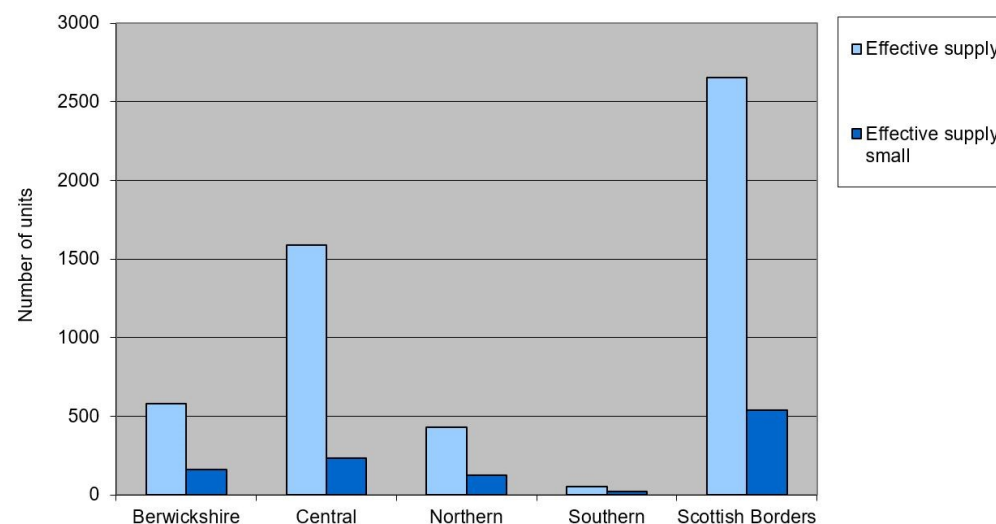
### Small Sites (< 5 units)

In the Scottish Borders, like other rural authorities, small sites (< 5 units) play a large role in terms of the effective land supply and completions. Information on small sites is collated as part of the audit process and is detailed within Appendix 3. A summary of small sites is presented in the main report by settlement and HMA. Table 11 shows the level of completions on small sites. In comparing the relationship between the proportion of small sites in the effective land supply and the proportion of completions on small sites within the last five years shows that 80% is a realistic level of small sites to be included in the effective land supply. This is in line with other rural authorities such as Aberdeenshire Council and East Lothian Council. The level of effective small units (80%) gives 539 units on small sites and 134 units (20%) are included within the potentially effective supply, within the 2023 audit. No units on small sites are included within the post year 7 supply or constrained supply. Figure 5 shows the level of small sites within the effective land supply. In this year's audit, a total of 2,653 units are within the effective land supply, 20% of these units are on small sites.

**Table 11: Completions on small sites (2018/19 to 2022/23)**

HLA Year	No of completions on small sites	% of all completions
2018/19	73	21%
2019/20	69	21%
2020/21	58	19%
2021/22	58	13%
2022/23	42	18%

**Figure 5: Small site capacity within the total effective land supply (2022/23)**



## Annex A: Glossary & Definitions

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- **Brownfield:** Land which has previously been developed. The term may encompass vacant or derelict land, infill sites, land occupied by redundant or unused buildings and developed land within the settlement boundary where further intensification of use is considered acceptable. Where a site is only part brownfield it is recorded as such in the audit if it exceeds 50% of the site area. Only large sites are included in the Council's greenfield/brownfield classification.
- **Constrained Housing Land Supply:** Site or part of the site that is not effective at the time of the audit. The constrained housing land supply is included in the established housing land supply.
- **Effective Housing Land Supply:** Site or part of the site in the established housing land supply that is free of development constraints under the time period covered by the Housing Land Audit. There is a five year period with sites programmed for a further two years (year 6 and 7) being classed as 'post five year effective'.
- **Established Housing Land Supply:** Effective housing land supply, constrained housing land supply and post five year effective housing land supply are all included in the established housing land supply. The established land supply consists of sites with planning permission for housing, and sites in adopted or proposed Local Development Plans
- **Greenfield:** Land which has never previously been developed, or fully-restored formerly derelict land which has been brought back into active or beneficial use of agricultural, forestry, environmental purposes, or outdoor recreation. Where a site is only part greenfield it is recorded in the audit if it exceeds 50% of site area. Only large sites are included in the Councils greenfield/brownfield classification.
- **Post Five Year Effective Housing Land Supply:** Site or part of site seen as effective, but not programmed within the five year period (programmed during year six and seven). It is not included in the five year effective housing land supply or the constrained housing land supply.
- **Programming:** The programming is based on considered of information such as planning applications, building standards, commencement and completions on site and developers own programming. The Housing Land Audit specifies sites or part of sites which can be programmed over a period of five years. Sites expected to be developed just beyond the five year period are also programmed (year six and seven).

## Annex B: Details within the Housing Land Audit

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- **Site Reference:** A unique code given to each site at the time it is created as an identifier
- **Site Name:** A relevant name for the site
- **Developer:** Owner or developer of the site
- **Total Site Area (ha):** Calculated area of site, in hectares
- **Site Capacity:** Total number of housing units with approval or allocated
- **Total Completions:** Total number of Building Warrant completion certificates or temporary occupation certificates recorded on the site
- **Completions 22/23:** Number of units receiving Building Warrant completion certificates or temporary occupation certificates in the audit period
- **Established:** The established land supply consists of sites with planning permission for housing (extant) and sites within the adopted Local Development Plan.
- **Effective:** Number of units which are programmed to be complete on the site, within five years (programmed Years 1-5)
- **Post Five Year Effective:** Whole or part of the site programmed in Year 6 and 7, contributes towards the established housing land supply, but not towards the effective or constrained housing land supply. Includes 20% of small sites not included within the effective supply
- **Post Year 7:** Whole or part of the site programmed, beyond year 7
- **Constrained:** Number of units on a site, that are constrained for development
- **LDP:** All or part of the site intersects an existing allocation within the Local Development Plan (housing, mixed use or re-development)
- **Waverley Contribution Area (WCA):** Indicates if the site falls within the Waverley Contribution Area (WCA)
- **Year Added:** Indicates what year the site was added to the audit. Capturing of this information started in 2003
- **Commuted Sum (£CS):** Indicates if a commuted sum has been agreed to contribute towards affordable housing

## Annex C: Effectiveness Criteria

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A number of sites in the HLA are constrained for development within the period under consideration. The following list of constraints is based on the list presented in Planning Advice Note 2/2010: Affordable Housing and Housing Land Audits.

- **Ownership:** The site is in the ownership or control of a party which can be expected to develop it or to release it for development. Where a site is in the ownership of a local authority or other public body, it should be included only where it is part of a programme of land disposal
- **Physical:** The site, or relevant part of it, is free from constraints related to slope, aspect, flood risk, ground stability or vehicular access which would preclude its development. Where there is a solid commitment to removing the constraints in time to allow development in the period under consideration, or the market is strong enough to fund the remedial work required, the site should be included in the effective land supply
- **Contamination:** Previous use has not resulted in contamination of the site or, if it has, commitments have been made which would allow it to be developed to provide marketable housing
- **Deficit Funding:** Any public funding required to make residential development economically viable is committed by the public bodies concerned
- **Marketability:** The site, or a relevant part of it, can be developed in the period under consideration
- **Infrastructure:** The site is either free of infrastructure constraints, or any required infrastructure can be provided realistically by the developer or another party to allow development; and
- **Land Use:** Housing is the sole preferred use of the land in planning terms, or if housing is one of a range of possible uses other factors such as ownership and marketability point to housing being a realistic option.