The housing experiences of young people on the Isle of Mull


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**Declaration**

I declare that this thesis is my own work except where acknowledged and has not been submitted for any other degree.

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**Acknowledgement**

**Abstract: The housing experiences of young people on the Isle of Mull**

This thesis explores the experience of young people on the Isle of Mull and whether and how institutional innovation could help to alleviate housing market constraint for young people living in rural areas. The research identified that young people were particularly constrained in housing markets due to lack of finance and being in the early stages of employment with difficulty accessing housing compounded by the 2007/08 economic downturn. A review of the literature on rural housing markets revealed that challenging supply and demand issues impacted upon the development of housing and constrained rural markets restricted the housing market for young people, limiting choice.

The research explored the agency of young people in rural areas and the structure of the housing market, specifically the institutional actors involved in rural housing markets including, but not limited to, the construction industry, land owners, planners, government and third sector organisations. The research focused on the Isle of Mull, off the west coast of Scotland, to explore the experiences of young people living in a remote rural environment and the problems associated with rural housing markets. Questionnaires were completed by young people who were at school on the Isle of Mull and thirty-three semi-structured interviews were conducted with institutional actors involved in rural housing markets and young people living on the Isle of Mull.

The research adopted Clapham's (2005) housing pathways approach to explore the choices of young people in the rural housing market, and Williamson's (2000; 1998) New Institutional Economics framework (Economics of Institutions) to examine the structure of the housing market on the Isle of Mull.

The research highlighted that third-sector organisations could help to bring institutional actors together in the rural housing market and therefore help to alleviate housing constraint for young people on the Isle of Mull.

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**List of Acronyms**

ACHA        Argyll Community Housing Association

ESRC        Economic Social Research Council

HIE          Highlands and Islands Enterprise

RHS          Rural Housing Scotland (previously Rural Housing Service)

RTB          Right to Buy

MICT        Mull and Iona Community Trust

NDPB        Non-Departmental Public Body

OIH          Our Island Home

WHHA        West Highland Housing Association

# Chapter 1. Introduction

## Introduction

It has been widely acknowledged that rural areas can be host to constrained housing markets driven by heightened demand and restricted supply. All rural areas are not homogenous, with variables such as community unity, demography and remoteness differentiating places and contributing to different life experiences (Pavis et al, 2001). Yet, there are traits associated with rural areas- including the physical environment, combined with economic, political and social constraints- that make the development of and access to housing challenging.

The popularity of the rural environment has been partly driven by the connotations associated with living in rural areas. The idealisms associated with the 'rural idyll' are a key driver for in-migration (see van Dam et al, 2002; Shucksmith, 2016) that encourage the prevalence of retirement and holiday-second homes, putting pressure on the housing market. Furthermore, housing in areas which benefit from tourism- a key and burgeoning sector in rural areas- can be seen as sources of investment which influence demand for housing. The demand for housing in rural markets has been identified as contributing to inflated house prices. The prevalence of second home ownership has been a contentious issue associated with rural areas, particularly in relation to a lack of affordable housing.

While all ages can be affected by constrained housing markets, young people can be particularly disadvantaged in the housing market (see McKee, 2015). The relationship between young people and housing has received global attention with housing difficulties communicated by the media and academic interest (Mackie, 2016). The difficulties faced by young people in the housing market has also garnered political awareness. A lack of finance and being in the early stages of careers have made the younger generation particularly susceptible to housing constraint. The economic downturn in 2007/2008 exacerbated the challenges of access to housing and jobs for the younger generation (McKee et al, 2017[1]; Clapham et al, 2010).

Compared to urban areas, rural housing markets tend to be more restrictive for young people (McKee et al, 2017[1]). Housing options tend to be more limited, with a shortage of affordable housing combined with typically seasonal and fewer employment opportunities, equating to a lack of choice in the housing market. Typically, housing choice is more restrictive in rural areas, with fewer housing options and dominant private sector supply. The rural environment

can be particularly challenging for young people who tend to struggle to compete with higher income groups and those who are more established in the housing market.

Constraint in rural areas is often driven by high demand for housing, combined with a lack of supply. Housing supply in rural areas can be problematic, with high land values, planning limitations, infrastructure constraints and increased build costs. Many institutional actors, for example land owners, planners, third sector organisations and the construction industry, play pivotal roles in the delivery and supply of housing in rural areas.

**The aim of the research**

The main objective of this research was to understand whether and how institutional innovation could ease constraint in the housing market for young people living in a remote rural area. In the context of this research, 'institutional innovation' refers to changes in the way institutional actors operate in the rural housing environment. To achieve this objective, I explored the structure of the rural housing environment and the agency of young people in the housing market. I did so by adopting the housing pathways approach developed by Clapham (2005) as a mechanism for exploring the structure and agency of individuals (see chapter 2 and chapter 4). In addition, I employed New Institutional Economics (NIE), specifically Williamson's 'economics of institutions' (1998; 2000), to explore the institutional actors involved in the housing market and their influence. This dual approach to the research enabled a comprehensive examination of the agency of young people in the remote rural environment and the structure of the housing market. The research focused on a single case as an exemplar of the rural environment. The Isle of Mull, which forms part of the Hebridean Islands, Scotland, was chosen as the case to study which enabled a thorough examination of the structure of the housing market and rural environment and the housing experiences of young islanders. For the purpose of this research, the age classed as 'young' was between 18 years to 35 years old (chapter 2).

This research was funded by the ESRC with Rural Housing Scotland (RHS) as a partner of the research. While RHS were a collaborative partner of the research, I conducted the research independently from the organisation. RHS are a membership organisation with charitable status. The purpose of the organisation is to provide an advisory service for housing needs and to promote the delivery of housing in rural communities. While the organisation was accessible to all age groups, one of the organisation's aims was to help young people access housing in rural areas.

I began the PhD with the research question and high-level objectives already outlined. However, I had scope to refine or modify the questions following my review of the literature. The specific approaches to the research were developed during the early stages of the PhD, while still in-keeping with the original objectives.

In Scotland, the Hebridean Islands are illustrative of a remote rural environment which have experienced particularly constrained housing markets (see for example Canavan, 2011; Hall Aitken, 2007). In 2013, the RHS set up a rural housing programme called 'Our Island Home' (OIH). The project was initially funded for three years to help support the development of housing on the Scottish Hebridean Islands with a focus on helping young islanders access affordable housing.

The original remit of the PhD research was to explore the housing pathways of young householders on the Hebridean Islands and this remained a key focus of the research. While the research focused on a case on the Hebridean Islands, the study explored the wider literature on rural housing and young people in housing was reviewed, drawing upon the issues associated with rural housing markets in UK and European literature. After an examination of the literature, the Isle of Mull was chosen as the single case to explore, as an example of a remote rural housing environment (see chapter 5 for full discussion on why one case was chosen and why the Isle of Mull was selected as the single case). The Isle of Mull was one of the initial islands that the OIH programme focused. The Island displayed many of the characteristics associated with constrained rural environments which allowed for thorough examination of the complexities of the rural housing environment. The Island was subject to housing development and intervention by third-sector organisations and housing associations, which enabled an evaluation of the effectiveness of housing models and study of institutional actors involved in the housing market. Interviews and questionnaire surveys were conducted with young people living on the Island and interviews were also conducted with institutional actors involved in housing on the Island and the broader rural housing market. This two-pronged approach allowed for examination of both the agency of young people, and understanding of the structure of the housing market and institutional arrangements.

Research and literature on rural housing is often interconnected with other rural issues including hidden homelessness (Cloke et al, 2001; Cloke et al, 2000; Fitzpatrick, 2000), poverty (Commins, 2004; Illsley et al, 2007) and out migration of young people (Hall Aitken, 2007; Stockdale, 2002[1]; Stockdale et al, 2003; Thissen et al; 2010; Crow, 2010; Glendinning

et al, 2003).  One of the difficulties of conducting this study was that it was often difficult to separate these other rural issues from this research.  I acknowledge that these other areas are significant to rural housing and young people's experiences in the housing market.  While these issues were referred to in the research, they were not fully developed in the thesis due to the scope and purpose of this study.

**Research Questions**

Initial research questions were outlined in the original ESRC research studentship proposal. These research questions were further developed following a thorough review of the literature on rural housing markets and the experiences of young people in such markets.  The questions were derived from gaps identified in the literature and areas in which the literature was dated. Three key research questions were identified to study:

1. To what extent does the concept of the housing pathways approach help in understanding the housing experiences of young people in a remote rural environment?
2. To what extent does a NIE framework help in understanding housing opportunities and constraints in a remote rural environment?
3. How does using the frameworks of the housing pathways and NIE help in understanding the scope for institutional innovation in resolving housing market constraints for young people in a remote rural environment?

The overall purpose of the research was to understand whether and how institutional innovation could help alleviate constraint experienced by young people in the rural housing market.  These research questions formed the basis of the study and the thesis sets out how these questions were derived, the research methodology selected to answer the questions and the findings of the research.

**Overview of thesis**

Chapter 2 reviews the literature on rural housing markets and specifically the experience of young people living in the rural environment. The chapter looks at why young people are recognised as being a 'vulnerable' group in the housing market and how choice is often more constrained in the rural environment as opposed to urban areas. The characteristics of the rural housing market are explored, including the institutional actors involved. This chapter also reviews the policy context of this research.

Chapter 3 examines the NIE framework and housing pathways approach employed as the theoretical and organising framework of the research. The chapter introduces the housing pathways concept as a way of exploring the experiences of young people in the rural housing market and the NIE framework as a means of theoretically exploring the structure of the rural housing market.

Chapter 4 explores the characteristics of the housing market on the Isle of Mull. In addition, the chapter explores island demographics and economy. This chapter provides the context for the primary research that was conducted.

Chapter 5 details the research design and the research methods selected for this study. This chapter reviews and discusses: the reasons for selecting a single case as the research design, semi-structured interviews and questionnaire as the research methodology, and the limitations of each in the context of the study. The ethical issues of conducting the research are explored, with consideration given to undertaking research in the rural environment. Furthermore, the chapter describes how the NIE theoretical framework and housing pathways approach were applied to the study. During this chapter, I also reflect upon the experience of conducting the study and the valuable lessons which were learned during the PhD research.

Chapter 6 and Chapter 7 present the findings of the empirical research. Chapter 6 focuses on the experience of young people living on the Isle of Mull, exploring their choices and constraints of living in the rural environment. The chapter presents each interview participant's experience of living in the rural environment in the form of vignettes, drawing upon relevant dialogue to express their experience in the housing market. Throughout the chapter, reference is also made to the findings of the questionnaires conducted with school pupils living on the Island. Chapter 7 focuses on the interviews undertaken with institutional actors who were identified from the literature and contextual case study as being key stakeholders in rural

housing markets generally and specifically on the Isle of Mull. These interviews provided an insight into the influence of institutional actors and the structure of the rural housing market.

Chapter 8 draws upon the literature, contextual case study and findings from the empirical research. The chapter explores the constraints on young people living in a remote rural environment and how choice is influenced by structural and social constraints in the rural housing market. The NIE framework is applied to the research as a way of exploring the relationship between institutional actors in the housing market and how institutional innovation could help ease constraint in rural markets.

Chapter 9 concludes the thesis with a review of the conclusions that can be drawn from the research and implications for the housing sector. Recommendations for further research are also identified.

## Chapter 2. Literature Review: Young people and rural areas

**Introduction**

This chapter reviews the literature on rural housing markets and specifically, the experience of young people in rural areas. The chapter also explores the literature on the demand and supply challenges associated with rural housing markets and how young people are particularly affected by lack of choice in rural areas. In exploring the housing market constraints associated with rural housing markets, the chapter considers the institutional actors involved and their influence in the housing market.

The purpose of this chapter is to provide a context of the wider rural housing market before exploring the housing market on the Isle of Mull. Specifically, the chapter studies the literature on the characteristics associated with living and working in rural areas, the challenges of developing housing in the rural environment including planning constraint, cost of land, difficulties developing in a remote rural environment and costs of construction due to scale of development and the key institutional actors involved in the housing market. Throughout the thesis reference is made to institutional actors and in the context of this research the institutional actors included land owners, planners, construction/ property industry and third sector organisations. These actors emerged throughout the literature as having a role in the housing market, evidenced in this and the following chapters.

The literature for this study was drawn from various sources including Government publications, search engines such as google scholar and broad website searches using key terms, the University of Stirling scholar database and university libraries. While a review of the literature and research was undertaken to understand issues associated with rural housing markets, this section makes particular reference to Scotland as a prelude to the case study on the Isle of Mull. Many of the issues associated with rural housing were evidenced nationally and internationally, however, as the primary aim of this research was to explore the housing experiences on the Isle of Mull, the literature has focused on countries and housing markets similar or comparable to the Scottish and UK context and therefore tends to draw upon European literature, particularly Nordic countries. While I have endeavoured to ensure the most up-to-date and relevant literature has been reviewed, there were limitations to gathering the literature for this study. There were areas within the research where recent, relevant, literature was unobtainable, or the literature was dated. This issue of lack of recent literature

on rural Scotland was listed as a limitation of research on 'equality evidence in rural Scotland' conducted by the Scottish Government (2015[1]).

As the central purpose of this thesis was to explore rural housing markets, it is important to briefly define what is meant by 'rurality' in the context of this thesis. The term 'rural' has a diversity of meanings and it is not the intention of this research to determine a singular definition. While attempts have been made to define 'rurality', there are numerous variations of the term (Wilson, 2016; Rye, 2006). The main arguments in the literature have centred around whether 'rurality' can be defined as more than 'symbolic' and, if that was the case, how could 'rurality' be measured (Satsangi et al, 2003). While there are several variations, the term 'rural' is often characterised by size or "density" of the population (Shucksmith, 1990[1]). In Scotland, the Government defines 'rural' areas populated by 3,000 people or fewer and different categories of rurality are defined by population size and proximity to settlements of 10,000 people (Scottish Government, 2014) (figure 2.1.). For this study, the Scottish Government's measure was used to distinguish between urban and rural areas in the context of this research.

| Class | Class Name | Description |
|---|---|---|
| 1 | Large Urban Areas | Settlements of 125,000 people and over. |
| 2 | Other Urban Areas | Settlements of 10,000 to 124,999 people. |
| 3 | Accessible Small Towns | Settlements of 3,000 to 9,999 people, and within a 30 minute drive time of a Settlement of 10,000 or more. |
| 4 | Remote Small Towns | Settlements of 3,000 to 9,999 people, and with a drive time of over 30 minutes but less than or equal to 60 minutes to a Settlement of 10,000 or more. |
| 5 | Very Remote Small Towns | Settlements of 3,000 to 9,999 people, and with a drive time of over 60 minutes to a Settlement of 10,000 or more. |
| 6 | Accessible Rural Areas | Areas with a population of less than 3,000 people, and within a drive time of 30 minutes to a Settlement of 10,000 or more. |
| 7 | Remote Rural Areas | Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes but less than or equal to 60 minutes to a Settlement of 10,000 or more. |
| 8 | Very Remote Rural Areas | Areas with a population of less than 3,000 people, and with a drive time of over 60 minutes to a Settlement of 10,000 or more. |

Figure 2.1. Scottish Government Urban Rural Classification, 8-fold (Scottish Government, 2014: 5)

The terms 'affordability' and 'affordable housing' are also frequently referred to throughout this research. There are many definitions of affordability that range depending on the form of measurement and context. It is not the intention of this research to advocate one single definition, but to understand the complexities associated with the meaning of the term and identify different approaches to calculating 'affordability'.

For the past quarter of a century 'affordability' has increasingly garnered attention in housing policy yet there remains no consensus on how 'affordability' is calculated which is, to some extent, due to the differing views of how affordability is assessed (Bramley, 2012). There are many different factors associated with the term 'affordability':

"the distribution of housing prices, the distribution of housing quality, the distribution of income, the ability of households to borrow, public policies affecting housing markets, conditions affecting the supply of new or refurbished housing, and the choices that people make about how much housing to consume relative to other goods" (Quigley, 2004:191-192)

As Quigley (2004) demonstrates, there are a number of variables affecting how affordability is defined. Not all of these variables are quantifiable, with factors based on more subjective criteria including matters that can relate to individual decisions.

Two approaches to quantifying affordability, that continue to be disputed, are the 'affordability ratio' approach and the 'residual income' or 'shelter poverty' approaches (Bramley, 2012). 'Affordability' is often calculated in terms of the correlation between the "household income and housing costs" this is known as the 'ratio's approach' (Paris, 2007: 2). One of the issues sighted regarding this calculation of 'affordability' is that variables can vary over time making comparison difficult in the longer term. In addition, housing that is 'affordable' tends to be delineated as costing no more than a certain percentage of household income, generally thirty percent (Paris, 2007). Opposers have contested this form of calculation, arguing:

"30 per cent of a low income may be less 'affordable' than 40 per cent of a high income because 60 per cent out of a high income still leaves a household much more disposable income" (Paris, 2007: 2).

While this has been recognised as a criticism of the ratio's approach, issues relating to the consistency of ratio's has been acknowledged in both the ratio method and residual approach. The residual approach concerns the amount of income remaining after the cost of housing (Bramley, 2012).

Given the aims of the research, it is important to acknowledge the factors that can influence the calculation of affordability and identify the reasons for the lack of consensus in approaches to affordability measures. Powell et al (2015) in their report on 'Affordable housing in Scotland' expressed the challenge of defining the affordability of housing. They opted to define affordability by tenure instead of by household. The reason for taking this approach was that households that are comparable in terms of the housing market, affordability between households could differ. For the purpose of Powell et al's (2015) research, 'Affordable' housing and 'social' housing were outlined as follows:

"Social housing refers to secure, relatively low rent housing, prioritised by need and provided by local authorities and Registered Social Landlords (RSLs)".

"Affordable housing is used to denote a much broader category of housing tenures that includes social housing, but also a plethora of low-cost homeownership and mid-market rent schemes." (Powell et al, 2015: 1).

Powell et al's (2015) tenure approach to affordability adopts a more qualitative assessment of affordability than the quantitative approaches described above.  As summarised, there are different approaches to defining and understanding what constitutes affordability and the purpose of this section was to highlight the range of interpretations.

This chapter is split into four sections.  Firstly, an overview of the policy context for the research is provided.  Secondly, there is an exploration of the experience of young people in the housing market.  The third part of this chapter explores rural housing markets with reference made to how young people are particularly constrained by characteristics of the housing market.

**The policy context**

Prior to examining the literature on housing markets and the experience of young people in rural areas, it is important to understand the policy context in which the research is embedded. Since 1999, housing policy in the United Kingdom has been devolved.  In 1998, devolved legislative powers, including matters relating to housing policy, were established in Scotland, Wales and Northern Ireland (McKee et al, 2017$_2$).  However, broader powers have, in the main, remained regulated by Her Majesty's Treasury (HMT) and the UK Government such as welfare benefits, public spending and certain tax powers (Gibb, 2011).  While devolved housing powers have enabled countries more control to pursue their own agendas, these powers are inhibited by wider policy and financial powers of the UK Government and HMT (Wilcox et al, 2010). This section summarises key housing policies that have been influential in the Scottish context. In addition, this section identifies government initiatives that are of particular relevance to the research.

Right to Buy legislation

One policy that has been significant in the UK housing context is the RTB legislation. The UK Government introduced the RTB under the Housing Act 1980. This legislation enabled people in the socially rented sector the opportunity to purchase their property at a discounted price and it has been identified as "…arguably…the single most significant housing policy in Britain in the post-war period" (Williams et al, 1993: 60) and "one of the most significant and controversial housing policies of all time" (McKee, 2010: 319). The RTB legislation had a profound effect on the social housing stock with almost half a million of homes in Scotland being sold since the legislation came into force (Scottish Government, 2006). It has also been recognised that rural areas were particularly affected by this policy (Shelter, 2005).

There have been variations to the legislation in Scotland, most notably in the Housing (Scotland) Act 2001 which included provisions restricting the availability of the RTB such as the pressurised areas designation enabling LA's to revoke the legislation where demand outstrips supply (Parkin et al, 2017). The 2001 Act also decreased the discount available and changed the period that tenants would have the right to purchase the property from two to five years. The changes to the RTB under the legislation were referred to as 'modernised right to buy' (Shelter, 2005). The RTB policy still operates in England but was abolished in Scotland under the Housing (Scotland) Act 2014 with tenants having until July 2016 to exercise their right to buy (Parkin et al, 2017). The Equality Impact Assessment record (Scottish Government, 2013) for the 2014 Act summarised the following projected results of abolishing the RTB including:

- ➢ 15,500 homes would remain in the socially rented sector and will be available to rent perpetually over the lifespan of the properties

- ➢ Aid housing supply, more choice and a fall in the number of people on waiting lists

- ➢ Social landlords will not have depleted stock, and this will aid planning for the future

- ➢ The tenure will not be 'marginalised' meaning the tenure will be pivotal to developing sustainable, integrated communities

- ➢ Entitlements will be more comprehensive, and the system will be easier to manage

The RTB led to the depletion of social housing, yet there were also benefits of the legislation such as the ability for people to access home ownership, reap financial benefit from properties

being consequently sold and the mix of tenure achieved (McKee, 2010). While the policy has been abolished, there remains a residual effect from this housing policy.

Land Reform

The Land Reform (Scotland) Act 2003 introduced powers enabling communities the right to purchase land. The Community RTB is contained within part 2 of the Act and enables community bodies the right to register an interest in land, with the option to purchase the land if it becomes available for sale. The Community Empowerment (Scotland) Act 2015 amended the Act, providing further powers to communities to buy land. The changes to the Act, with regards to RTB, came into force on 15 April 2016 (Scottish Government, 2016[1]; Scottish Government 2017[1]). The Land Reform (Scotland) Act 2003 also enables crofting communities the RTB land.

A recent example of a community body exercising the Community RTB powers, was the purchase of Ulva, an island located off the West Coast of Mull, in 2018. In 2017, NWMCT was permitted by Scottish Ministers to register an interest in the Island under the Act. The basis of the application was to encourage the population on the Island through economic development and increasing housing supply (Scottish Government, 2017[2]). This community buyout is discussed in greater detail in chapter 4.

The Scottish Government regard crofting as a type of land tenure. Crofts are small parcels of agricultural land, historically found in the North of Scotland. There are over twenty thousand crofts primarily located in the highlands and islands (Scottish Government, 2017[3]). The Land Reform Act also offers crofting communities the opportunity to purchase croft land. Unlike the Community RTB, under the Crofting Community RTB, community bodies do not require to wait until land is available for sale and instead can apply to purchase the crofting land at any time. This legislation shifts the dynamics between land owner and crofting communities (Scottish Government, 2018).

An independent land reform group was commissioned by the Scottish Government in 2012 to review land ownership in Scotland. The objective of the group was to "to examine the role of Scotland's system of land ownership in the relationship between the people and land of Scotland, and make proposals for land reform measures…" and these measures were primarily centred around empowering individuals and communities (Elliot et al, 2014: 15 (Land Reform Review Group)). Subsequently, the land reform Scotland (Act) 2016 came into force in April 2016.

In 2013, the First Minister pledged to support community land ownership and set a target of one million acres of land to be owned by the community by 2020. In 2015, the amount of land in community ownership was 480,000 acres (Scottish Government, 2015[2]). The legislative changes and financial support demonstrate a movement towards community empowerment.

Funding

Mechanisms to enable people to become home owners are still evident in the Scottish policy context including the Low-cost Initiative for First Time Buyers (LIFT) and the Help to Buy (Scotland) Affordable New Build scheme. There are two shared equity schemes available for first-time buyers under the LIFT policy, one to help people purchase open market housing (Open market Shared Equity Scheme) and one for new- build council or housing association housing (New Supply Shared Equity Scheme) (Scottish Government, no date[1]). The Help to Buy (Scotland) Affordable New Build scheme is available until 2021 and provides assistance in the form of up to 15% of the price of a new build property (Scottish Government, no date[2]).

The recognition of a need for affordable housing has prompted policy intervention. The focus on delivering more housing, specifically affordable housing, is not a new priority of the Scottish Government. For example, over the past decade various housing policies have been implemented to encourage housing supply. The "firm foundations" policy was launched in 2007 to boost the build of market and affordable homes per year by around 10,000 to approximately 35,000 by 2015. However, the economic crisis occurred around this time bringing challenges, particularly financial difficulties, impacting on development. Three years later the "Fresh Thinking, New Ideas" consultation was introduced to seek ways of subsidising affordable housing and subsequently the "Housing Fit for the 21st Century" housing policy was launched in 2011 (Gibb, 2011). In 2016, the Scottish Government announced plans to invest £3billion to develop a minimum of 50,000 affordable homes, including 35,000 for social rent, by March 2021. This was part of the "More Homes Scotland" approach, in which various initiatives have been established to increase the delivery of housing stock (Scottish Government, no date[3]). As part of the 50,000 affordable housing pledge, various funding packages and other delivery mechanisms such as constructing off-site and utilising housing stock with a focus on empty properties, have been identified as ways of increasing affordable housing supply (Scottish Government, no date[3]). Of the funding packages, the Rural and Islands Housing Funds were established to help towards increasing affordable housing supply. Between the period of 2016-17 and 2021, £30million will be available across the two funds

with £25million available to organisations to develop affordable housing in rural areas and £5million specifically for island housing developments. Each fund has two components. One element of the fund is for the supply of affordable housing and to bring empty properties back into use and the other is a smaller sum of funding available for feasibility studies (Scottish Government, no date4).

Furthermore, the Scottish Land Fund (SLF) was introduced in 2012 by the Scottish Government to enable rural communities to take ownership of land and land assets. The Big Lottery Fund Scotland (Big Lottery Fund) and Highlands and Islands Enterprise (HIE) deliver the initiative in partnership with the Scottish Government. Originally there was £6million of funding available over a three-year period to 2015. Since the establishment of this initiative, the funding has been increased and extended for a further year to 2016 and then in 2014, the funding was extended for a further four years to 2020. The scope of the funding has also widened including the funding being available for all of Scotland not specifically rural areas and the amount available for each project has increased. Prior to the SLF in 2012, there were a variety of other funding pots available for communities to take ownership of land such as the first SLF introduced more than a decade earlier in 2001 which was superseded by other funds (French, 2016).

These policy interventions and legislative reform emphasise how the research is well positioned within the current political landscape.

**The experience of young people in the housing market**

The review of the literature highlighted that there were many challenges associated with living and working in rural areas. One of the principal themes drawn from the literature was the lack of affordable housing in rural housing markets. A lack of choice and difficulty accessing affordable housing stemmed from a combination of supply constraints, heightened demand and socio-economic factors. While all ages could be affected by these issues, young people tended to be particularly affected.

This section begins with an examination of the experience of young people in the rural environment including their housing aspirations, reasons for migrating from rural areas and why this age group tend to be particularly constrained in the rural housing market. This is followed by a review of the literature on the challenges associated with the rural housing market. The affordability of housing is explored including the reasons for a lack of affordable housing, the challenges of supply and the subsequent consequences.

Firstly, it is imperative to clarify the age group classed as young. Analysis of housing research highlighted variation in the age classed as 'young' and that it is very much dependent on the type of research being undertaken. For example, the United Nations classed 'young people' as aged between 15-24 years old (UNESCO, no date). In terms of housing, this is a very narrow age range given that most young people will not be in a position to think or be thinking of leaving the parental home until the age of 18 years old. Holdsworth et al (2005:7) identify that "young people are usually defined as those aged 18 to 30, or maybe up to 35." Figure 2.2. details housing related research that has been undertaken concerning 'young people' in the UK and Europe within the last 10 years.

| Age Range | Authors |
|---|---|
| 18-30 years | Clapham et al, 2012 |
| 25 to 34 years | Heath et al, 2011 |
| 20-35 years | Hochstenbach et al, 2015 |
| 18-35 years | Hoolachan et al, 2017 |
| 16-early 30 years | Kneale et al, 2010 |
| 16-29 years | Lacovou et al, 2007 |
| 18-30 years | Mackie, 2012 |
| 18-30 years | Pennington et al, 2012 |

Figure 2.2. Age classed as young in the context of housing research

As shown in figure 2.2, the age classed 'young' in a research context has ranged from age 16 to 35 years. While 16 years may seem too premature to be researching in relation to entry into the housing market, the table indicates that research in this field has considered this age group. Furthermore, research dating further back than ten years (Forsyth et al,1998; Ermisch et al, 1995) classed young as being between 16-25 years and 16-33 years respectively. This indicated that for more than a decade the margins of 16 to 35 years have generally been accepted as classed as 'young'. The literature has shown that there is no firm and single definition, but within the margins of 16 to 35 years was accepted. For the purposes of this research, 16 to 35 years was deemed appropriate- this is discussed in greater detail in chapter 5.

**Young people, housing and the experience of living in rural areas**

The motivations and experiences of young people leaving the parental home have been well documented in the literature. For young people, leaving the parental home has been signified as a progression into adulthood (Buck et al, 1993: 863; Jones, 1995; Stockdale, 2002[1]). Research has indicated that young people are taking longer to transition out of the parental home. McKee (2012:854), referring to various research, summarises the reasons why young people are 'flying the nest' later in life (figure 2.3)
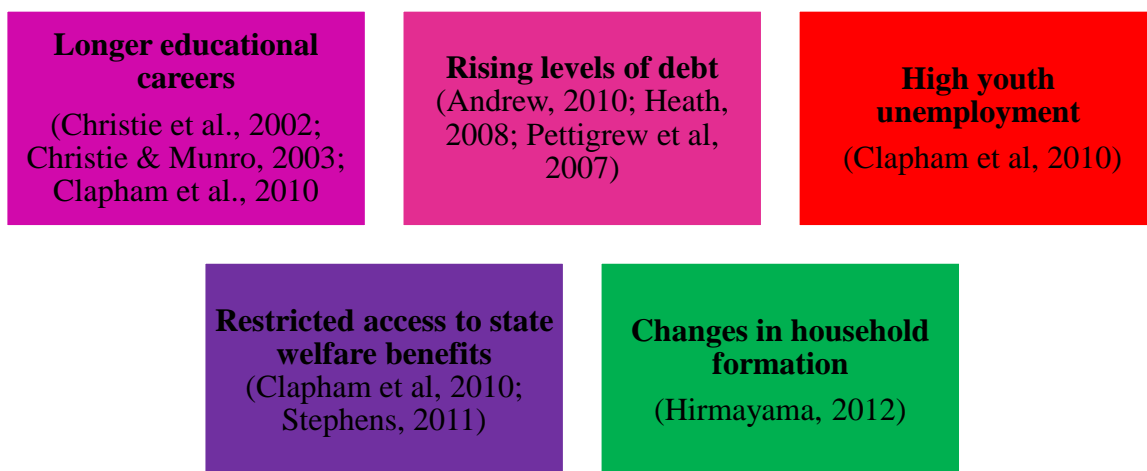


Figure 2.3. Reasons for young people staying in the parental home (adapted from McKee et al, 2012: 854)

Figure 2.3. indicates that socio-economic factors have influenced longer transitions out of the parental home. There are numerous motivations for leaving the parental home, such as for relationships, to become more self-sufficient, education and employment (Holdsworth, 2000:201). Correspondingly, Jones (1995:1) distinguished different age categories and associated motives for moving out of the parental home:

"Older leavers are more likely to do so to marry. At 18, young people leave home mainly to go on a course. Under the age of 18, they are more likely to leave because of family conflict or to take up work" (Jones, 1995: 1).

Since Jones' (1995) work over two decades ago, leaving home before marriage has now become more customary. The number of marriages of young people has decreased and the

average age of first-time marriage has increased, and these trends have been ascribed to people living together prior to marriage (Heath, 2008). To leave home is not necessarily 'permanent'. Once they have left home, for example for higher education, young people may return on completion of their course although it has been recognised that couple formation usually signifies a more permanent move from the parental home (Jones, 1995; DaVanzo et al, 1990).

Out-migration of young people from rural areas is evident in a Scottish (Hall Aitken, 2007; Stockdale, $2002_1$) and North-West European context (Thissen et al, 2010) (see Kuhmonen, 2016; Kloep et al, 2003). In rural areas, educational opportunities tend to be more restricted and therefore young people tend to have to leave the area to pursue further education, unless undertaking courses online. Furthermore, if they seek to take up employment there are a greater range of job opportunities and professional roles available in larger conurbations. Stockdale ($2002_2$) identified that the main reason for the out-migration of young people tended to be for education purposes and this was followed by the need to move for employment opportunities. This has been illustrated in Sweden where Rosvall et al (2018) identified that young people from rural areas who would like to continue their studies beyond mandatory education, which is the majority, tend to have to move to more centralised areas. The labour market is also seen to be more limited in rural locations (Rosvall et al, 2018).

Many reasons have been cited for out-migration of young people from rural areas. A comprehensive review of the literature undertaken by Crow (2010) illustrated these factors (figure 2.4).
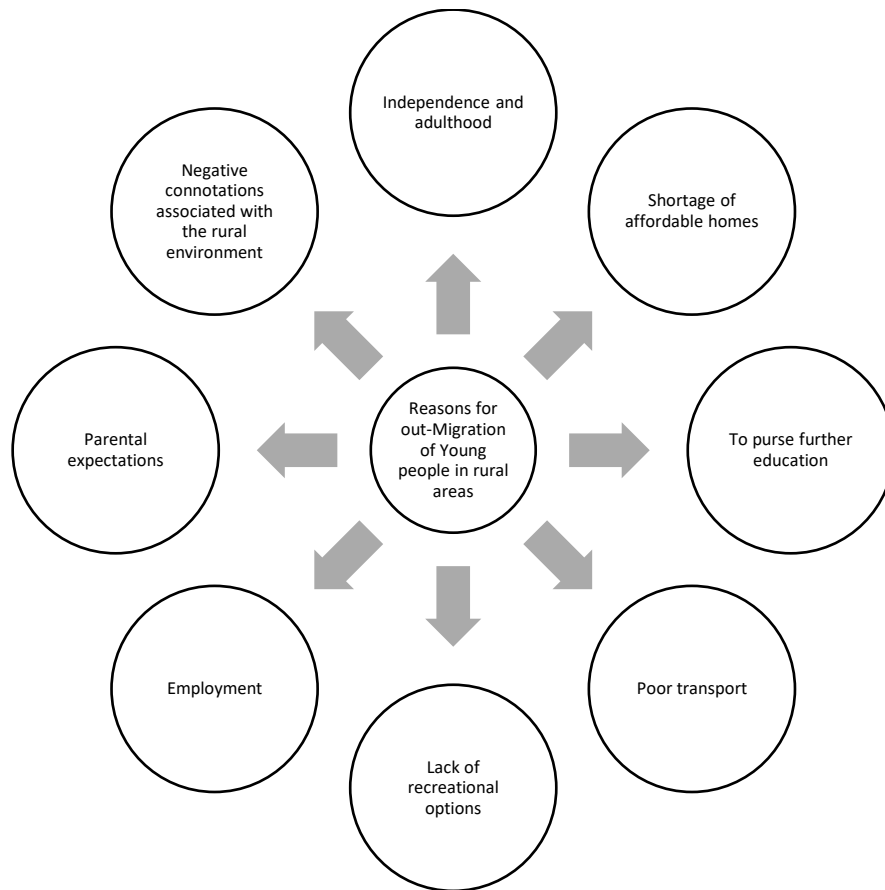
Figure 2.4. Young people and rural out-migration influences (adapted from Crow, 2010)

As figure 2.4. illustrates, many drivers have been identified as influencing the decisions of young people to migrate from rural areas. Evidence in the literature suggests that reasons to migrate are often taken due to a combination of different factors. One link that has been strongly made is the connection between employment and housing, specifically a lack of affordable housing. In rural areas, employment options for young people tend to be more restricted which in turn impacts on their ability to access housing (discussed in greater detail later in this section). It can also be realised that influences are both structural and social. For instance, the choice to migrate may be due to restricted access to housing and employment which would be regarded as structural. However, the desire for independence is social in which structural factors may not influence choice.

Out-migration has been a significant issue associated with rural areas. Out-migration of young people has frequently been thought of as negative by those who remain, academics and rural policy-makers. The migration of young people is often regarded as detrimental to the future of communities and problematic (Glendinning et al, 2003). Yet, as Glendinning et al, (2003) advise, out-migration for many young people represents choice and opportunity which may not

have been an option to older generations. A study was conducted in the Outer Hebridean islands to explore the migration in the Outer Hebrides. The Outer Hebrides (Na L-Eileanan Siar) had witnessed the largest decrease in population (8.5%) of any LA in Scotland between 1995 and 2005, though at the end of this period there was a slight rise in population. A combination of research approaches were taken, including a 'literature review, interviews with service-providers, employers, in-migrants and stakeholders, focus groups with those who had left and returned to the islands, on-line survey with 1,500 past and existing Outer Hebridean residents and a workshop' (Hall Aitken, 2007: 11). This research is referred to throughout this chapter. In the study of the Outer Hebridean Islands, it was acknowledged that the lack of access to affordable housing in the Outer Hebrides, could account for out-migration of young people as they leave to experience independence (Hall Aitken, 2007). This study of the Outer Hebrides Islands highlights that structural and social constraints coincide as structural constraints could impact upon social needs, in the example of the Outer Hebrides, a lack of affordable housing constrains the ability to become independent, impinging upon adulthood and desires to become more self-sufficient.

The study conducted on the Outer Hebrides found that trends of population change were likely to affect the 'social and economic' outlook and the delivery of services. This was discussed in the context of an ageing population, continuing decrease of young women of 'child-bearing age', decline of young people and rise in the age of the population. The research concluded that a rise in the number of younger people and in particular women would help the equilibrium in Outer Hebridean Islands and contribute to 'natural' growth of the population (Hall Aitken 2007).

The experience of being part of a community has been recognised as an advantage to living in rural areas. Contrastingly, communities can also be perceived as being exclusionary and the outlook of the community has been recognised as being an influence of out-migration with Glendinning et al (2003), noting that young females were particularly affected by this aspect of community. The desire to become less known as opposed to being part of a 'close-knit' rural community has also been a factor associated with community and out-migration (Stockdale, 2002[1]). The variety of connotations of community were also discussed in the context of a study of the Outer Hebridean Islands (Hall Aitken, 2007).

Communities have been regarded as having both positive and negative connotations in the rural environment in terms of migration. This is also true for housing development. The term

'Nimby' (not in my back yard) describes how opposition to development can be fuelled by various stimuli. In terms of affordable housing, inaccurate perceptions can cause resistance to development by residents (Tighe, 2010).

The fundamental reason for opposition is a concern that this type of housing will have a negative impact on house prices (which is erroneous) (Nguyen, 2005). While Pendall (1999:114) cites this explanation as one of the reasons for opposition, he explains that there are several factors for such adverse reaction to new developments:

"Established residents may imagine menacing high-rises, crime, and squalor when they hear the term affordable housing and generally fear that their property values will fall if any subsidized project is built nearby".

This again reinforces the idea of cultural or attitude constraint which in turn can become a structural constraint. Self-interest is also identified as a theme. Communities can have a significant impact on opposition to housing in rural areas. In terms of affordable housing, there can be negative connotations associated with this type of housing which can lead to challenges of development. Yet, it has to be recognised that in order to retain younger generations and sustain communities that affordable housing is required to encourage and maintain young people.

The reasons for out-migration in the literature appear to be centred around independence and lack of choice. The literature shows that young people were exercising agency, yet the agency and decisions to leave were often influenced by constrained circumstances such as lack of employment opportunities, for educational reasons, or independence (Crow, 2010).

Employment was cited as a significant influence of out-migration but also in relation to the difficulty accessing affordable housing for young people. In rural areas, salaries are typically lower given the range of employment opportunities more significantly, a lack of white collar jobs distorting the amount available to spend on housing. The lack of variety of employment opportunities for the younger generation hindered their participation in the housing market:

"the range of labour market opportunities for young people is restricted in rural areas to low-paid, low-skilled work and these things weaken further their ability to compete in the housing market" (Burrows et al, 1998:179).

A study conducted on migration and the Outer Hebridean Islands recognised employment as being a driver of out-migration. It was noted in the research that there was a lack of

employment opportunities, particularly skilled jobs with opportunities for career development and restricted training and educational options. These employment issues were combined by an expectancy for young people to move to the mainland for further education and for work. The report also recognised the restricted job market for females as being a factor affecting gender inequity (Hall Aitken, 2007).

Young people are more susceptible to short-term or insecure employment, which became characteristic of employment in the last recession (Terry, 2011). Figure 2.5 indicates how, in remote rural areas, annual salaries tend to be lower than working in more accessible rural and urban areas. While these figures do not indicate earnings associated with age, the figures give an indication of earnings. The research also highlighted inequality in gender, with females tending to earn less, although this appeared to be a national trend.

| | Remote Rural | Accessible Rural | Rest of Scotland |
|---|---|---|---|
| Male | £26,720 | £30,127 | £27,104 |
| Female | £20,279 | £25,669 | £22,190 |
| All | £24,188 | £28,557 | £25,087 |

Figure 2.5. Annual Survey of Hours and Earnings, 2011 (Using Scottish Government Urban Rural Classification 2009-2010) cited in Scottish Government, 2012: 49)

In rural areas in Europe, employment in agricultural and other conventional land-based activities has weakened, while tertiary sector employment has risen (Shucksmith, 2004; Thissen et al, 2010). Whilst rural areas have been primarily associated with agricultural employment, the prominence of the agricultural industry is deteriorating due to the use of advancing 'technology' and development of other industries (Bryden et al, 2000:186). Referring to the experience of youth migration in Icelandic fishing and farming communities, Bjarnason et al (2006:290) consider the evolution of the employment market. With the progression of the technology industry, the number of jobs required in sectors such as 'fishing, farming, logging, and mining' have reduced and manufacturing productions have progressively become internationalised and fleeting. Rural communities have had to adapt to changing manufacturing processes, and while there is evidence of agricultural practices still ongoing in rural communities, it occurs at a lesser scale than it previously did. The development of technology and the change "from a manufacturing based economy to a service-based one" has

altered traditional working patterns (McOrmond, 2004: 25). Tourism has become a key sector in rural areas, however, this sector of employment has been linked with offering low payment and working patterns with long hours noted as being associated with the industry and the seasonal nature of tourism (see McGrath, 2001).

Figure 2.6. shows that agriculture, forestry and fishing industries are less prominent in rural areas than other sectors. The figures also reveal a high proportion of employees in the accommodation and food service sector, which could be attributed to tourism associated with rural areas, and this was evident in more remote rural areas.

| Rural / Urban | Agriculture, forestry & fishing | | Construction | | Accommodation & food service activities | | Wholesale & retail trade, repair of motor vehicles & motorcycles | |
|---|---|---|---|---|---|---|---|---|
| Large Urban Areas | 3,057 | 0.3% | 64,762 | 6.7% | 66,103 | 6.9% | 141,986 | 14.8% |
| Other Urban Areas | 8,495 | 1.1% | 62,082 | 8.1% | 42,463 | 5.5% | 124,964 | 16.3% |
| Accessible Small Towns | 3,586 | 1.7% | 19,273 | 9.2% | 11,306 | 5.4% | 31,462 | 15.1% |
| Remote Small Towns | 2,791 | 3.0% | 9,326 | 9.9% | 7,315 | 7.8% | 14,717 | 15.7% |
| Accessible Rural Areas | 17,754 | 5.6% | 28,378 | 8.9% | 15,749 | 4.9% | 43,302 | 13.6% |
| Remote Rural Areas | 14,579 | 8.7% | 16,522 | 9.8% | 15,239 | 9.1% | 20,191 | 12.0% |
| Scotland | 50,262 | 2.0% | 200,343 | 8.0% | 158,175 | 6.3% | 376,622 | 15.0% |

Figure 2.6.: Number and proportion of employees by sector, 2011 (SRUC, 2014: 21)

| | Remote Rural | Accessible Rural | Rest of Scotland |
|---|---|---|---|
| **Percentage of** **Employed Males who are:** | | | |
| Self-employed | 29% | 21% | 13% |
| Working part time in main job | 16% | 12% | 13% |
| With a second job | 9% | 5% | 3% |
| Homeworkers[2] | 27% | 21% | 11% |
| **Percentage of** **Employed Females who are:** | | | |
| Self-employed | 16% | 12% | 7% |
| Working part time in main job | 50% | 46% | 41% |
| With a second job | 12% | 6% | 4% |
| Homeworkers[2] | 17% | 14% | 7% |
| **Percentage of** **All employed who are:** | | | |
| Self-employed | 23% | 17% | 10% |
| Working part time in main job | 32% | 28% | 27% |
| With a second job | 10% | 5% | 3% |
| Homeworkers[2] | 22% | 18% | 9% |

Figure 2.7: Patterns of work by geographic area, 2013 (Annual Population Survey in Scotland, January to December 2013 (Using Scottish Government Urban Rural Classification 2013-2014) in Scottish Government, 2015[3]: 58)

As figure 2.7 indicated, the number of women working part-time was significantly high in remote (49%) and accessible rural areas (51%), specifically in relation to the male equivalent working in part-time roles (16% and 11% respectively). It has been noted that the high rate of part-time employment in remote rural areas and number of female employees in part-time employment could possibly be linked to the tourism industry (SRUC, 2014: 20). The higher number of females working in the tourism and recreational sector was noted in a study in North West Connemara, Ireland. The primary research indicated that young females were predominantly constrained in the industry in relation to wages and working conditions (McGrath, 2001). As intimated earlier in the chapter, disparities between genders have been identified in the rural environment.

Restricted employment opportunities and occupational choice for young people has been expressed as a significant issue in rural areas. It has been recognised that the evolution of the

labour market in rural areas from agricultural and "small manufacturing" to a rise in part-time, seasonal work in the service industry has particularly affected the younger age group (Cartmel et al, 2000:2).

The relationship between employment and housing is strong in the literature, particularly with regards to the affordability of housing. However, the practicalities of employment and housing should also be recognised especially in the context of remote rural areas. This could be illustrated by figure 2.8, which identifies the percentage of workers living and working by geographic area.
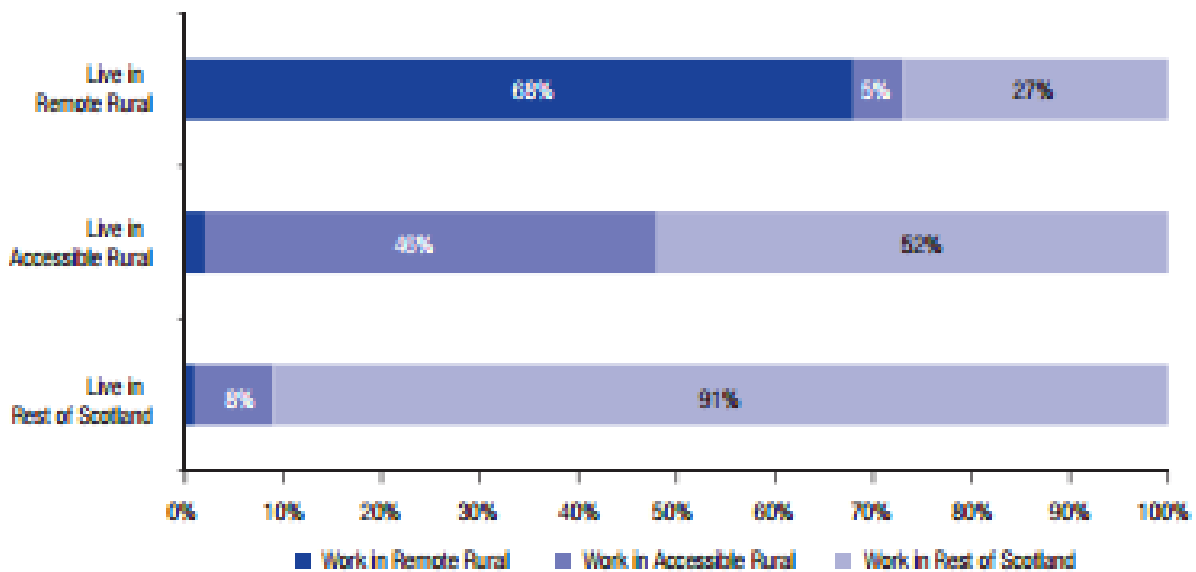


Figure 2.8. Percentage of Workers Living and Working in Area by Geographic Area (Using Scottish Executive Urban Rural Classification, 2003-2004) (General Register Office for Scotland, 2001 Census cited in Scottish Government, 2012: 26)

As figure 2.8. shows, a significant proportion (68%) of employees who work in the remote rural environment, live in the remote rural environment. This illustrates the relationship between housing and employment. Research was commissioned by the Scottish Government to 'examine whether and how the experience of poverty is distinctive in rural Scotland'. It was identified by research participants that in remote rural areas, car ownership was an essential commodity (Scottish Government, 2009). Similarly, research undertaken by Culliney (2014) revealed that there was more of a dependence and need for private transport in rural localities due to lack of provision and expense of public transport and that this can hinder young people's employment opportunities.

As referred to earlier in this chapter, McGrath's (2001) research explored the experiences of young people in North West Connemara, a remote region in the West of Ireland. A structuralist approach was employed, specifically Gidden's concept of authoritative resources, social practices and relations to "explore how young people's scope for action and choice is shaped and mediated" (McGrath, 2001:481). The research draws parallels to this research in that the aim of the research was to explore how choices were influenced by structure. In particular, McGrath (2001) focused on three areas employment, housing and education as these tend to be the subject of major choices. McGrath (2001) explained that those who were interviewed for the study could be denoted as "educationally disadvantaged", for example leaving school prematurely was an issue in the area, the reasons primarily relating to adverse "social practices and relations they encountered" (McGrath, 2001: 490). In terms of employment, labour was discussed as being low-paid, low quality, seasonal, lacking in variety and dearth of career development and there was frequently a disjoint between level of education attainment and employment opportunities. One of the main sectors of employment was tourism. Access to affordable housing was identified as challenging due to inflated house prices caused by in-migration, a rise in holiday homes affected the private rented sector as housing was rented out during peak seasons, which made it difficult to obtain longer lets and the cost of renting during this time was also higher. Furthermore, the resources available to young people in terms of family resources was also a factor of accessibility of housing, a dynamic which resonated with the work of Druta et al (2017). Considering these three elements, McGrath (2001) discussed the structural aspects and subsequent constraint on choices. In particular, housing and employment were identified as significant elements in "organizing one's life chances" (McGrath, 2001: 492) for the reasons noted above. While the research was conducted almost two decades ago, the issues evidenced in the research continue to be identified as characteristic of rural areas as evidenced throughout this chapter.

In 2013, research was conducted with Finnish youths aged between 18-30 years old to understand their dream future in 2030, in respect of accommodation, livelihood and lifestyle. 752 surveys were completed and the results were analysed both in terms of the three categories and also regionally, ranging from cities to remote-rural areas. The survey revealed that, in the main, younger respondents with no family, employment or education were drawn to the prospects of the urban environment. Whereas, rural areas appealed to the older participants who had families and an education (Kuhmonen et al, 2016). In terms of the latter group, the characteristics associated with the rural environment were a pull factor:

"This older group valued the safety, the appropriate balance between privacy and communality, the nature connection and their own property for various activities and for the spacious rural lifestyle" (Kuhmonen et al, 2016: 97).

Kuhmonen et al (2016) note that this relationship between the sets of participants and the preferences of different regions could be associated with the life cycle model. While the results showed that there was a correlation between age and dreams of where to live in the future, the data also highlighted that the respondent's birthplace or where they resided was the only factor to override their lifestyle, livelihood and accommodation aspirations (Kuhmonen et al, 2016).

The identification of different age groups having different associations and aspiration of the living in the rural environment coincided with findings of research conducted in 2014 on the attitudes of young people aged between 15 and 30 years old regarding the Highlands and Islands, Scotland. 4,409 surveys were completed by young people who were located within and outside the Highlands and Islands area. The research found that young people aged 25-30 years were more dedicated to staying in the Highlands and Islands (73%) compared to the younger participants aged between 15-24 years with 15-18years olds (27%) and 19-24 year olds (55%) intending to migrate (HIE, 2015: 2). The views of older young people also varied to the younger participants in terms of employment with more importance placed on flexible working and the ability to advance within the labour market for older young people.

The individual association with rural living has also been identified as having an impact on decisions to remain or migrate. Research conducted with young people aged 11-16 years old in rural Scotland, Norway and Sweden showed that the perception of the place was a factor in migration and plans to return (Kloep et al, 2003). The findings revealed disparities between countries, gender and ages. However, the research found a likeness between countries in terms of the motivations for deciding whether to migrate, remain and return to the rural area in relation to how they perceive the principles of the communities and their ambitions. Those who wanted to stay in the rural environment tended to have a sense of place in their rural environment and were more positive to the aspects of living in a rural community, although some of the participants did acknowledge adverse features of rural living. Kloep et al (2003) advised that those who intended to stay were similar to the 'committed stayers' of Ford et al's (1997) research, in that the sense of 'belonging' prevailed the negative features of the rural environment (Kloep et al, 2003: 102). The research participants who planned to leave tended to view the characteristics of the rural environment adversely and felt "restrained and oppressed

by rurality" (Kloep et al, 2003:104). It was noted that these findings of the motives to stay or leave were not surprising. The analysis of the motives of returners identified a combination of both the stayers and leavers perception of the rural environment. While the research identified a similarity with the leavers in terms of adversity towards certain rural features such as employment challenges, they viewed favourably the people in the rural environment. As such, this set of participants planned to leave to pursue education and to grow by travelling but with a favourable view to returning (Kloep et al, 2003). The research highlighted the different factors that interplay in decisions to migrate, remain and return and how the individual experience of the rural environment plays an important role in shaping these preferences:

"…the question whether 'to stay or to go' is closely intertwined with, and crucial to, personal constructs, identity formation and social relationships as well as educational and occupational considerations, as young people view the challenges and risks of social change." (Kloep et al, 2003:107).

Kloep et al's (2003) research emphasised how individual experiences and associations with the rural environment influenced the aspirations of young people. This reiterates the notion that young people's experiences are not homogenous.

As briefly discussed, in 2014 research was undertaken to explore the attitudes and aspirations of young people in and regarding the Highlands and Islands (HIE, 2015). The research approach was two-fold. Twenty stakeholders in the region who were involved in issues relating to young people were consulted and a mixed-methodology approach was taken for the empirical research with young people aged 15-30 years old including an online survey, surveys with schools and focus groups. The participants were from within and out-with the Highlands and Islands. The data obtained included 4,409 surveys and 49 people participated in online focus groups. Figure 2.9 details the factors sighted as being 'very important' in making the Highlands and Islands a more attractive place to live and work and the ranking (HIE, 2015:100).

| Theme | % Very Important | Ranking |
|---|---|---|
| Availability of high quality jobs | 68 | 1 |
| Opportunities for career progression | 64 | 2 |
| Good access to housing | 62 | 3 |
| Good access to FE/HE | 61 | 4= |
| Affordable transport links | 61 | 4= |
| Lower cost of living | 56 | 6 |
| Mobile connectivity | 51 | 7 |
| Availability of recreational/social opportunities | 50 | 6 |
| Having a university in the region | 48 | 9= |
| Access to the outdoor environment | 48 | 9= |
| Digital connectivity | 48 | 9= |
| Vibrant communities | 47 | 12 |
| Opportunities for post-graduate education | 45 | 13 |
| Availability of childcare | 43 | 14 |
| A supportive environment for Gaelic | 18 | 15 |

Figure 2.9: Factors ranked as 'very important' in terms of the Highlands and Islands being an attractive place to live and work (HIIE, 2015: 100)

As figure 2.9 highlights, employment factors and housing were ranked as the most important factors for making the Highlands and Islands an attractive place to live and work. As indicated in the list of factors, both institutional and social/ cultural factors were identified as being of importance. A lack of variety of jobs in the labour market and supposed lack of career development were viewed as being priority issues.

Prior to this study, research was conducted five years earlier to understand the factors influencing the migration of young people to and from the Highlands and Islands of Scotland (HIE, 2009). A similar methodology was adopted to the previous study, 3,471 surveys were obtained as well as online forums and consultations with stakeholders. One of the main aims of the research conducted in 2015 was to be able to compare certain findings with the 2009 research. While there were promising changes such as an increase in the perception of opportunities for further and higher education, there were also areas that remained challenging. As shown in figure 2.9, employment was identified as a key indicator of attractiveness. The 2014 research found that 9% of young people agreed that "their local area is a place with plenty

of job opportunities" with 32% strongly disagreeing with the statement (HIE, 2015$_2$: 94). Only 5% agreed with the statement in the earlier survey showing a slightly improved perception. Less than a quarter (23%) strongly disagreed that there were "plenty of job opportunities" in the earlier research showing a more marked difference in the percentage of young people who thought there were a lack of job opportunities. The study in 2014 highlighted that housing was found to be more significant for the participants than five years prior (HIE, 2015$_2$). The research indicated apprehension of availability and access in both for home ownership and the rented sector.

The review of the housing experiences of young people indicated that there were many factors and influences that interplayed in rural out-migration. While young people are likely to have the same aspirations as those in urban areas, for example, to leave the area to seek employment or for independence reasons (Glendinning et al, 2003) the rural environment was more constrained in terms of choice of various aspects of living in a rural area. Similarly, the literature raised an important issue that while affordable housing was an important factor in decisions to remain in rural areas there were other factors not wholly driven by the state of the housing market. However, for those young people who stay in or migrate to rural areas and are perhaps dependent on lower paid or seasonal employment, affordable housing would be necessary.

The link between housing and employment has emerged from the research, with the characteristics of employment in rural areas for young people impacting on the access to the housing market. This chapter continues by exploring the literature on constraint associated with rural housing markets with reference to the experience of young people.

**Rural Housing markets and the experience of young people**

This section begins by identifying the characteristics associated with constrained rural housing markets, followed by a review of housing tenures in the context of the rural environment. Throughout this section reference is made to the experience of young people in rural housing markets, highlighting how the characteristics of the rural housing market can constrain choice. This is followed by consideration of factors that influence the supply of housing in rural areas, exploring the institutional actors who were addressed in the literature as being particularly influential.

The dynamics of the rural environment can contribute to constraint in the housing market where access to housing, particularly affordable housing, can be challenging. The combination of

high demand and limited housing supply have been associated with constraint in the housing market. In rural areas, the physical, economic and social characteristics of the rural environment have been identified as contributing to increased demand pressure and restrictive supply. In terms of demand, the connotations of the rural environment and ideals associated with scenic rural locations encourage in-migration from those seeking second home ownership and retirement homes. Second home ownership impacts upon the 'availability' and 'affordability' of housing for local people. Supply constraints derive from numerous factors including high land value, land ownership constraints, increased development costs due to poor accessibility and infrastructure constraints, lack of economies of scale deterring larger scale developments and developers, land protected through the planning system, and land which is physically challenging and uneconomical to develop (discussed in more detail later in this chapter).

Because of heightened demand and limited supply, a lack of affordable housing is often associated with the rural locations. Other influences particularly associated with characteristics of the rural environment have also been identified as contributing to difficulties accessing housing at a level that is affordable. These factors include low paid and seasonal employment, which tend to be associated with employment in the tourist industry, transport constraints restricting choice due to accessibility, and limited choice of housing tenure compared to urban areas. The Scottish Government (2009) commissioned research on the experience of poverty in Scotland. One of the findings of the research was that there was a lack of choice in rural areas compared to urban areas. Interview participants concurred that the higher the density of population, the better the variety of employment opportunities, proximity to support services, amenities and diversity of housing. Similarly, workshop participants generally thought that in comparison to rural areas, urban areas offered greater accessibility, more choice and variety in all areas of life.

In Scotland, issues of affordability in the housing market have been associated with restricted local housing provision combined with particular groups unable to access housing due to competition from in-migrants or lack of financial means (Satsangi et al, 2009). The consumption of housing either for residency or second-housing from urban dwellers can cause an increase in the value of rural properties. While some people can benefit from this in-migration, such as those with businesses, this occurrence can have consequential impact on the affordability of housing in the private rented sector and home ownership for young people (McGrath, 2001). Access to housing can be particularly acute for local people where there is

a high level of second home ownership, especially in remote rural areas (Scottish Government, 2012; Scottish Government, 2009 cited in Scottish Government, 2015).

The demand from second home ownership affects the amount of available properties for sale, the availability of properties in the private rented sector and market values. Where rural areas benefit from tourism this demand is particularly evident. In-migration has been determined as a key component of housing demand. There are many reasons cited as encouraging in-migrants to rural areas, including a perception of a more desirable standard of life, the connotations associated with living in the rural environment, the apparent financial benefits of retirement and potential investment opportunities of holiday and second homes (Gallent, 2009; see also Stockdale et al, 2000; Kloep et al, 2003).

While in-migration can bring economic benefits to rural areas including job opportunities and investment in the locality, the demand for housing can cause constraint in the housing market. Increased house prices have been linked to in-migration in areas where there is significant demand causing imbalance in the housing market:

"This effect can be explained, in terms of investment/precautionary motives and turnover effects, but it is one factor which may impart disequilibrium/instability tendencies to local housing markets" (Bramley et al, 2005: 2236-2237).

Bramley et al (1995:6) discuss how this demand in rural locations, along with constrained legislation on housing provision, has influenced the lack of affordable homes for locals. It has been noted in the literature that rivalled by wealthy locals and in-migrants, young people struggle to compete in the housing market (Burrows et al, 1998:179). Referring to Shucksmith's ($1990_2$:225) differentiations of householders "access chances", Gallent et al (2000) explain that particular individuals will see competition from other inhabitants as well as in-migrants:

"…certain groups will face disadvantage in the rural housing market, not only in competition with newcomers but also with indigenous owner-occupiers who have the advantage of an established equity base" (Gallent et al, 2000: 53).

The issue of access is not a recent occurrence. Almost four decades ago Mark Shucksmith (1981) stated:

"the essence of the housing problem in rural areas is that those who work there tend to receive low incomes, and are thus unable to compete with more affluent 'adventitious' purchasers from

elsewhere in a market where supply is restricted." (Shucksmith, 1981:11 (cited in Gallent (2009)).

It has been evidenced that people dependent on local incomes may struggle not only to compete with in-migrants but also other locals who may have the financial means to compete in the housing market. The deficit of affordable housing is more acute in rural areas, especially remote rural areas, where second homes are purchased, inflating house prices and pricing young people out of the housing market (Graham et al, 2015).

The characteristics of young people and their housing patterns are distinguishable. Young people are remaining in the parental home for longer periods, there has been a rise in the dependence of the private rented sector and limited access to home ownership and social housing (Rugg et al, 2015; Pennington et al, 2012). Young people are constrained in the housing market, with challenges accessing affordable private and social housing and home ownership is unobtainable until later stages in life (Terry, 2011).

For young people, entering the housing market can be more constrained due to financial circumstances. Typically, young people are at the start of their career and therefore have limited capital to compete with older generations who may be moving up the housing ladder or have more capital saved. The ability to obtain finance has also become more restrictive in recent years due to restrictive lending criteria following the 2007 recession (McKee, 2012; Pennington et al, 2012).

The need for more affordable housing across the country has been a significant political issue in the UK for many years and this has been well documented in the media. To alleviate this numerous Government interventions have been introduced to help first-time buyers and those on more modest incomes to access the housing market, such as help-to-buy schemes. While access to affordable housing can be difficult for young people in both urban and rural areas, in rural areas the availability of housing can be more challenging, particularly smaller, singular accommodation and rented accommodation. The combination of a lack of availability of housing and lack of capital can make access to housing, especially affordable housing, challenging. This relates back to more restrictive employment patterns in rural areas. Jamieson et al (2008) state that Hall Aitken (2007), Jones (2001), MacClean (1997) and Stockdale (2002$_2$) have all identified a shortage of "affordable housing" as a significant factor influencing the migration of young people from rural areas (Jamieson et al, 2008).

**Home Ownership**

Home ownership is still evidenced as being the most preferred tenure amongst young people (Heath, 2008; Clapham, 2010; Pennington et al, 2012).   However, there has been a noticeable shift in tenure patterns amongst young people with more people now living in the private rented sector compared to owner-occupied. The economic downturn in 2007/2008 has claimed to have exacerbated the challenges of access to housing for the younger generation (McKee et al, 2017[1]; Clapham et al, 2010).   The restricted access to finance that followed the 2007/2008 economic downturn, the subsequent challenges in the labour market and the pattern of relationships and families being formed later in life have led to more reliance on families for support.  (Druta et al, 2017).

The age in which people are becoming home owners has decreased in the under thirty age bracket which has been evidenced internationally (Mckee, 2012).  Figure 2.10. illustrates the percentage of mortgages to first time buyers in the UK from 1990 to 2009.
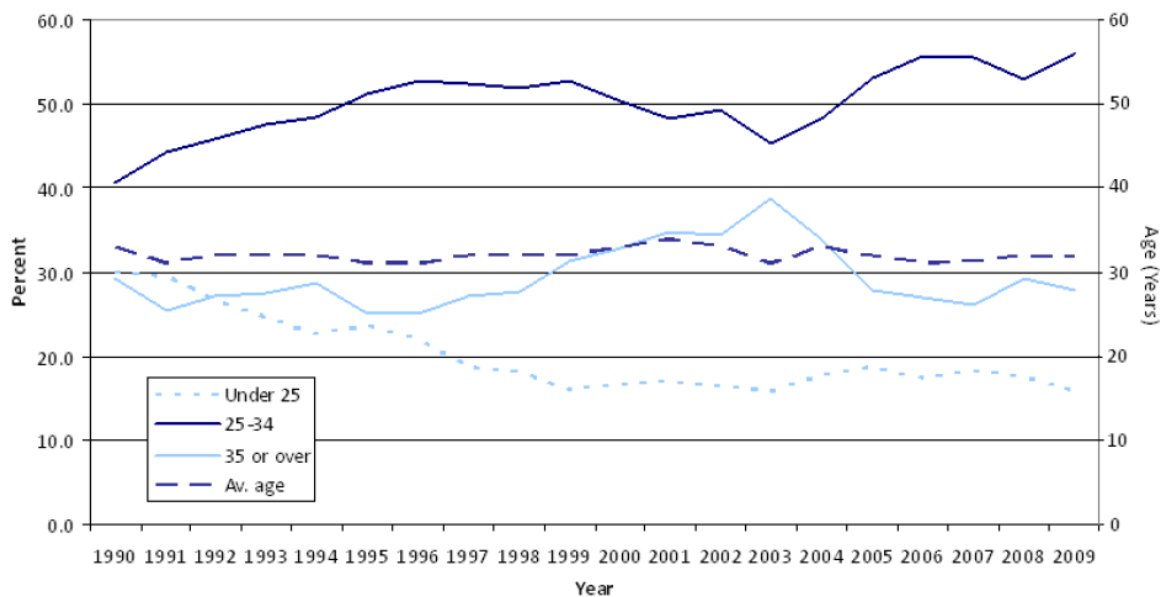


Figure 2.10.: Percentage of all mortgages to first time buyers in the UK by age group and average age of first-time buyers (1990–2009).  (CLG (2010) Live Table 537 in Clapham et al, 2010:7)

Figure 2.10. shows that while there have been slight inclines over the two decades, the percentage of first time buyers aged under 25 years decreased.  Contrastingly, the number of first-time buyers aged 25 to 34 years has risen though this pattern and has been subject to sharp dips over the ten-year period.  The graph indicates that the average age of the first-time buyer

in the UK was just over 30 years old and remained quite constant over the past decade with minor changes. Research undertaken to explore housing and the experience of young people in 2020 estimated that access to home ownership would remain challenging to 2020 (Clapham et al, 2010).

In rural Scotland, housing tenure availability is different to urban areas. Properties tend to be houses or bungalows and there were fewer flats compared to the rest of country (Scottish Government, 2012).
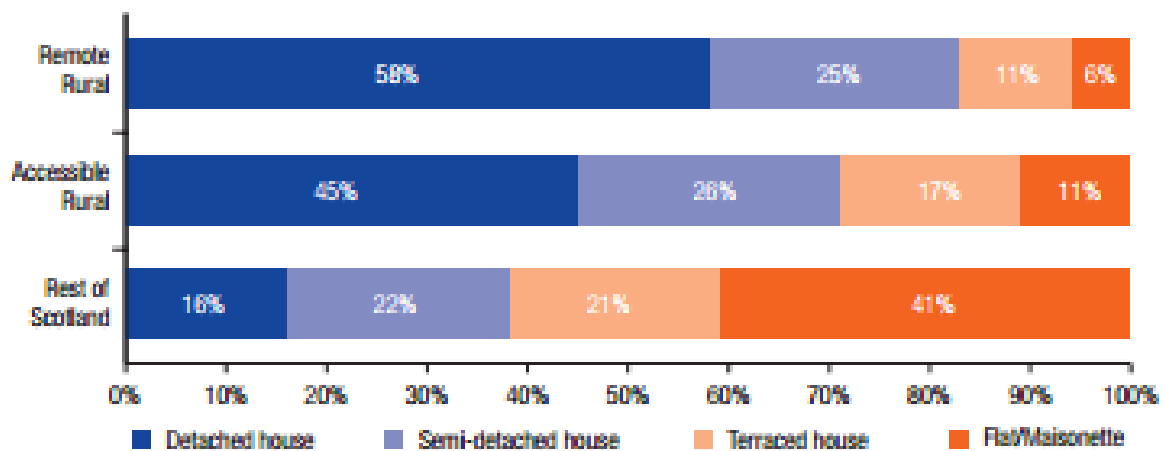


Figure 2.11: Property Type by Geographic Area, 2013 (Scottish Household Survey, 2013

(Using Scottish Government Urban Rural Classification, 2009-2010) cited in Scottish Government, 2015: 41)

As figure 2.11 shows, houses tend to be more prevalent in rural areas and there is a significant contrast in the availability of flats in comparison to the rest of Scotland. This could be recognised as being particularly challenging for young people, who may find it more difficult to access single-person accommodation. In rural Scotland, it has been identified that there is a deficit of smaller, affordable properties (Scottish Government, 2009).
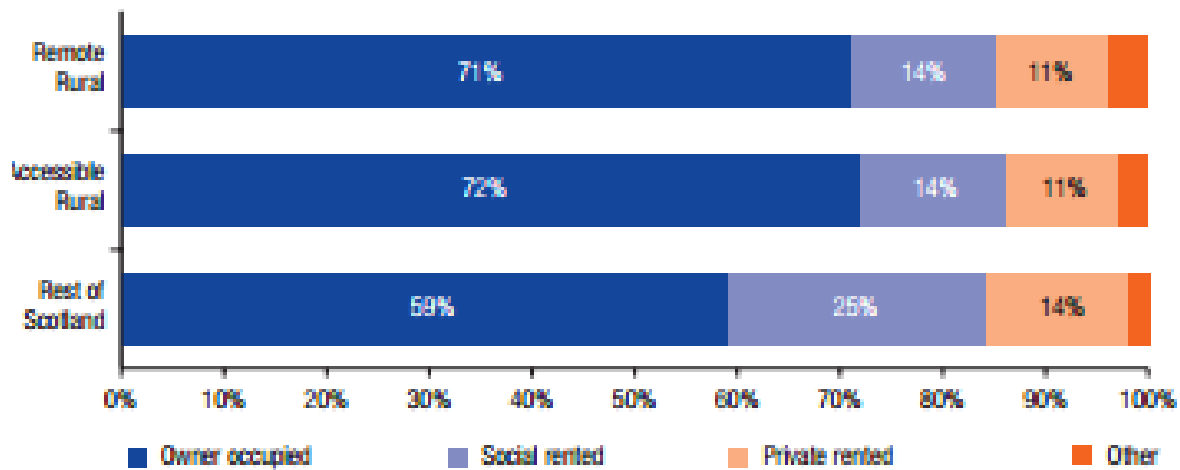
Figure 2.12: Housing tenure[1] by geographic area, 2013 (Scottish Household Survey, 2013 (Using Scottish Government Urban Rural Classification 2013-2014) cited in Scottish Government, 2014: 43)

As figure 2.12 shows, in more remote rural areas in Scotland, home ownership is more dominant tenure, with fewer private rented stock and social housing compared to the rest of Scotland.

Research found that due to the dominance of people owning their own home (and being a business owner) there could be an issue of residents being "'asset rich cash poor' and 'mortgage poor'" (Scottish Government, 2009: 12).

In rural areas, young people are remaining in the family home for more prolonged periods because there are no options other than buying and this could be considered hidden homelessness (Jones, 2002). The general definition of homelessness is someone who does not have any accommodation or who has to stay in someone else's accommodation such as with an acquaintance. Shelter (no date) describes the latter as "hidden" homelessness. In 2011, Reeve et al (2011:1) undertook research on homelessness of individuals in England and listed some of the forms of "hidden homelessness" as "staying in squats, sofa surfing, or sleeping rough and with no statutory entitlement to housing...in caravans and tents pitched unlawfully…".

As a result of demand and supply pressures in the housing market and an inability to enter the housing market, problems of rural poverty and homelessness can arise. One of the features of rural poverty is that it tends to be hidden. One of the reasons for this is the spatial differences between urban and rural areas. In urban areas, poverty tends to be more condensed in few areas

compared to being more scattered in rural locations (Commins, 2004). Another explanation is that scenic landscape and ideals associated with the rural environment, such as strong communities, shadow the problems of deprivation described by Commins (2004: 61) as a "cultural invisibility". Furthermore, in-migration of wealthy residents to accessible rural locations has further contributed to the notion that rural areas are prosperous. This portrayal of prosperity can further compound social and economic issues for those who are more deprived (Ward, 2000). The media portraying 'individualistic' rather than 'structural' views of poverty problems has accounted for the sustainability of these ideals of living in the rural environment. As consequence of the concealed poverty certain households may not consider themselves as deprived. In addition, Commins (2004), citing the work of Woodward (1996) and Storey (1999), explaining how rural cultural customs influence the mindset that poverty is the result of individual failure and to endeavour to uphold a social standard despite poverty issues.

The problem with rural poverty and homelessness is the ability to capture the extent to which there is a problem. If individuals themselves do not identify as deprived or homeless, then issues arise as to how to evaluate levels of need within an area.

Research undertaken by Pennington et al (2012) on 'the social impacts of housing undersupply on young people' found a correlation between home ownership and community with participants in the research feeling more of a sense of place associated with this tenure in comparison to renting. This was highlighted as being due to renting being viewed as a short-term solution and therefore lack of participation in the community. This again ignites the issue of social and cultural values correlating with the housing market.

**Social Housing/ Housing Associations**

As discussed at the beginning of this chapter, the RTB policy was introduced, under the 1980 Housing Act, which gave tenants of council properties the RTB their home at a discount of the market value. While this policy enabled tenants to become home owners, the legislation also depleted the social housing stock (Satsangi & Dunmore, 2013; Satsangi, 2006). A deficit of affordable housing combined with RTB legislation has led to "rationing" of this tenure (Pennington et al, 2012:13). This has had a significant impact on access to this housing tenure, particularly in rural areas where there was limited stock prior to the policy (Fitzpatrick et al, 2000).

Young people are often excluded from accessing social housing because of the criteria used to calculate 'need' (Gallent et al, 2001; McKee, 2012, Clapham, 2010; ECOTEC, 2009). Although, it has also been suggested that this tenure is not always desirable due to the 'stigma' attached to this tenure (Clapham, 2010).

**Private rented sector**

There has been an increasing trend in the number of young people in the private rented sector. The term 'generation rent' has been coined to reflect the increased number of the younger generation living in the private rented sector due to difficulties entering the home ownership market, which has been compounded since the 2007/08 economic downturn (Hoolachan et al, 2017).

While the private rented sector can offer flexibility for the younger generation and bridge the gap between leaving home and owning a home, there are negatives associated with this tenure. The private rented sector is sometimes considered as a short-term option, with high rents and lack of security (ECOTEC, 2009). Furthermore, in rural areas, young people may "lack a pool of peers" to access shared accommodation (Atterton et al, 2014: 30; Jamieson et al, 2008).

In rural areas where tourism plays a role in the economy, housing in the private rented sector tends to be unaffordable to young people during peak seasons (Heath, 2008). Research commissioned by the Scottish Government (2009) found that the availability of properties in the private rented sector was restricted due to holiday lets. In particular, those who were consulted as part of the research advised that the period of lets were often shorter to reflect the seasonality of the tourism industry/ holiday period. Single parents were seen as being particularly affected by seasonality in the private rented sector. The shorter lease length could lead to regular moves, which could lead to inconvenience and the loss of networks caused by having to move.

This section has shown that young people tend to be constrained in the housing market due to challenges accessing all tenures. The challenges stem from lack of availability and affordability. The words of Shucksmith et al (2003: 170) effectively summarise these challenges and consequential effect:

"Because of the overemphasis on owner-occupation and the concomitant lack of housing to rent, especially public housing, there is thus a lack of choice within rural housing markets,

particularly for those who do not have the financial means to compete effectively within the private sector" (Shucksmith et al, 2003: 170).

This housing market constraint is derived from heightened demand in rural areas compared to supply. The imbalance has led to particularly constrained housing markets and young people tend to be affected by this configuration. Yet, it has been well documented in the literature that characteristics of the rural environment impact upon housing supply and institutional actors play an integral role in the operation of the housing market. The following part of the chapter identifies key institutional actors who a play an influential role in the structure and particularly the supply of housing in the rural housing market.

**Housing supply**

It has been acknowledged in the literature that rural housing markets are constrained by housing affordability and availability. Figure 2.13 demonstrates some of the issues associated with developing affordable housing in rural areas, in Scotland and England.

| Factors inhibiting development of affordable housing in rural areas | Scotland | England |
|---|---|---|
| Land supply | Affordable housing cannot compete with sale housing in the land market.<br><br>No evidence of use of exceptions policy to bring forward land.<br>Not enough speculative housing is coming forward to enable local authorities to negotiate affordable housing provision within mainstream sale schemes. | The supply of exceptions sites is very limited, partly because most sites which are potentially suitable for housing development are either already allocated or have 'hope value'. |
| Funding | There is not enough public subsidy to support schemes which do come forward.<br><br><br><br>Limited funding to, and take-up of, low cost home ownership schemes.<br><br>Higher development costs make rural schemes uncompetitive. | Availability of public funding is a problem, although there is specific funding for rural exceptions schemes.<br><br>In some parts of the country shared ownership housing can be provided without the need for public subsidy and this is perceived as an affordable product.<br>Higher development costs make rural schemes uncompetitive, although this is partly compensated for by higher funding levels for schemes in some rural schemes. |
| Process | The process of assessing need at local level is long-winded. | The process of assessing need at local level is long-winded. |
| Environmental issues | Environmental concerns a high national policy priority, local interpretations have endorsed these above social objectives. Resistance to housing in the countryside sometimes succoured by local antipathy. | Local authorities lack the political will to develop affordable housing in AONB or Green Belt.<br><br>Given the presumption against development of housing in villages because of poor access to facilities planners question the logic of siting affordable housing there. |

Figure 2.13. 'Factors inhibiting development of affordable housing in rural areas' (Satsangi et al, 2003: 214)

As figure 2.13 illustrates there are many factors that can act as barriers to the development of affordable housing. The identification of factors inhibiting development reveals there are a complexity of issues which together can support a very constrained housing environment. It can also be recognised that the structure of rural housing markets and in particular the development of housing is hindered by complex institutional constraints. This section looks at the institutional actors who have been identified in the literature as influencing housing supply.

**Planning system**

The planning system plays two important roles: to project and assign enough land for housing and to preserve rural land (Home, 2009: S105).  Across Europe, while rural development policies have focused on rural sustainability and diversification, planning has become progressively more restrictive in relation to physical development- mainly the development of housing- of the rural landscape (Scott et al, 2009). Chesire (no date: 1) recognises that the "planning system does not operate on the supply of housing directly, but indirectly via the constraint imposed on land supply".  The planning system has powers of allocation and legislative control but due to the composition of land ownership in the United Kingdom, the institution has limited clout in relation to land provision.  Yet in relation to "affordability" of housing, Leishman et al (2012: 383) explain:

"perhaps the most commonly cited argument about the underlying causes of declining housing affordability relates to the role of land-use planning…a key argument is that planning, by reducing the supply of land and the responsiveness of land supply for a particular use, acts to reduce the supply of new-build housing" (Leishman et al, 2012: 383).

While planning does have an important role in the allocation of land for housing, it should be recognised that land supply is also determined by land ownership and the supply of new-build housing is also a function of the construction industry.

The planning system is often blamed for deficiency of land supply, particularly by the construction Industry.  Primarily, this is due to the varying objectives of each party (Adair et al,1991: 59-60).  Barker (2008:42) identified that it has been widely recognised that planning restrictions have an impact on land values but explained that this was disputed in the United Kingdom.  She defined the principal arguments against this theory.  The first argument was that price was demand- rather than supply- led and the second was that the actions of the development industry had more influence over supply than planning constraints.

It must be recognised that there is a fine balance between demand and supply.  This issue is particularly heightened in a rural context, as Satsangi et al (2010:53) explain:

 "…protection creates infrastructure scarcity (limited housing supply), whilst consumption further depletes the remaining infrastructure: together these create the context for economic development, limiting it to particular forms judged acceptable by those who hold power in rural authorities" (Satsangi et al, 2010: 53).

Satsangi et al (2010) suggest that political governance is one institution influencing the demand and supply equipoise.

The planning system has gone through cycles of reform. In 2015, the Scottish Government announced plans to consult on the planning system and in 2016 published a Places, People and Planning position statement outlining various proposals of reform. One of the proposed reforms of the planning system is the engagement with communities in local planning. This level of engagement could help to reduce friction in development planning.

As mentioned earlier, the role of the planning system is partly to preserve the land. There is a fine balance between release of land and protection and this has been an issue of contention particularly in rural areas. The preservation of land through the planning system is evident in other European countries. For example, in the Netherlands, planning policy inhibits development of rural areas and this conservation of the land has been considered an indication of planning system success (Oxley et al, 2009).

The role of planning in the housing market is very important and influential. Planning is fundamental in resource allocation and housing projection. While it can be identified that planning does have an influence in the housing market, the degree of supply is restrictive due to land ownership and influence of other institutional actors such as the construction industry.

**Land Ownership**

Land ownership in Scotland is exceptional with "*the most concentrated pattern of private land ownership in Europe (more concentrated even than in countries such as Brazil)*" (Wightman, 1999: 30) (see figure 2.14).

**SCOTTISH LAND OWNERSHIP**

KEY:

- Top 50 – largest privately owned estates*
- Remaining privately owned land
- Publicly owned land

50 Miles

* Including two NGOs and five community bodies

SOURCE: ANDY WIGHTMAN
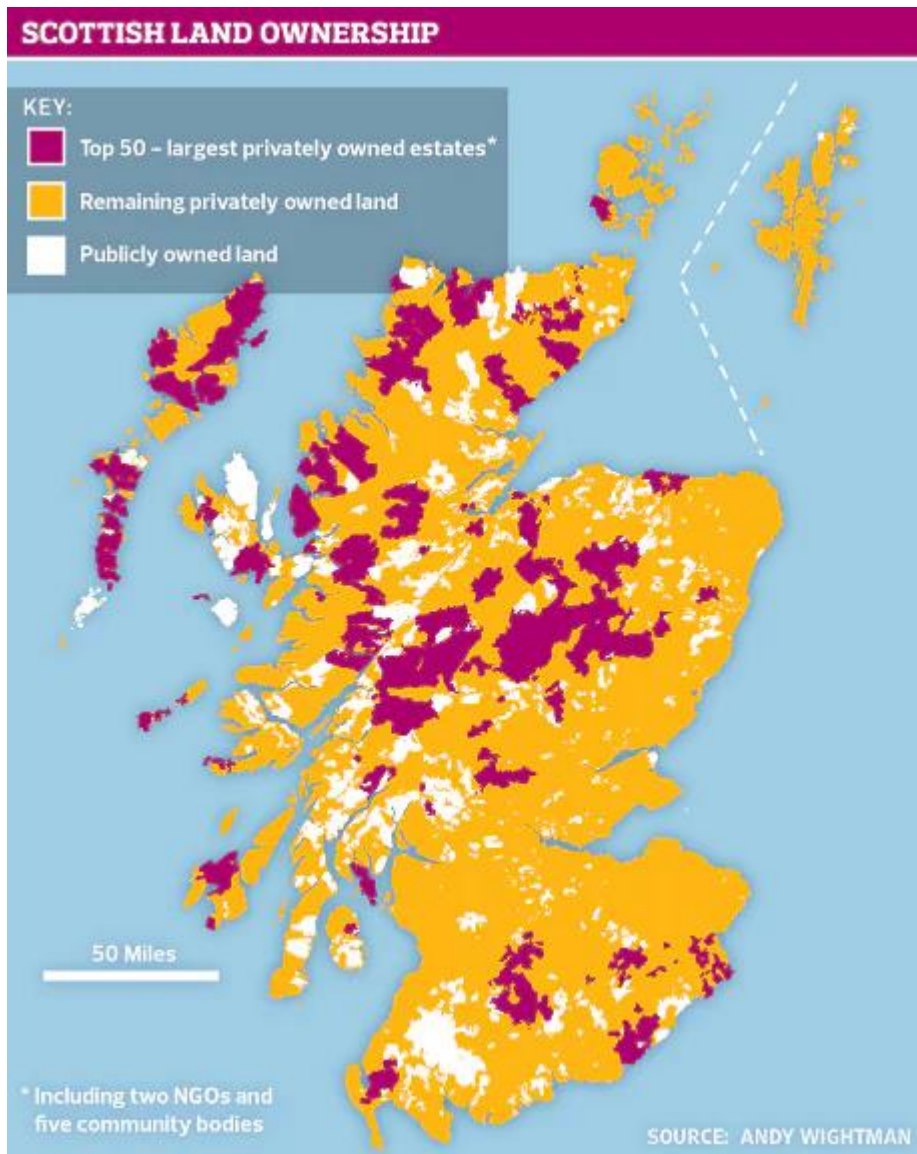
Figure 2.14: Map of Land Ownership in Scotland. (Wighman, in The Guardian (The Observer), 2013)

In the UK, the main catalogue of land ownership information is the constitutional register of titles kept in the Land Registers of England and Wales (LREW) and Registers of Scotland (LRS). However, the Registers did not provide a complete picture of land ownership as not all land was recorded, and collective data was not issued, such as information about the amount of land within a particular ownership, and access to information in the register (LREW) was costly (Home, 2009). In 2014, the Land Register of Scotland etc Act (2012) came into force, in which there was a statutory requirement for all land to be registered by 2024 and all public land registered by 2019 in Scotland. The Land Register of Scotland is a map-based document and replaces the register of Sasines, which recorded title deeds since 1617 (Registers of Scotland, no date).

Ownership is a fundamental aspect for developing land in general and is not exclusive to rural communities. In a rural environment, however, the issues of land ownership are magnified, given the restricted development land and large private estates. There are multiple problems associated with private land ownership for development purposes. Firstly, planning authorities may allocate land for development but if this land is in private possession, the development is not going to occur, unless the proprietor is willing to sell. Secondly, one of the specific difficulties with rural land can be land which is preserved for agricultural, natural, heritage and recreational purposes. Thirdly, the land owner may refuse development or expect more for their land, given the demand for housing (hope value).

Half of Scotland's privately owned land is possessed by 432 landowners (Hunter et al, 2014). Wightman (1999:46) illustrates, by way of example, the problem of dominant land ownership patterns:

"To obtain a house plot in rural Scotland can cost £20,000 just for a quarter acre that has lain there for thousands of years undeveloped and unused save for a few sheep. There is no shortage of land…Restricting the supply of land through monopoly landownership and through planning restrictions forces up prices artificially…".

Gillen et al (2002:41) identify that land allocated for development by land owners and development companies lessens supply and is likely to inflate prices which creates a "thinner market" with "greater potential for volatility". Land in private ownership can only be released if there is a willing seller except for if the land is compulsory purchased but as Home (2009) explained, compulsory purchases are uncommon within the planning system due to restricted costs and community opposition.

Landowners have their individual reasons for owning their land, whether that be for residence, heritage reasons, agricultural, or financial reasons. Satsangi (2005:350) cites research undertaken by Goodchild and Munton (1985) on landowners and development of land and Satsangi refers to the four categories of 'ownership motives' derived from this research (figure 2.15).

Use Value, where the owners' benefits, financial and non-financial, are derived from the occupation of the property.

Investment, with a differentiation made between purchases and inheritors. Purhasers are seen to be either spectators or 'nest-egg' buyers. Inheritors' behaviour is likely to be more variable-sometimes profit maximising, sometimes reflecting accidental ownership.

Non-profit, e.g. others use the land with/ out charitable status.  It is suggested that this motive is rarely combined with investment use, more commonly with occupational use.

Control, the owner acting to restrict/influence the use of a parcel of land for the benefit of other land held in the same ownership.

Figure 2.15: Landowners and development of land (Satsangi, 2005: 350).

Figure 2.15 indicates that decisions of land owners are driven by different factors.  While financial incentive was depicted as an influence of land owners decisions, other reasons included non-altruistic behaviour and the sense of power obtained through land ownership.

While private land owners have the power over their land, they do not have sole command over the use of the land, especially for the delivery of particular housing needs as the Government possesses the development rights (Gurran et al, 2011).

Other influences affecting the choice to dispose of land include the significances associated with owning land:

"*among the factors influencing their decision to release land will be their material interests and social relations, covering kinship, social status and class*" (Shucksmith et al, 1993:248-249, see also Munton, 2009).

Again, this reinforces the social and cultural aspects associated with the rural housing market that must be considered when exploring the rural housing market.  Finance is not the only influence of developing land, there are other matters which are culturally engrained in society

which interplay in decisions. This was recognised in the context of out-migration of young people but as has been raised here, it is also a factor in the motives of institutional actors.

The issues of land ownership are complex. While land owners influence supply of land, the ownership of land can be held for financial reasons or reasons deep rooted in social meanings such as class. Yet, while the supply of land is an important issue, so too is the supply of housing.

**Construction Industry**

In the construction industry, the supply of house building is driven by profitability (Kenny, 1999). In more inaccessible and geographically isolated rural housing markets in the UK, projected builds by large scale builders is not customary. One reason for this is that these types of house builders tend to build on mass and benefit from economies of scale and achieve profit maximisation (Satsangi et al, 2010:111):

"…for the housing markets of rural Britain, outside of peri-urban areas- that is, in less accessible and remote areas- speculative building by the volume builders is rather less common….volume builders, as the name suggests, typically build in large volumes. This is what allows them to minimise the cost per unit of their output and, ceteris paribus, maximise the profits from development: essentially, they enjoy scale advantages".

Another issue likely to be associated with development in rural areas is higher costs such as transportation of materials and ground work preparation which indicates that there may be more risk and less capital reward developing land in a rural environment. A study of small housing developers in Scotland was commissioned by the Scottish Government (Guy, 2016). An electronic survey was conducted to explore the challenges small and medium enterprise builders had experienced in the preceding three years and that they expected to experience in the next five years. Figure 2.16 highlights some of the top influences which were depicted by respondents as being obstacles to development. This illustrates the complex interplay of issues of development in rural areas.

Table 3.6: Obstacles ranked by those experienced by the most respondents – Rural, semi-rural, urban respondents

| | Previous three years | | | Following five years | | |
|---|---|---|---|---|---|---|
| | Rural | Semi-rural | Urban | Rural | Semi-rural | Urban |
| | 1st Financial | 1st Financial | 1st Financial | 1st Financial and Infrastructure | 1st Infrastructure | 1st Financial |
| | 2nd Infrastructure | 2nd Planning | 2nd Land | | 2nd Financial | 2nd Infrastructure and Planning and Land |
| | 2nd Utilities | 3rd Infrastructure | 3rd Market demand | 3rd Utilities | 3rd Utilities and Lack of skills | |
| | 4th Planning | 4th Utilities | 4th Planning | 4th Planning | | |
| | 5th Land and Market demand | 5th Lack of skills | 5th Utilities | 5th Lack of skills | 5th Planning | 5th Utilities and Lack of skills |
| | | N/A | N/A | 6th Land | 6th Land | |
| | 7th Lack of skills | N/A | N/A | N/A | N/A | 7th Market demand |

Figure 2.16: Obstacles to small developers building homes ranked by those experienced by the most respondents – Rural, semi-rural, urban respondents (Guy, 2016: 29)

As figure 2.16 identifies, there are a number of issues which influence the development of homes including infrastructure, services, skills, planning and financial constraints. The combination of these factors can make housing supply particularly challenging. However, supply of housing is not only determined by additional homes being constructed; the utilisation of existing housing is also a factor. Dipasquale (1999:9) identifies that the construction Industry is not the only actor affecting housing supply with the choices of owners influencing existent housing stock. As Ball et al (2010: 256) identify that "new housing supply is only a small proportion of the existing stock (approximately 1% per annum)".

The development of 'kit' homes has become a more prominent solution to development of accommodation especially in rural areas. 'Kit' homes are prefabricated homes that are assembled on site. The advantages of these homes are cost and time of development, but consideration has to be given to the cost of the land, accessibility and planning permission.

**Conclusion: agency of young people and structure of the housing market**

The relationship young people have with housing varies depending on individual circumstances and background and it is important to recognise that this age group is not 'homogenous' (Rugg, 2010; Rugg et al, 2015; Heath, 2008). There is a strong correlation between housing and employment which has emerged strongly in the literature (Jones, 2002; McKee et al, 2015) and it should also be noted that transport is also particularly pertinent in rural areas (Hoolachan et al, 2016; Jones, 2002; Culliney, 2014). Lack of employment and educational opportunities and a deficit of affordable housing have been identified as key factors that lead young people to migrate or become 'excluded', though this will reflect the different circumstances of individuals (Atterton et al, 2014). Yet, it was also acknowledged that there were social or cultural factors which also affect the decisions of young people to migrate from rural areas, for example the desire to achieve independence or experience an alternative environment.

The effect of restricted housing markets is that young people are pushed into making concessions, for example, not living in their desired location or tenure, with who they want to live with or in homes which are of a good quality (Pennington et al, 2012). This highlights that, for young people, choice tends to be constrained in the housing market. As the literature has indicated, in rural areas, the housing market tends to be further constrained, impacting on choice. While affordable housing has been identified as a contributing factor of out-migration of young people, as discussed, the literature revealed that there were many other issues which were shown to influence migration. This highlighted that while the provision of affordable housing could provide more options for those who wanted to stay, this in isolation may not affect the choice to leave. This observation was reaffirmed by Jones (2001:61):

"The provision of affordable rural housing for single young people would probably not stop the drift to urban areas unless it was accompanied by better training, transport and employment opportunities, but it would improve the quality of life of those who stay on by allowing them more choice about the way they make the transition to adult independence" (Jones, 2001: 61).

The literature has identified that while individual institutional actors influence the housing market, it is the combination of the influences that impact supply and demand issues in the rural housing market.

One of the themes which could be extracted from the literature is the need to retain the sustainability of the community for future generations and to do so would require employment, housing and service provision. The Hall Aitken report (2007) has been referred to throughout this chapter and the study noted this as a key finding. The report set out recommendations to achieve a sustainable population (figure 2.16).

| | |
|---|---|
| Widening employment opportunities for skilled workers, and particularly for women | Providing a greater number and range of vocational training opportunities and apprenticeships that will allow more young people to stay in the Outer Hebrides |
| Providing housing options that are desirable, accessible and affordable to people in the early stages of their careers | Ensuring a quality range of social and leisure facilities that are attractive to women and younger children |

Figure 2.17: How to achieve a sustainable population (Outer Hebrides) (adapted from Hall Aitken, 2007: 4)

As figure 2.16 shows, employment, education, housing and services were all identified as requirements to achieve a sustainable population. Supporting these objectives was also a need to maintain and promote the environment as a desirable environment to live, regarded as a pull factor for in-migration (Hall Aitken, 2007).

This section has shown the complexity of the relationship between young people and housing. This chapter has shown that there are a number of factors that can affect and influence the agency of young people. The research highlighted that the choice to leave rural areas may not be a factor of housing market constraint but for social reasons. Yet, the literature has also

shown that structural factors, such as lack of employment opportunities and housing market choice can impede upon choices and social choices, for example the desire to be more independent and leave home. It was also recognised that social/cultural reasons also interplay in the decisions of institutional actors.

This chapter has explored the wider literature on rural housing markets. The characteristics associated with living in the rural environment, the challenges associated with housing development and the institutional actors involved in rural housing markets were explored. Specifically, the experience of young people in rural areas was examined.

The next chapter considers the housing pathways and NIE frameworks that were adopted to explore the experiences of young people in the housing market and the structure of the rural housing market.

## Chapter 3: Research Framework- NIE and Housing Pathways approach

The previous chapter explored the experience of young people in the housing market and the challenges associated with rural housing markets. As mentioned in chapter 1, this research was funded by the ESRC and the RHS were a collaborative partner and so the remit of the research was already largely agreed from the outset of the study. The initial proposal was to explore institutional innovation and the housing pathways of young householders on the Scottish Hebridean Islands. While this research question was developed, the original aim remained core to the research. The research required a framework that could fully integrate both the experience of young people and the structure of the housing market. The housing pathways approach developed by Clapham (2005) was also already identified in advance of the main study as a way of exploring the relationship between young people and their housing experience. Following a detailed review of the housing pathway approach the decision was taken to continue to adopt this model to explore the experience of young people in the housing market but that another approach was required for exploring the intricacies of the structure of the rural housing market. In particular, an approach was required for exploring the relationship between key institutional actors and challenges in the housing market, identified in the review of the literature. An NIE approach was adopted to explore these complexities of the housing market and the institutional actors involved. This chapter explores how the social and economic approaches were developed for exploring the experience of young people in the rural housing market and structure of the rural housing market.

The chapter begins with an evaluation of the housing pathways approach, detailing the origins and application of the approach. The second part of this chapter reviews the need for a more economics orientated conceptual framework to underpin the research and Williamson's (1998; 2000) Economics of Institutions is specifically assessed. The literature that was studied in the previous chapter shaped the research questions and the development of a conceptual framework to underpin the research. This chapter facilitated finalising the research questions for this PhD and the chapter concludes by detailing these questions.

**Housing Pathways Approach**

The 'housing pathways' approach developed by David Clapham is a framework for exploring the constraints and opportunities that influence and affect decisions on accommodation. The purpose of this section is to analyse the housing pathways framework and the extent to which the concept effectively identifies the influences of choice in the housing market.

A housing pathways approach has been adopted in a variety of research contexts, including immigration (Robinson et al, 2007), homelessness (Anderson et al, 2000; Corr et al, 2013; Fitzpatrick, 2000) and more specifically, housing pathways of young people leaving care (Natalier et al, 2012), housing pathway of young people in Amsterdam (Hochstenbach, 2015), and the housing pathways of single older non-home owning women in a rural region of Australia (Hartman et al, 2017). The Pathways concept is a post-modern approach, derived from the theory of social constructionism, which is mainly interested in elucidating the way in which people see the world in which they inhabit (Gerden, 1985). In a housing context, social constructionism allows for exploration of the housing past a "'state' versus 'market' narrative" (Jacobs et al, 2004:4). There are various perspectives of social constructionism and there have been different applications of this theoretical underpinning in housing research and Clapham (2012) identifies the four main areas that housing research has tended to focus. The first, and most prevalent approach, has been the study of "social construction of social problems", the second approach centres around "interaction" and the third on "international comparative research". The fourth grouping is the exploration of housing from a "holistic" perspective, an approach that Clapham's pathways model has uniquely endeavoured to do (Clapham, 2012: 178-179). Clapham (2012) identifies that social constructionist approaches tend to focus on specific areas as opposed to "attempting to describe a social constructionist view of the housing field and its relationship to other fields" (Clapham, 2012: 180) and this is what the pathways approach seeks to embrace. While the framework is founded on this notion, it incorporates other theories including Gidden's (1984) structuration theory (Clapham, 2012). Specifically, Clapham (2005) outlines the pathways approach as "patterns of interaction (practices) concerning house and home, over time and space" and adopts notions of "Giddens' idea of social practices and his borrowing of the time-space geography of Hagerstrand (1976)" (Clapham, 2005: 27).

In the main, the notion of structure and agency has been widely accepted as significant by sociologists, though there is divergence over the application of the concept (Bruce et al, 2006). An interpretation of structure and agency has been defined in the dictionary of sociology:

"Beyond such obvious constraints as the rule of the law and the power of the police, courts and prisons, there are more abstract social forces and structures, and sociologists differ in the relative weight they assign such structures in determining individual thought and action. Agency denotes individual capacity for free thought and action; structure denotes the constraints on individuals that result from the fact that repeated patterns of action, legitimated by ideologies, from the environment that shapes us (e.g. as we are socialised into a particular set of beliefs, values and attitudes in childhood) and limits our actions (by, for example, allocating resources necessary for certain actions in an uneven manner)" (Bruce et al, 2006: 7).

This definition highlights the emphasis on the social structures that impact on individual agency. O'Donnell (2001) exploring the meaning of the structure/ action paradigm (agency of individuals is referred to rather than action in the context of this research), refers to the work of Layder (1994) who defined social structure as "the social relationships which provide the social context or conditions under which people act" (Layder, 1994: 5, cited in O'Donnell, 2001: 12). O'Donnell (2001) continues by advising "relationships include familial, communal, economic, and cultural and political- and all are shaped by formal and informal rules or structures and continuously reshaped by action" and that the main emphasis of investigation tends to be on the degree to which "individual action" is uninhibited or inhibited (O'Donnell, 2001:12).

Referring to homelessness research, Clapham (2003) discusses how research and policy have tended to explore structural and agency factors distinctively rather than integrating the two approaches, and Clapham suggests the pathways approach as a means of capturing both components (Clapham, 2003). The aim of this research was to embody this approach of understanding the agency of young people in the housing market and how the structure influenced agency. While the housing pathways approach was adopted to explore how the structure of the housing market influenced choice and agency, another, more economic, framework was required to capture the complexity of the housing market (discussed later in this chapter).

Clapham (2005) is the key ambassador of the housing pathways approach. He explains that "the housing pathway of a household is the continually changing set of relationships and interactions that it experiences over time in its consumption of housing" (Clapham, 2005:27).

As well as aspects of Giddens structuration theory, the framework seeks to incorporate aspects of the housing career approach (Clapham, 2005; Hochstenbach et al, 2015). The terms 'housing pathways' and 'housing career' are metaphors that are analogous (Murdie, 2002:425) and widely used in the literature (Fopp, 2009:271). The 'pathways' approach draws from the 'career' methodology; the distinguishing feature between the two terms is that the 'pathways' approach includes "social meanings and relationships associated with this consumption in the different locales" (Clapham, 2005: 28).

Clapham has made the case for "an approach in which housing pathways are influenced by changes in household structure (marriage, birth, death, divorce) and constraints on opportunities" (Smith, 2006: 181). Clapham has been noted as finding the 'career' concept limiting as it is primarily centred on tenure and location (Abramsson, 2008). It is these 'weaknesses' which the pathways approach integrates and what makes the pathways approach particularly useful for exploring the experience of young people in rural housing markets. The review of the literature in the previous chapter indicated varying influences impacting on young people's 'choices' or lack of 'choice' in the rural environment and therefore an approach was required to capture these nuances. Clapham (2002:80) has described the pathways approach as "an organising metaphor which enables phenomena to be related to each other".

Varady (2006) explores how Clapham developed the 'housing pathways' from the original concept of the housing career. Due to changes in social circumstances, a more advanced methodology than the 'career' approach was required due to the increasing variations of 'lifestyle choices' (Varady, 2006:507; DTZ New Zealand, 2005).

The framework has been commended particularly because it introduces a more intricate and 'flexible' approach to housing studies (Houghton, 2006). Traditionally, the pathways to housing were "linear" and crude. However, it has been recognised that a more sophisticated method of analysis is required to take into consideration the complexities which determine housing decisions. Flatau et al (2004: 3) suggested a "snakes and ladders type model" which identifies the advantageous and disadvantageous experiences which alter the direction of the housing route. The housing pathways has encompassed this notion given that there are many social and institutional complexities influencing individual housing patterns.

Migration of young people was identified in the literature and the reasons for out-migration were explored (see Crow, 2010; Hall Aitken, 2007; Stockdale, 2002[1]; Stockdale, 2002[2]; Stockdale, 2006; Thissen et al, 2010). The pathways approach has been employed in research on immigration and Robinson et al (2007: 4-5) explain their reasons for choosing the pathways approach over the careers approach for this research. They identify that the careers approach has been criticised for being too generalised (and discriminatory) and that it does not take account of people being reactive to their circumstances, particularly in the case of ethnic minorities. The pathways approach manages to overcome these concerns with the inclusion of sociological perspectives:

"An important focus is on relationships and interactions, which prompts consideration of both structures of the housing system and wider society – factors through which opportunities and choices are constrained or liberated, supported or undermined – and the actions of individuals and collectives that reinforce, resist and transform the mechanisms, practices, assumptions and attitudes that inform housing opportunities and outcomes" (Robinson et al, 2007: 4-5).

While many academics have advocated the housing pathways concept as a framework for research, criticisms have also been articulated. Johnson et al (2012:77) advised that the concept has been extensively utilised in a way which is mainly 'descriptive' with limited connection between their "resources" and their "structural positioning". Johnson et al's (2012) view is one which has also been identified with social constructionism as a whole on which the housing pathways approach is based. In addition, Bengtsson (2002:70) deems the issue of generality challenging "in qualitative and historical research". On the issue of generality, with reference made to Somerville (2002), Wiesel et al (2011) raise the matter of generalisation using the pathways approach. Given the adoption of social constructionist theory and efforts to understand the individual housing pathways and "…subtleties of meanings different households attach to their housing circumstances…" generalisation is complex (Wiesel et al, 2011: 15). Wiesel et al (2011) address this by advising that generalisation is achievable to an extent by recognising collective dialogue, distinguishing housing pathways that are characteristic of particular groups such as by populace or determining recurring actions of households over a duration (Wiesel et al, 2011).

While there is concern of oversimplification; there are also issues over the level of detail which can be specified with a framework model. Clapham (2005:33) argues that, to an extent, generalisation is required, for example, to appreciate the occurrence of alternative pathways or

make comparisons with housing arrangements in other places. Clapham (2005) addresses this philosophy by comparing such movement of housing to other routes of movement by comparing the housing pathways to a journey in which there will be main, commonly used roads but there may also be routes which are rarely or have not been travelled. Therefore, there will be housing pathways which are perhaps mainstream choices, but there will also be individual circumstances which are unique or less common.

The housing pathways approach is particularly useful for qualitative research as it incorporates the social choices and obstacles as well as physical constraints and opportunities which individuals may encounter.

Bengtsson (2002:69) suggests: "we cannot test whether the notion of housing pathways is true or false, we can only discuss it in terms of how fruitful it is in improving our understanding of the housing field". The previous chapter explored how the decisions and choices of young people are shaped by various stimuli, such as aspirations of pursuing education, and structural dimensions, such as lack of affordable housing (see McGrath, 2001; Kloep et al, 2003; Hall Aitken, 2007; Crow, 2010; HIE, 2015; Kuhmonen, 2016; Rosvall et al, 2018; Stockdale, 2002[2]). One of the aims of this research was to explore the agency of young people in the rural housing market, specifically on the Isle of Mull, to understand how structure provides opportunity or constraint and how choice and agency is influenced by these factors. In the context of this research, the pathways approach provides a valuable tool for understanding the factors influencing choice in the rural housing market. The focus of this research was to explore the experience of young people in the rural housing market and understand if and how a change in the institutional environment could alleviate constraint in the housing market. The critique of the literature highlighted that the pathways framework could be adopted as a way of exploring individual choice and factors influencing choice but that an additional approach was required to capture the dynamics of the rural housing market. The application of the 'housing pathways' framework as a means of organising and understanding the experience of young people in the rural housing market in the context of the PhD research is discussed in the methodology chapter. The following section examines an NIE approach for exploring the dynamics of the housing market and the institutional environment.

**New Institutional Economics: A framework for exploring the institutional dynamics of the Rural housing market**

As discussed, one of the main aims of this research was to explore the experience of young people in the rural housing market and the barriers and challenges. The review of the literature on the housing pathways approach showed how the approach could be adopted as a way of understanding the factors influencing choice and constraint from the perspective of young people in the rural housing market. However, Clapham makes clear that the framework is more metaphorical as opposed to theoretical (Clapham, 2003). A more conceptual approach would be required to capture the intricacies of the structure of the housing market system. Specifically, an economic approach was adopted to explore the demand and supply complexities associated with the rural housing market as well as the institutional environment. The purpose of this section is to evaluate the NIE model as a means of exploring the structure of the rural housing market and the rural housing environment. This framework would be used in coordination with the housing pathways approach as a way of integrating the experiences of young people and understanding how their experiences are shaped by the structure of the housing market.

New Institutional Economics (NIE) developed by Coase (1937) is a set of approaches to analysing institutions. The contributions to NIE have been significant with North, Williamson, Ostrom and Coase, all having received Nobel Prizes for their work (Tamanaha, 2015). However, it should be noted that there are other influential economists who have made significant contributions to NIE and are cited throughout this chapter.

Williamson (1975) devised the term New Institutional Economics in 1975 (Langlois, 1986, Richter, 2005). The significance of Institutions in social sciences is widely recognised by academics (Staden et al, 2015). Yet, there are disparities over the definition of institutions (Nabli et al, 1989; Menard, 1995; Menard et al, 2014; Tamanaha, 2015; Hodgson, 2014). North (1990) defines organisations as factions of individuals who are connected by a shared objective including political, economic, social and educational bodies (North, 1990). Institutions structure society and allow transactions to take place, facilitate transactions and provide regulation among those transacting (Adam, 2014). North (1993) distinguishes the difference between organisations and institutions by using the analogy of a game in which there are 'players' and 'rules'. The players are represented as organisations and institutions are

characterised as the rules. On the other hand, Williamson tends to use the terms 'institution' and 'organisation' interchangeably.

Menard (1995) sought to clarify these differing definitions and suggested classifications of 'the market', 'institutions' and 'organisations' as set out in figure 3.1.

| | Foundations ("the principles of consistency at work within each structure") | Modes of Coordination ("the specific devices by which each structure implements its activities") | Raisons D'etre (the specific functions of these devices, either explicit or implicit") |
|---|---|---|---|
| **Institutions** | Stable, universal and impersonal set of rules | Tradition, customs and laws | Implementation and enforcement of the "rules of the game" |
| **Markets** | Non cooperative arrangements (substitutability, repetitively and reversibility) | Monetary prices (competition) | Transfer of property rights and free access to substitutes |
| **Organisations** | Formal and Voluntary agreements to coordinate | Conscious governance through fiat | Combination of specific assets into collective action |

Figure 3.1.: 'Comparative Characteristics- 'the market', 'institutions' and 'organisations'' (Menard, 1995:173)

Institutions are divided into informal and formal categories. Williamson (2009) explains that formal institutions comprise of "constitutional constraints, statutory rules, and other political constraints", while informal institutions consist of "private constraints stemming from norms, culture, and customs that emerge spontaneously" (Williamson, 2009:372).

New Institutional Economics builds upon and has been adapted from neo-classical economics (North, 1995) and as such has many shared attributes with neo-classical economics (Adams, 2005). While NIE shares similarities to neo-classical economics, NIE disregards the supposition that individuals have "perfect information and unbounded rationality and that transactions are costless and instantaneous" (Menard et al, 2008:1). There have been some criticisms in relation to how well neo-classical economics incorporates the role of institutions including a view that neo-classical economics generally disregards the role of institutions (Needham et al, 2011; Williamson, 2000). However, Ball (1998) suggests that this is fallacious, as there are particular institutional theories; but there is limited application of such theories to the property market. Similarly, Vandenberg (2002) explains that since the 1970's there has been application of transaction costs and institutions within neo-classical economics, though the application has been limited.

The fundamental principle of New Institutional Economics is the reduction of "market friction, in other words minimising the transaction costs" (Kauko, 2012: 2056). Transaction costs are the costs which relate to exchange (Eggertsson, 1990). In NIE, transaction costs tend to be analysed qualitatively rather than quantitatively. Moreover, the costs do not necessarily relate to financial expenditure; the costs can be assessed in relation to "time, energy and efforts" (see Musole, 2009:51). Similarly, Furubotn et al (2005: 315) in their analysis of the market distinguish six "transaction activities" which include: "search, inspection, contracting, execution, control and enforcement".

Transaction costs are imperative for comprehending the rationality of all social structures (Eggertsson, 2013). Although there is some disagreement over how to apply transaction cost theory, there is increasing agreement regarding the following aspects:

"(1) opportunism is a central concept in the study of transaction costs; (2) opportunism is especially important for economic activity that involves transaction-specific investments in human and physical capital; (3) the efficient processing of information is an important and related concept; and (4) the assessment of transaction costs is a comparative institutional undertaking" (Williamson, 1979: 234).

Furubotn et al (2008) identify that in terms of opportunism it is presumed that costs are entailed in the exchange process and that individuals lack perfect information (bounded rationality) and economic agents can be unscrupulous and resourceful. This view of bounded rationality, incomplete information and opportunism is resonated by Buitelaar (2004) and Moschandreas

(1997) with the latter going further to express that transactions which take place where there is insecurity or complexity end up being costly and risky.

Williamson (1998, 2000) provides a framework which explores the different levels of institutional (social) analysis (Figure 3.2).

| Level | Level | Frequency (of change) (years) | Purpose |
|---|---|---|---|
| 1 | Embeddedness: informal institutions, customs, traditions, norms, religion | $10^2$-$10^3$ | Often non calculative, spontaneous (caveated) |
| 2 | Institutional Environment: formal rules of the game-esp. property (polity, judiciary, bureaucracy) | $10$-$10^2$ | Get the institutional environment right. 1st order economising |
| 3 | Governance: Play of the game- esp. contract (aligning governance structures with transactions) | 1-10 | Get the Governance structures right. 2nd order economising |
| 4 | Resource allocation and employment (prices and quantities; incentive alignment) | Continuous | Get the marginal conditions right. 3rd order economising |

Level 1: Social Theory

Level 2: Economics of Property rights

Level 3: Transaction cost economics

Level 4: Neo-classical economics/ agency theory

Figure 3.2.: Williamson's (2000: 597; 1998: 26) Economics of Institutions

In this framework, the upper levels of the hierarchy impose 'constraint' on the level directly underneath. This is illustrated by the blue arrows, with the yellow arrows symbolising response or "feedback" (Williamson, 2000:597). Williamson (2000) advises that NIE is primarily associated with levels two and three. As illustrated in Williamson's structure of social analysis, formal rules fall within level two and informal rules within level one (Williamson, 1998). One of the differences between North and Williamson's theories is their stance on institutions. Williamson (1996) differentiates between institutions and the institutions of governance, defining institutions of governance as markets, hybrids, hierarchies and bureaux. He explains that one of the most striking differences between institutions and institutions of governance is that institutions of governance are inhibited by institutions. Both institutional environment and institutions of governance were derived from the work of Coase (1960 and 1937 respectively) (Williamson, 1998). Earlier in the chapter, there was discussion of the different uses of the term 'institution'. Tamanaha (2015) believed that there would never be agreement of the definition of 'institutions' in NIE and that a single definition is not required but boundaries are required so that the same definition can be applied to further or forthcoming research. For the purposes of this research, Williamson's definition of institutions was adopted. This is primarily because Williamson's framework of social analysis was employed as part of the theoretical framework. Since his structure differentiated between formal and informal institutions (organisations), governance and resource allocation, it would be consistent to use these definitions defined by Williamson.

The application of Williamson's structure of social analysis has been adopted in other areas of research such as James Jr (2014), whose research centres on the reduction of transaction costs to enable better access to rural health care. Referring to the provision of health care services, James Jr (2014:27) asserts that transaction costs could be reduced if all the levels of Williamson's framework were "aligned".

Curry (2013) adopted this methodology of examining transactions where he adopts North's (2005) categorisations of transaction costs in which transaction costs relate to organisations, institutions, belief systems and knowledge and information. Curry (2013) paid particular attention to knowledge and information transaction costs within his research. Ball (1998) highlights that finding information on transaction costs is extremely difficult and as such organisational arrangements tend to be analysed with theories deduced about what could be done to minimise costs with no way of validating or comparing such costs.

NIE theory could be employed to explore the complexity of the rural housing environment and look at the relationship between various aspects of the housing market utilising Williamson's model (figure 3.2). In doing so, the framework provides a mechanism for understanding whether elements of the housing market could be more aligned to ease constraint.

Following the literature review it was identified that there were numerous institutional actors that interplayed in the rural housing market. One of the reasons for employing the NIE framework was that it provided an opportunity to explore the different influences of different actors but also the structure of the housing market including supply and demand characteristics.

The application of Williamson's (2000: 597; 1998: 26) NIE framework allowed for a multi-level analysis of the rural housing market, particularly the structural formation of the housing environment. The use of the housing pathway approach enabled a thorough examination of the agency of young people and the influences that shape choice. The application of these two framework's provided the opportunity for exploring the economic and social characteristics of the rural housing market and the experience of young people in a remote rural environment. Chapter 5 explores how Williamson's framework and housing pathways approach were applied to this research.

**Conclusion**

The examination of literature on rural housing markets highlighted supply and demand challenges in the housing market and consequent access issues for young people. The literature recognised that young people tended to be particularly constrained in the rural housing market and that choice was restricted. Choice was impacted by lack of availability of housing tenures, lack of services and this was further constrained by lack of finance. This also emphasised the correlation between employment and housing, with more restricted employment opportunities for young people impinging on the ability to compete in the housing market.

Yet, the literature also highlighted the opportunities that were available to young people, for example leaving the rural community to experience new life experiences, gain independence and live in a less restrictive environment. One of the themes that emerged from the literature was that the experiences of young people were not homogenous and that experiences in the rural housing market were influenced by a range of different factors. As such, the housing pathways framework was seen as a particularly useful approach for capturing the choices and constraints experienced by young people. The housing pathways approach had its limitations in that it was not a theoretical framework for theoretically exploring the structure of the rural

housing market.  But as a model for organising and understanding choice and constraint of individuals, it was a useful approach for the research.

The literature revealed that there were many interconnected issues associated with the rural environment but also many different institutional actors involved in rural housing markets. This chapter explored how NIE and in particular Williamson's NIE framework provided a mechanism for exploring the various levels of the housing market.  It was important to understand the influence of actors in the rural housing market to explore their role to understand whether and how these actors could work together more efficiently.  Yet, it was also imperative to understand how these actors operated in the context of the rural housing market.  Employing the NIE framework to explore the demand and supply challenges, the structure of the rural housing market including the institutional environment and institutional actors, provided a structure for holistically exploring the rural housing market.  By exploring these characteristics, the framework's provided a mechanism for understanding if innovation in the housing market could help to alleviate difficulties experienced by young people in the housing market and if so, what form of innovation would help to ease housing market constraint.

One of the important themes which was drawn from the literature was the need to retain young people in rural environments to protect the sustainability of rural areas in the future.  This further emphasises the importance of the research and need to understand whether constraint in the housing market experienced by young people could be alleviated through institutional innovation.

From the review of the literature in chapter 2, it was evident there were gaps in the literature and the purpose of this research was to explore these gaps.  Three research questions were identified:

1. **To what extent does the concept of the housing pathways approach help in understanding the housing experiences of young people in a remote rural environment?** It was suggested in the literature that young people were constrained, and the purpose of this research was to explore the extent to which they were constrained and to understand whether constraint could be alleviated through changes in the rural housing system.  This chapter drew upon the advantages and drawbacks of the housing pathways approach.  The review of the literature concluded that the approach was a valuable tool for capturing the experiences of young people in the rural housing market on the Isle of Mull and chapter 8 explores the extent to which the

approach was able to add to the understanding of the housing experiences and to the body of rural housing research.

2. **To what extent does a NIE framework help in understanding housing opportunities and constraints in a remote rural environment?** Williamson's (2000; 1998) Economics of Institutions was identified as an economic approach for exploring the structure of the rural housing market. The literature highlighted that constraints in the housing market were derived from complex supply and demand characteristics and therefore a framework was required to explore the different influences in the housing market and how certain characteristics constrain or are opportunities in the housing market. Williamson's framework (2000; 1998) was chosen as the framework for analysis of the rural housing market on the Isle of Mull as a means of exploring and understanding the relationship between different elements of the housing market. The purpose of this question was to understand the extent to which this framework provided an effective approach to studying the opportunities and constraints in the rural housing market.

3. **How does using the frameworks of the housing pathways approach and NIE help in understanding the scope for institutional innovation in resolving housing market constraints for young people in a remote rural environment?** The literature on supply and demand characteristics highlighted the influence of institutional actors in the rural housing market. While the housing pathways model was chosen as a way of exploring the experience of young people in the housing market, it was recognised that another approach was required to theoretically study the structure of rural housing markets. The review of the literature also revealed the importance of understanding the context in which the institutional actors operate. The purpose of this research question was to understand how the frameworks could be utilised to explore the rural housing market with a view to understanding whether institutional innovation could help to alleviate constraint in the housing market for young people.

This chapter and the previous chapter have contextualised the issues which formed the basis of the research. The review of the literature highlighted the myriad of problems associated with rural housing and the experience of young people in the rural housing market. Chapter 5

describes how Clapham's (2005) housing pathways approach and Williamson's (2000) NIE framework were applied to this research. The following chapter explores the characteristics of the Isle of Mull, an example of a rural housing market which was chosen as the case to study for this research.

## Chapter 4. Case Study context

**Introduction**

The Isle of Mull was chosen as the single case study for this research. The Isle of Mull is located off the West Coast of Scotland and forms part of the Inner Hebridean Islands. The Island has a population of 2,800 (2011) (National Records of Scotland, 2013) which according to the Scottish Government's eight-fold urban/ rural classifications, is classified as 'very remote rural' (see figure 2.1.).

In the past, the Isle of Mull has been recognised as having shortages of affordable housing. There were numerous surveys undertaken to identify the level of need for housing by both LA's and RHS on the Island and there have been various attempts to identify and address need.

The purpose of this research was to explore the housing experiences of young people living on the Island with a view to understanding whether and in what ways young people were constrained in the housing market and if so whether institutional innovation could alleviate such constraint. The review of the literature in chapter 2 identified that rural housing markets were prone to constraint due to supply and demand imbalances and access to housing was particularly challenging for young people. The Isle of Mull provided an opportunity to explore the experiences of young people, the characteristics of a remote rural housing market, the institutional actors involved and the environment in which they interacted. The Island displayed complex supply and demand characteristics associated with rural areas. These issues including employment issues, transportation problems, additional costs associated with building in the rural environment, planning restrictions, land availability and affordability, depletion of social housing stock through RTB legislation and housing purchased for second and holiday homes, all of which, to a degree, have affected housing stock and residents being unable to enter the housing market.

Chapter 2 looked broadly at the characteristics associated with rural housing markets and the experience of young people in the housing market. This chapter specifically explores the Isle of Mull as an example of a rural housing environment and provides a context for the primary research which was undertaken. The chapter draws upon literature and secondary data, including housing need and demand assessments, housing strategies, previous research which has been undertaken on the Isle of Mull and planning policies for the Island. Chapters 6 and 7 provide detailed accounts of the findings from the perspective of young people living on the Island and institutional actors. Qualitative and quantitative data was gathered for exploring the

housing market on the Isle of Mull. However, there were limitations as there was not always Island specific information to analyse. In such circumstances, reference has been made to the lack of data. Furthermore, the Isle of Mull and Iona are often reported together. Data pertaining to housing market area figures and planning strategies were not always available solely for the Isle of Mull. The Isle of Iona is accessible by a ten-minute ferry from Fionnphort on the Isle of Mull with a population of 177 (2011) (National Records of Scotland, 2013).

To begin, this chapter explores the Island profile including land ownership, infrastructure, basic housing data, transport, employment, population and educational facilities. The chapter then explores the housing market in particular types of and availability of housing on the Island, drawing on research and surveys undertaken on the Island. The chapter then analyses the interventions that have arisen to help alleviate the housing shortages and associated concerns. Throughout this chapter reference is made to the experience of the younger generations on the Island. The chapter concludes with a summary of the core matters outlined throughout the chapter.

**The Isle of Mull**

The purpose of this section is to contextualise the Isle of Mull, prior to exploring the housing characteristics of the Island. This section explores the profile of the Isle of Mull, including the demographics of the island, economy and basic housing data.

**Background**

The Isle of Mull (figure 4.1.) covers an area of approximately 90,000 hectares, making it the fourth largest island in the Hebrides (Marsh, 2011), the largest island in Argyll and Bute and third largest in terms of population (Argyll & Bute Council, 2014[1]).
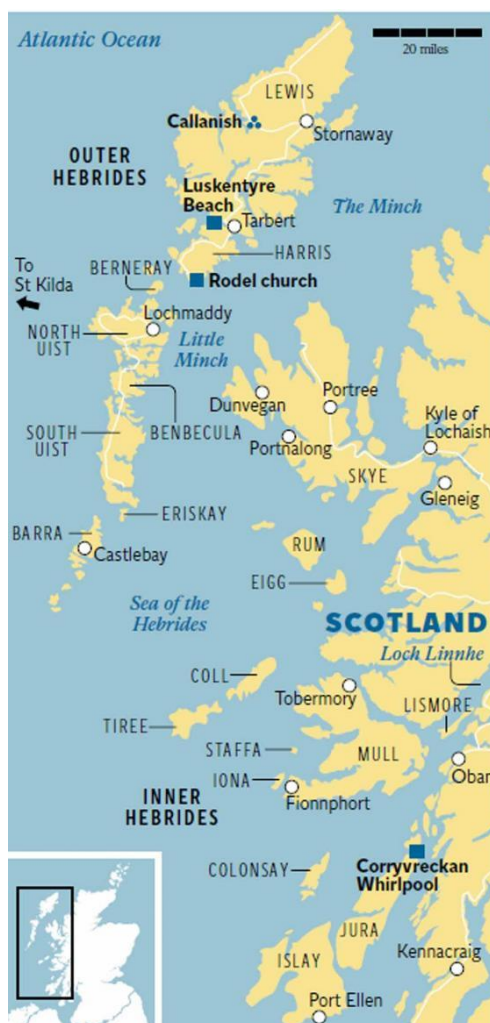
Figure 4.1. Map of the Hebridean islands (Gillmore, 2015)

There are three primary schools on the Isle of Mull- Bunessan, Salen and Ulva Ferry-and one secondary school based in Tobermory. The journey time from Fionnphort to Tobermory was approximately two hours and pupils from the South of the Island attended the secondary school in Oban which had boarding facilities for during the weekdays.

The Island is accessible by a forty-five-minute ferry crossing, operated by Calmac, which sails between the main ferry terminal at Craignure on the Isle of Mull and Oban on the mainland. Craignure ferry terminal was centrally located on the Island, with approximately a one-hour drive to the North and South points of the Isle of Mull. There were also two further crossing points operated by Calmac at Tobermory and Lochaline (Figure 4.2.).

Transport on the Island was observed as being particularly difficult. In the Ross of Mull, it was noted that transport was a particular issue for those who were located in more remote locations and far from the main road where the bus route was located. In addition, during the winter, the bus service operated less frequently than the peak summer period. Private transport

was therefore essential for those in more remote locations, which was especially problematic for the elderly, or those in poor health (Gibson, 2011). A Community transport scheme was established to help relieve the situation and allowed people to access facilities with two vehicles being purchased through this scheme (SWIMD, no date).

Transport is offered via the Red Cross by means of a volunteer driver scheme. However, the cost of using such service was based on mileage and given the proximity to facilities, this was an unaffordable option to the majority of the people needing to utilise the service (Finch, 2013).

The ferry service was also noted as being problematic in terms of times of service and the cost. In 2014, it was reported that some of the largest firms on the Island were threatening to relocate their business to the mainland because of the restrictive ferry service operated by Calmac (Kerr, 2014). The cost of travelling via the ferry service was also high particularly with regular travel. However, in 2015, the Road Equivalent Tariff was introduced, in which the cost of the ferry endeavoured to correspond with the cost of driving the same distance. On the Isle of Mull, the decrease was significant with the cost for a passenger with a vehicle travelling the Oban/ Craignure route falling from £56.65 to £16.45 (Calmac, 2015[1]).
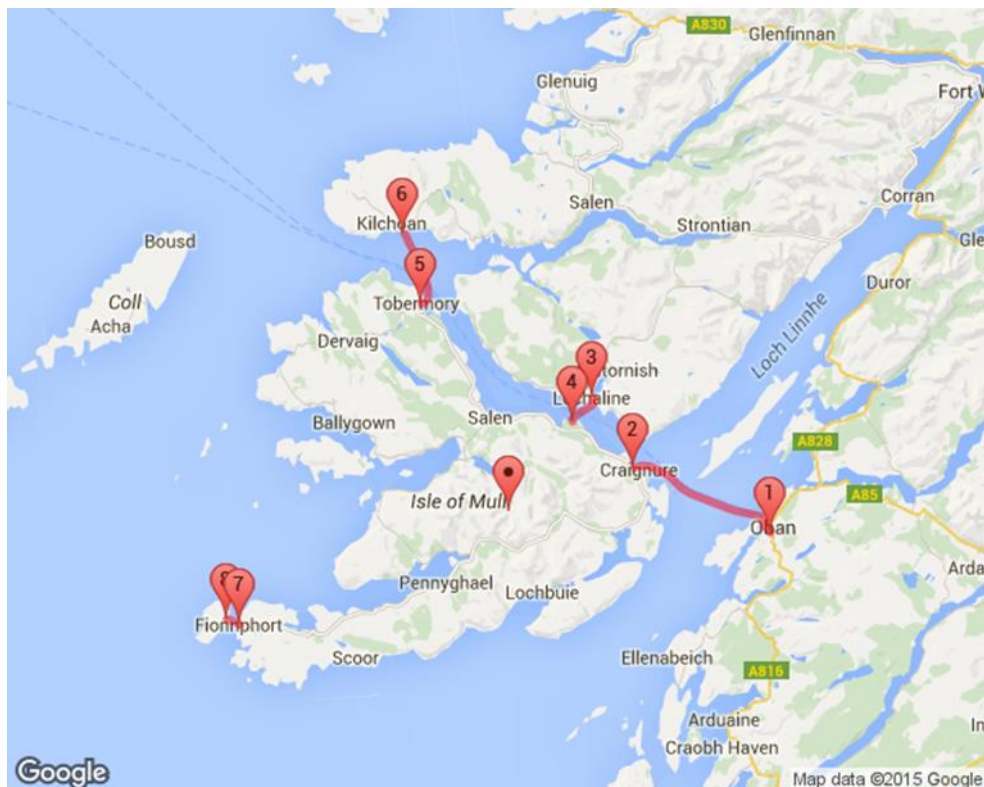


Figure 4.2. Access to and from the Isle of Mull by Ferry (Calmac, 2015[2])

It is thought that the Isle of Mull has been in habitation for 8,000 to 10,000 years. In 1831, prior to the potato famine and effects of land clearances, the population of Mull extended to 10,638 people (Marsh, 2011), almost four times the population at 2011.

Land ownership has been a contentious issue, dating back centuries on the Isle of Mull. Historically, the majority of conflicts on the Isle of Mull were instigated by disagreements over land, between rival families, especially because of unclear statutes, evolution of laws or laws over-ruled by authority (Currie, 2000). In 1700, there were six landowners on the Isle of Mull. Figure 4.3. identifies these owners and illustrates the division of land between clans.
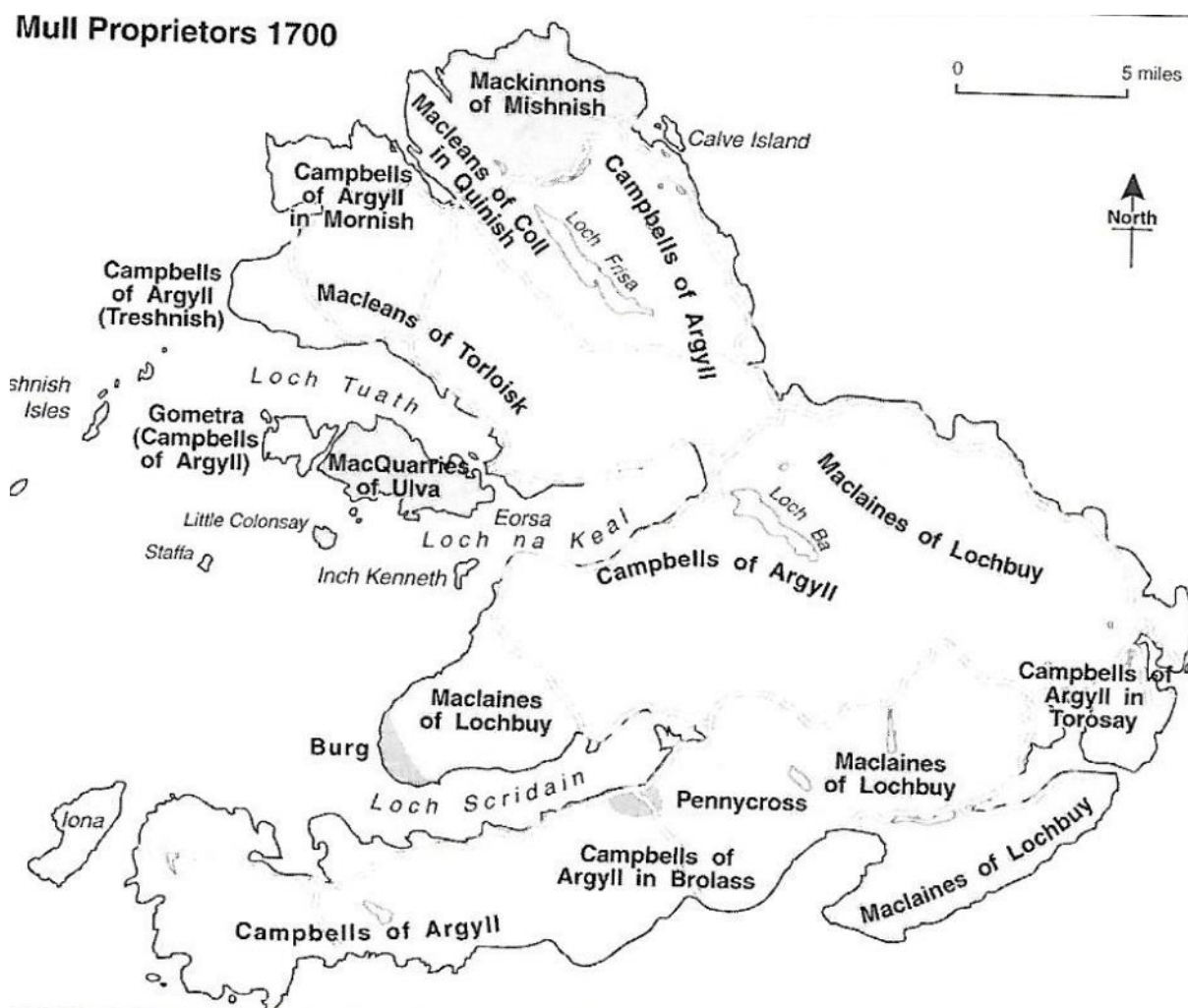


Figure 4.3: Mull Proprietors 1700 (Currie, 2000: 415)

**Demographic**

The Isle of Mull, with a population of 2,800 (2011) (National Records of Scotland, 2013), saw a 5% increase since the 2001 Census, unlike many other small inhabited islands with a population between 500-9,999 which saw a decrease in population over the same period (National Records of Scotland, 2015). Between the ten-year period of 2001 to 2011, there was a significant percentage increase in the number of young people aged between 16 and 24 years on the Isle of Mull and Iona. Furthermore, there was a substantial percentage increase of those aged 60-74 years (figure 4.4). Yet, while there was a considerable increase in percentage in the number of people within these age ranges, the majority of the people on the islands were aged between 25 and 59 years old (figure 4.5).
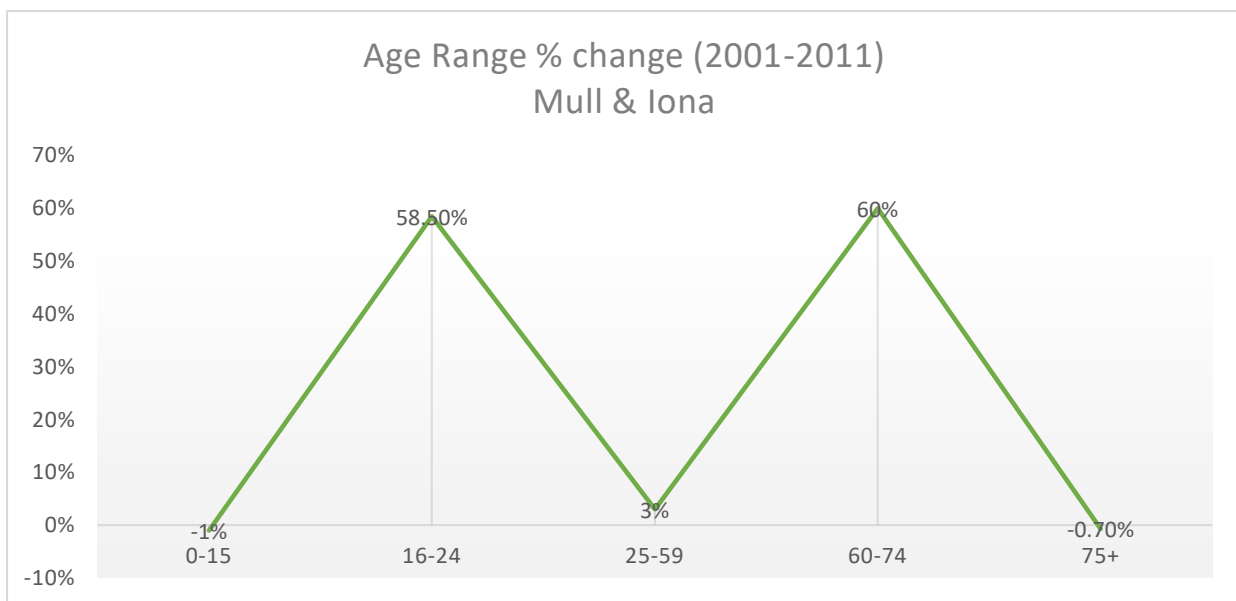


Figure 4.4.: Age Range, Percentage Change between 2001-2011, Mull & Iona (Scottish Neighbourhood Statistics (2012), cited by Argyll & Bute Council, 2013[1]: 12)
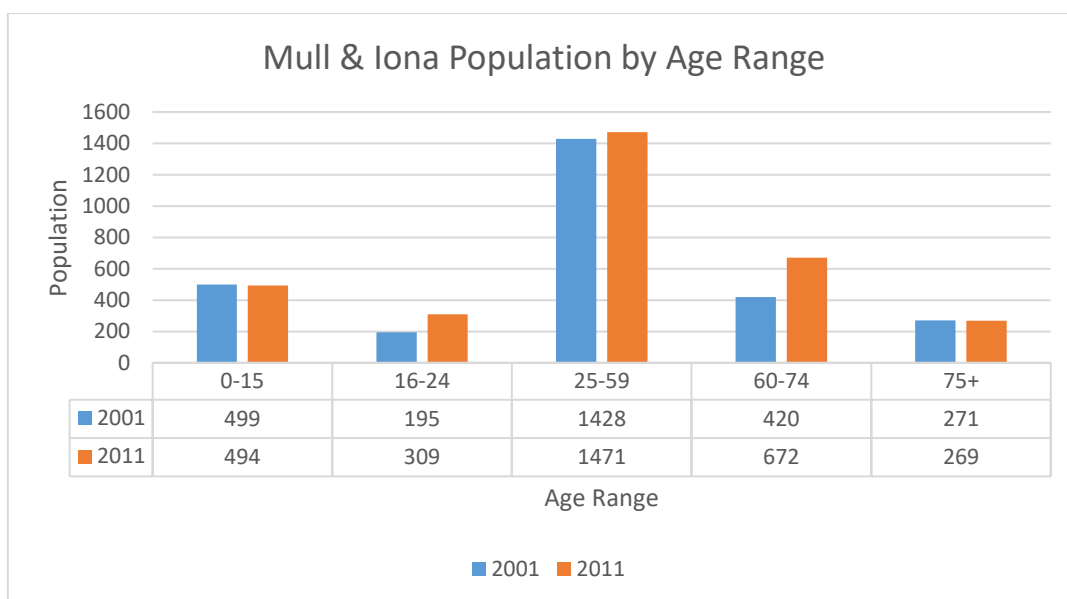
Figure 4.5.: Mull & Iona Population by Age Range (Scottish Neighbourhood Statistics (2012), cited in Argyll & Bute Council, 2013[1]: 12)

Information on population projections were unavailable for the Isle of Mull due to the size and the sporadically distributed nature of the population (Argyll & Bute 2013). However, population forecasts were available for Argyll and Bute to 2033 (figure 4.6). The projected population figures indicate a steady decline in the number of children and those who are of working age in Argyll & Bute compared to Scotland.

| BROAD AGE RANGE | SCOTLAND | | | | | ARGYLL AND BUTE | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2018 | 2023 | 2028 | 2033 | 2013 | 2018 | 2023 | 2028 | 2033 |
| ALL AGES | 2 | 4 | 5 | 7 | 7 | -1 | -2 | -3 | -4 | -6 |
| CHILDREN (0-15) | -1 | 1 | 2 | 0 | -2 | -11 | -15 | -13 | -12 | -14 |
| WORKING AGES | 2 | 4 | 4 | 4 | 2 | -1 | -2 | -6 | -9 | -14 |
| PENSIONABLE AGES | 4 | 6 | 14 | 19 | 31 | 5 | 5 | 11 | 13 | 20 |
| 75+ | 10 | 23 | 45 | 64 | 84 | 12 | 30 | 55 | 71 | 84 |

Figure 4.6.: Projected % change in population (2008-based), by broad age group (source: GRO, 2008 Based Population Projections cited in Argyll & Bute Council, 2011:27)

**Employment**

Tourism is the leading private sector employer in Argyll, with approximately a quarter of all private sector jobs (Economic Forum, 2016). Employment patterns on the Island have evolved from more traditional industries of crofting and fishing to tourism. While there was no

quantitative data available to show the breakdown of employment on the Isle of Mull, tourism has been recognised as one of the leading sectors of employment on the Island (Argyll and Bute Council, 2013[1]).

Tourism was a significant feature of the Isle of Mull and provided significant occupational and economic advantages to the Island, with 350,000 tourists visiting annually (Dickie et al, 2006; Molloy, 2011).  In 2010, the total annual visitor spend was approximately £58 million (Molloy, 2011).  Between the 1st April 2011 and 31st March 2012, 80, 819 visitors passed through the Visitor's Information centre at Craignure.  The footfall data indicated that there was higher footfall in Easter, with the highest number of tourists visiting in July and August, highlighting the seasonality of tourism on the Island (Wood-Gee, 2014).

The Island was host to varied wildlife, annual events, various historical attractions, events held on the Island and the landscape contributed to the tourism sector on the Island.

Wildlife

The Island was home to varying wildlife such as diverse species of birds, seals, otters, deer, Bottlenose dolphins and whales (Mull Wildlife Tours; Discover Mull Wildlife Tours; Explore Mull[2]; Mull Magic Wildlife Walks and Tours; Island Encounters: no date) and as such tours were available to cater to the demand to see the wildlife in their natural environment.

Annual Events

There were many events that encouraged tourism each year, including the Mòd Ionadach na Dreòlluinn, the Mull Rally and the Mull Music Festival.  The Mòd Ionadach na Dreòlluinn ('Mull Local Meeting') began in 1938 and was an event encouraging the use of Gaelic competition (Mòd Ionadach na Dreòlluinn, no date). One of the main events on the Isle of Mull calendar is the Isle of Mull Rally which takes place annually and is a tradition which dates back to 1969 (Beatson's Building Supplies Mull Rally, no date).  Another sporting event was the Mull Highland Games which takes place in July.  The Mull Music Festival which takes place on Mull during the Spring time and is host to bands from around Scotland (Tobermory Isle of Mull, no date).

The Isle of Mull had numerous other attractions including Museums, the Whisky Distillery, located in Tobermory and castles such as Glengorm, Torosay and Duart Castle.  Figures from 2009 indicated that there were 33,859 visitors to Duart Castle, 1,005 visitors to the Ross and

Mull Historical Museum at Bunessan and 60,133 visited Iona Abbey and St.Columba Centre (Visitor Attraction Monitor (Visit Scotland), 2009, quoted by Wood-Gee, 20014).

One attraction that has not been mentioned but significantly influenced tourism during the early millennium, was the pre-school children's television programme 'Balamory'. This fictional place was predominately set in Tobermory and the town was distinguishable because of its multi-coloured frontages (figure 4.7).



Figure 4.7: Tobermory Main Street (Campbell, 2014)

Research was undertaken to explore the effects of the television show between April and September 2003 (see Connell, 2005). The research identified that there was an overall increase in tourism during the peak season, particularly in Tobermory and there were markedly more families with children. The term 'toddler tourism' was coined to describe the consequential effect of the television show (Connell, 2004). While the television show was filmed from 2002-2005, the programme is still repeated. However, it can be seen that the tourism boom attributed to the 'Balamory' effect has been short-lived. In 2005, research showed that 23% of tourists specified that one of the reasons for visiting the Isle Mull was because of 'Balamory' compared to just 5% by 2010 (Molloy, 2011). During the peak of the 'Balamory' phenomenon,

there were also some adverse consequences brought to attention in the media and Connell (2005: 768) explained that the interest of the programme could have unintentional consequences:

"For an island with a small population, limited accommodation capacity and infrastructure, high quality environment and plethora of conservation sites, an increase in tourism demand must be carefully managed in order to sustain the tourism industry in a way that respects the integrity of the island community, economy and environment" (Connell, 2005: 768).

As indicated by Connell (2005), increased numbers of visitors could impact on the capacity of the island environment.

A visitor survey was conducted for research on 'Marine Wildlife Tourism and Whale-Watching on the Island of Mull', (see Warburton, 1998). One of the questions sought participants to rate five factors for choosing the Isle of Mull as a place to go on holiday. Figure 4.8, details the rating distribution of features for deciding on Mull as a holiday destination.

| Feature | N | 1 | 2 | 3 | 4 | 5 | Average | Rank |
|---------|-----|-----|-----|-----|-----|-----|---------|------|
| Landscape | 228 | 1 | 4 | 19 | 70 | 134 | 4.46 | 1 |
| Seascape | 227 | 6 | 4 | 27 | 71 | 119 | 4.29 | 2 |
| Watching Wildlife | 217 | 8 | 23 | 51 | 40 | 95 | 3.88 | 3 |
| Hiking | 213 | 47 | 24 | 48 | 43 | 51 | 3.13 | 4 |
| Hebridean Culture | 211 | 28 | 36 | 73 | 41 | 33 | 3.07 | 5 |
| Driving/ Sailing | 201 | 149 | 24 | 16 | 3 | 9 | 1.55 | 6 |

Figure 4.8.: Rating distribution of features for deciding on Mull as a holiday destination (where 1 = not important, 5 = very important). (Warburton, 1998)

It should be noted, that the survey was conducted almost twenty years ago, and prior to the 'Balamory' effect. However, the results still indicate pull factors to the Island which would still be valid features of the Island. Research undertaken in 2010, commissioned by RSPB Scotland (Molloy, 2011) involved undertaking surveys on Mull which asked why people were visiting the Island. The most popular reason for visiting the Island was for the scenery and

landscape (79% of respondents) followed by peace/ tranquillity (almost 60% of respondents) and birds/ wildlife at (36% of respondents) (figure 4.9).
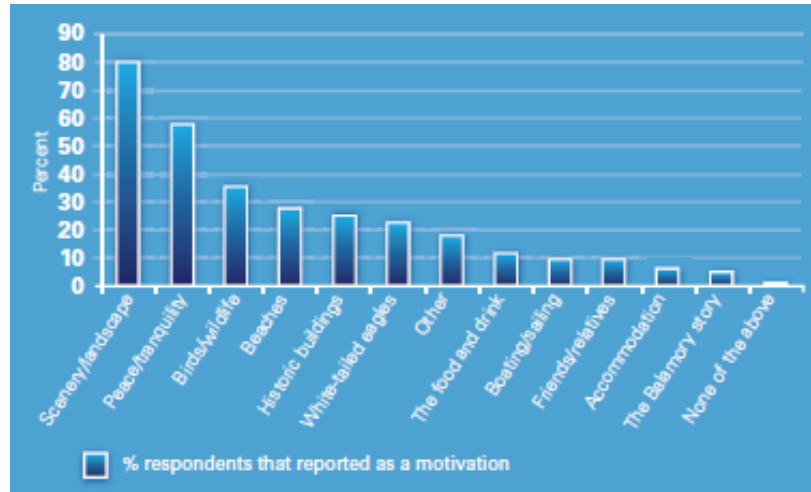


Figure 4.9.: Factors influencing the decisions for visiting the Isle of Mull (Molloy, 2011: 6)

In 2011, a working group was established to implement a Business Improvement District (BID) in Mull, Iona and Ulva (BID steering group, 2013). The reasons for considering implementation of the BID were that businesses could no longer rely on the media awareness through television shows such as Balamory. The Isle of Mull was also in competition with other islands and had to differentiate itself from the other islands. In addition, there were difficulties attracting visitors outwith the peak tourist period and issues of marketability and funding for marketing (BID steering group, 2013). However, in March 2013 the BID was rejected when it went to a vote (Argyll & Bute Council, no date[1]).

Accommodation was also a key element of the tourism and employment industry on the Island. 'Holiday Mull' was a website which provided details of accommodation on the Island. Data was obtained showing the 'hits' that had taken place on their site over the course of a year and figures revealed that there was a significant interest in self-catering accommodation and B&B's with other accommodation options of interest also (figure 4.10).
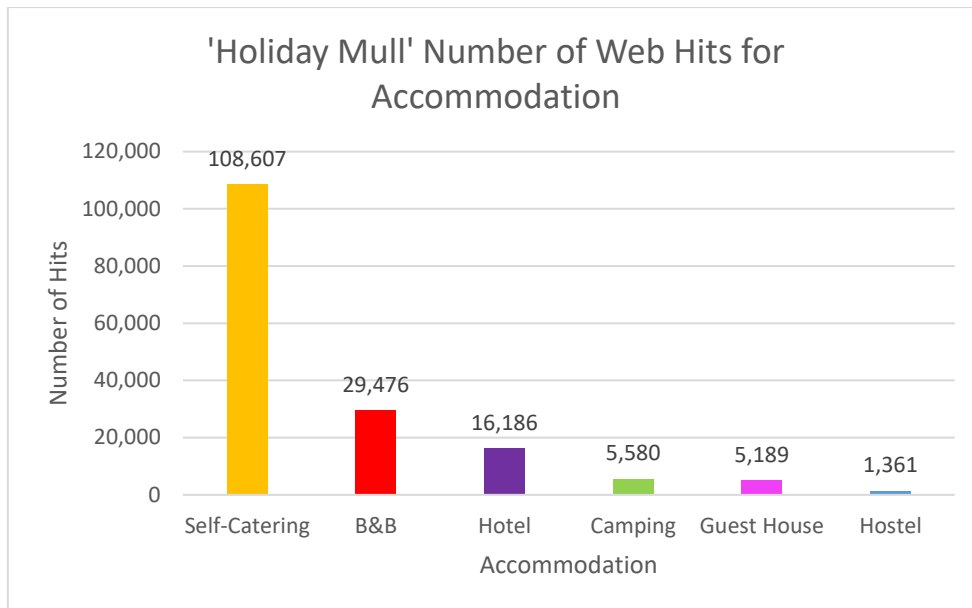
Figure 4.10: 'Holiday Mull' Number of Web Hits for Accommodation (Wood-Gee, 2014: 19)

The figures for accommodation do not relate to the accommodation that was actually booked and there were alternative websites that accommodation could be booked, but the figures suggest the types of accommodation sought on the Island.

**Agriculture, forestry and fishing**

The agricultural, forestry and fishing industries once the main sources of employment, have been displaced by tourism as the significant economic activity for this Island (Explore Mull[1], no date). It has been estimated that the agricultural, fishing and support services provides an economic contribution of £4.7million to the Island of Mull (Nautilus Consultants Ltd, 2014).

Argyll & Bute Council, using data from the 2011 census, identified the different occupations across Argyll and Bute and compared these different regions with Scotland (figure 4.11).
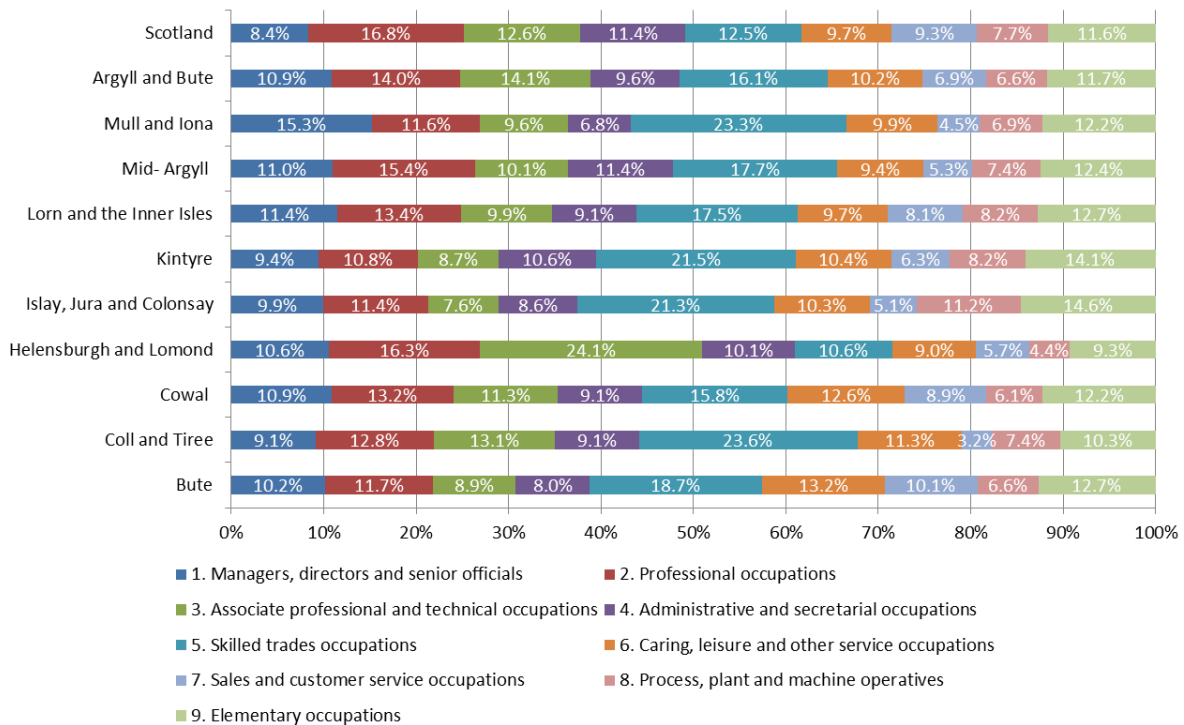
Figure 4.11.: Occupations across Argyll & Bute 2011 (Argyll & Bute Council, 2015[1]: 5)

The data illustrated in figure 4.11. showed that the Isle of Mull & Iona had one of the highest proportion of skilled trades occupations (23.3%) compared to the other areas in Argyll & Bute (Coll and Tiree had the highest percentage with 23.6%) and was almost double the percentage of Scotland as a whole (Argyll & Bute Council, 2015[1]). Contrastingly, the Isle of Mull and Iona had the highest proportion of Managers, directors and senior officials. Of those who were economically active and employed on the Island, 11.9% worked part-time, 31.4% were in full-time employment and 25.2% were self- employed (Census, 2011 cited in Argyll & Bute Council, 2015[1]) which was the highest of the Housing Market Areas (HMA) in Argyll & Bute Council region. The data also highlighted diversity across the employment sectors. While skilled trade occupations accounted for nearly a quarter of employment in Mull and Iona, there was not a single sector which dominated the workforce.

In Argyll and Bute, there was a great dependency on seasonal businesses such as tourism, agriculture, forestry and fishing and as such some employees were working more than one job during the summer months to take advantage of earning during these key periods (Argyll & Bute Council, 2011[1]). On Mull, it was reported that it was common for residents to have more than one job and the jobs were varied. For example, one local resident who moved to the Island, having been a civil servant on the mainland, had various jobs including making

preservatives, a lawn mower, house-keeper for a holiday cottage, a small holder and occasional sheep herder (Davis, 2010).

A survey undertaken by HIE found that a lack of employment was a concern on the Ross of Mull and Iona, especially for young people, with 18% of the sample advising that they were contemplating leaving mainly because of employment (Gibson, 2011).

As a consequence of the type and earning potential of employment on the Island combined with supply and price of housing, access to housing was a particular problem, as discussed in the following section of this chapter.

The first section of this chapter has identified certain features of the Isle of Mull and some of the issues and characteristics associated with the rural environment. The features of the Island such as employment, tourism and logistics of Mull were all very inter-connected with housing on the Island and such features identified were seen to have both positive and negative impacts on the housing market.

**A background to the housing market on the Isle of Mull**

The Isle of Mull can be characterised as having a constrained housing market with complex housing supply and demand issues. This section discusses these issues and identifies what has been done to overcome such problems. Firstly, there is a discussion of the housing market on the Island, followed by an analysis of the housing surveys which have been undertaken, and exploration of interventions on the Island by institutional actors.

In 2000, research was undertaken, commissioned by the (then) Scottish Executive (now Scottish Government) and Scottish Homes, exploring the factors which affected affordable housing in rural areas in Scotland (Satsangi et al, 2001). Four case study areas were chosen, one of which was, amongst other islands, the Isle of Mull. Semi-structured interviews were undertaken with Institutional actors and policies and literature were analysed. Many key issues were identified and while this research was undertaken more than a decade ago, many of the issues are still prominent. One of the identifications made was that while the Isle of Mull, Iona (and Ulva) are bounded under one housing policy, the areas within the Isle of Mull were relatively 'self-contained' due to various factors such as the expanse of the Island and as such if there was need in a particular area it was expected that the need for housing could only be met within that particular area and not in another area.

One of the issues mentioned was the high number of vacant, second and holiday homes on the islands. The research found that while interviewees thought that there were economic advantages to the purchase of homes for second and holiday use, house prices were inflated and therefore unaffordable for local people, the number of permanent properties were reduced for local people, people were more inclined to bring food with them rather than purchase on the Island, and affluent retired people were providing cheaper B&B accommodation and working independently weakening the incomes of part-time workers.

There was accord amongst those who were interviewed that it was difficult to get appropriate land at an amount which made the development of affordable housing feasible. One of the issues was the higher costs of building new homes on the islands as opposed to the mainland and the term "Cal-Mac premium" was mentioned in interviews (Satsangi et al, 2001: 73). A few of those interviewed also discussed problems with developing the land and that there was therefore a lack of developable land, though it was mainly the view that there was enough land for development. In addition, there was an overall view that landowners were responsive to selling land, though planners were of the view that a landowner may not be as receptive to selling land for various reasons such as to keep the unity of their Estate. Furthermore, it was thought that landowners were more likely to sell land on the open market, essentially to achieve higher prices and social landlords tended to get more secondary land. The interviews revealed that many interviewees thought negatively of the planning system. There was the view that the planning system was constraining and as such the price of land was heightened because of planning limitations. Furthermore, it was suggested that the planning system was 'subjective' in terms of design and that there was a lack of consistency (Satsangi et al, 2001: 74). There were positive and negative views on planning applications. It was discussed that planning applications did not always translate into development, for example, those who applied may not have fully realised the costs involved to develop the land and some may use the gained outline consent to increase the land value and the capital could then be used as collateral to raise money for equipment. There was an awareness that having to attain planning permission was beneficial, for example, as the applicant could consider the aims of the application and the process prevented laissez-faire development. One significant concern was how the community perceived planning and the effect on the development of small-scale affordable housing. Firstly, development could be hampered by "NIMBYism", which could thwart people applying for apprehension of refusal. Secondly, negative fables relating to development and associated constraints could deter people from developing and thirdly, appeals were viewed as being

expensive but there was an apprehension that costs will be increased due to the self-interest of specialists in protracting the process (Satsangi et al, 2001).

The local development plan (Argyll & Bute Council, 2015$_2$) revealed the restrictions and areas of possible development on the Isle of Mull. The plan shows much of the Island, particularly round the coastline, was identified as within the 'countryside zone'. In the South of Mull, land was classified as a 'special protection' area and of that zone, a section was classed as 'wild land'. There were large pockets of 'potential development' land in between the areas classed as 'countryside zones', although there were limited areas of potential development in the South of the Island, particularly Bunessan and Fionnphort. Particularly, in the South of the Island much of land was assigned as 'panoramic quality'. A number of 'rural opportunity areas' were also highlighted in the plan.

In 1965, the Highland and Islands Development Board (HIDB) (now operating as Highlands and Islands Enterprise) was formed under the Highlands and Islands (Scotland) Act, 1965, with the overriding objective of developing the economic and social conditions within the region (Highlands and Islands Development Board, 1972). Among other aims pertaining to land, there was a focus on developing underutilised land. However, there proved to be issues when fulfilling strategies for land, particularly on the Isle of Mull. Prior to the HIDB, the Isle of Mull was one of the areas identified as having underutilised land and a dwindling population. Incentives were made available, such as grants to land owners to improve the use of land but this proved particularly ineffective. In general, the effectiveness of such incentives was reliant on various elements such as age of the landowner. In addition, if the land was not utilised for economic purposes such as leisure, it was dubious that financial incentives would persuade the landowner to alter the use of the land. While the HIDB had powers to compulsory purchase land under the Acquisition of Land (Authorisation Procedure) (Scotland) Act, 1947, it was never used. It was suggested that this may have been because the Act was not particularly relevant to the land which would be acquired and for political reasons. The HIDB endeavoured to voluntarily acquire land, but this too was ineffective. In reference to a particular case on Mull, although the seller agreed, the Secretary of State for Scotland denied this transaction (Mather, 1988). Alluding to the Highlands and Islands generally, Mathers (1988) explained "One of the most striking paradoxes is that although the quality of the land and its productive value are low, its perceived importance in the minds of the people is high… Perhaps one of the main reasons for the continuing controversy is that government and its agencies have tended

to concentrate on the economic value of land and have underestimated its psychological importance." (Mathers, 1988: 39).

**Housing market**

The main settlements on the Island are Tobermory and Dervaig (North), Salen, Craignure and Lochdon (central) and Bunessan and Fionnphort (Ross of Mull in the south) (Argyll & Bute Council, 2013). Figure 4.12. shows these sub-areas.
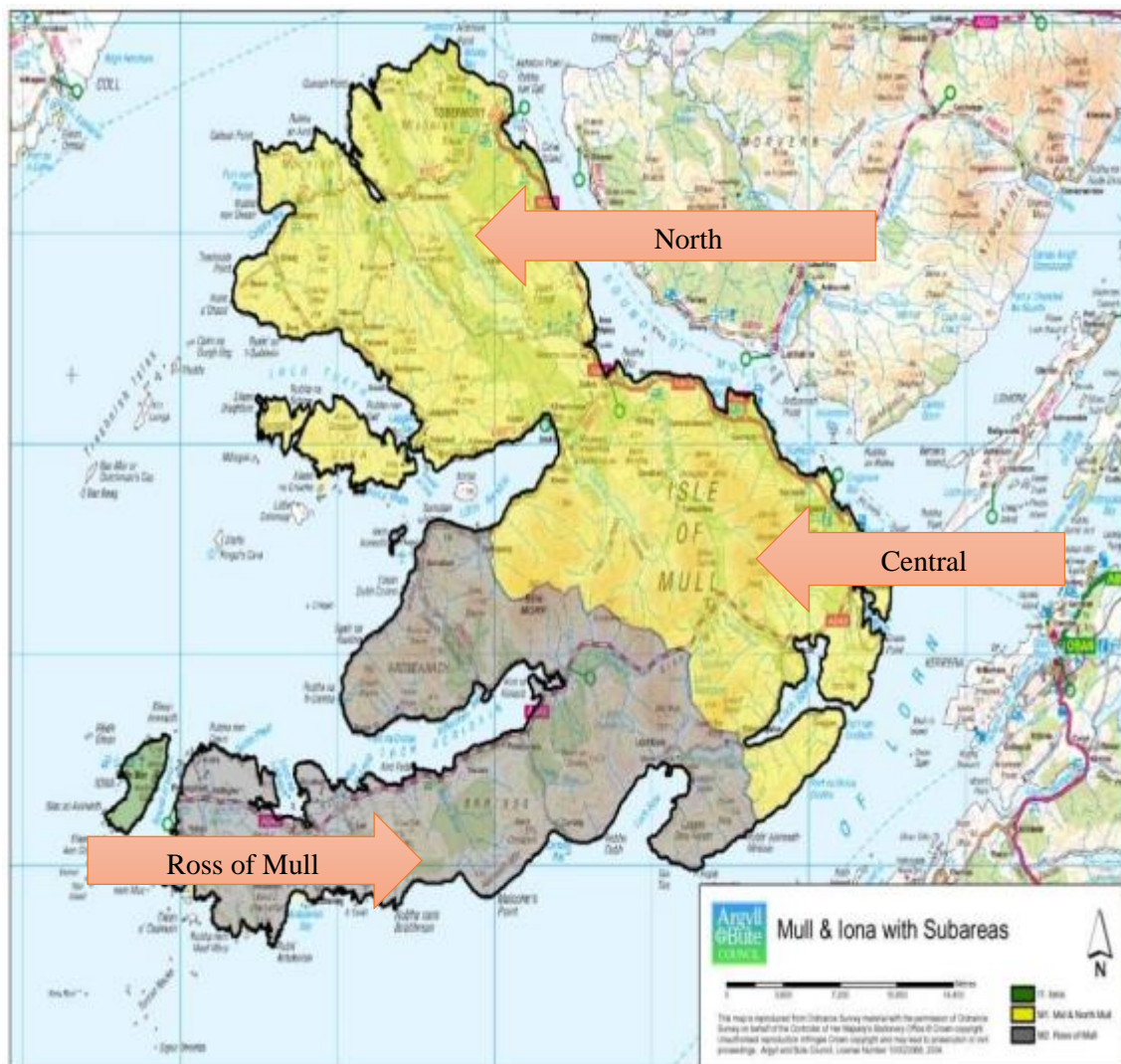


Figure 4.12.:  The Mull & Iona Housing Market Areas (adapted from Argyll & Bute Council, 2013: 9)

There was ambiguity over the number of dwellings on the Isle of Mull (and Iona) with the 2011 Census identifying that there were 1,833 dwellings on the Island (Scotland's Census 2011 cited by Argyll & Bute Council, no date[2]: 3) and the Council Tax Register revealing that there were 1,757 total dwellings (Council Tax Register, cited by Argyll &Bute Council, 2013: 23). Yearly estimates produced by the Scottish Neighbourhood Statistics based on local tax registers stated that there were 1,793 dwellings in 2013, which was a 17.6% increase over the ten-year period between 2003 and 2013 (Scottish Neighbourhood Statistics, 2013, cited by Argyll & Bute Council, no date[2]: 2).

"People successfully access a choice of suitable and affordable housing options in the areas that they want to live and can participate in the housing market" (Argyll & Bute Council, 2014[2]: 2). This was an Argyll and Bute Council objective, stated within the 2015/16-2019/20 Strategic Housing Investment Plan. As discussed in chapter 2, there are a range of definitions of 'affordability', therefore it is important to recognise the LA's definition of affordable housing for the context of this research. Argyll and Bute Council, in relation to the local housing strategy, refer to affordable housing as "accommodation made available at a cost below full market value to meet an identified need and includes: Social rented housing; Subsidised low cost housing for sale (discounted, shared ownership or shared equity); Low cost housing without subsidy (entry level housing for sale); Private rented accommodation available at lower cost than market rents; and Mid market rental housing provided by social or private landlords" (Argyll & Bute Council, 2014[2]: 4).

In 2008/2009, 63% of households were unable to afford to enter the housing market based on the lower quartile income[1] of £15,400 and lower quartile house price of £95,000. However, in 2011/2012 the percentage of households who could not afford housing fell by 47% based on a lower quartile income of £12,808 and lower quartile house price of £80,000 (Register of Sasines & CACI Paycheck, 2012 quoted by Argyll & Bute Council, 2013[1]:50). Figures from 2013 indicated that the situation had deteriorated as lower quartile incomes were £14,380 and lower quartile house prices were £100,000, which gave an affordability ratio of 7 (CACI Paycheck & Register of Sasines 2013 quoted by Argyll & Bute Council, 2015[1]: 18). While the lower quartile income rose by 11%, the lower quartile house prices rose more substantially by

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[1] Lower quartile income and house prices have been quoted. It was noted in the housing need and demand assessment that lower quartile house prices are more indicative of affordability for low-income households entering the housing market than average prices. Similarly, it was recognised that as well as average incomes, lower quartile were more representative of low income households, principally young people and first-time buyers (Argyll and Bute Council, 2011)

20%. The average house prices on the Isle of Mull & Iona varied between 2009 and 2013 as indicated in figure 4.13. Figure 4.13. also reveals the average house price between the same period.



**Mull & Iona House Price Analysis 2009-2013**

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Average House Prices | £176,184 | £193,155 | £175,584 | £192,597 | £183,634 |
| Lower Quartile House Prices | £112,000 | £114,000 | £90,000 | £100,000 | £100,000 |
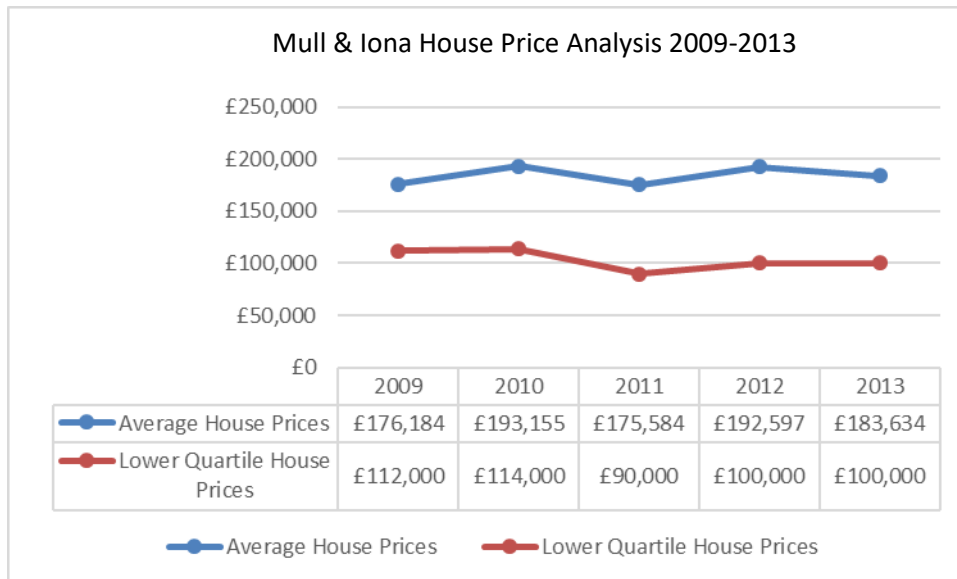
Figure 4.13.: Mull & Iona House Price Analysis 2009-2013 (Register of Sasines/Propvals quoted by Argyll & Bute Council, 2015[1]: 14)

The period between 2009 and 2013 was relatively steady with minor peaks and dips in the market, yet figures from before 2009 revealed that between 2001 and 2008, the average house price increased by 196% in Mull & Iona from £74,877 to £221,554 (Scottish Neighbourhood Statistics quoted by Argyll & Bute Council, 2011[1]: 100). This period coincided with the lead up to the recession and the increase in house prices was in tandem with the wider house market and could be ascribed to lower interest rates, which as a consequence increased the borrowing ability of households (Argyll & Bute Council, 2011[1]).

Data on the origin of the purchasers of homes in Mull between 2006 and 2008 revealed that half of the purchases were made by people within Mull/HMA. However, during the following three-year period, 2009-2011, just over a third of purchasers were from Mull (figure 4.14.).

**Mull House Sales by Origin**

| | Within Mull/ HMA | Argyll & Bute | Rest of Scotland | Rest of UK | Rest of World | Unknown |
|---|---|---|---|---|---|---|
| 2009-2011 | 36.20% | 1.70% | 18.10% | 26.70% | 2.60% | 14.70% |
| 2006-2008 | 50.30% | 1.20% | 14.10% | 28.80% | 1.80% | 3.70% |
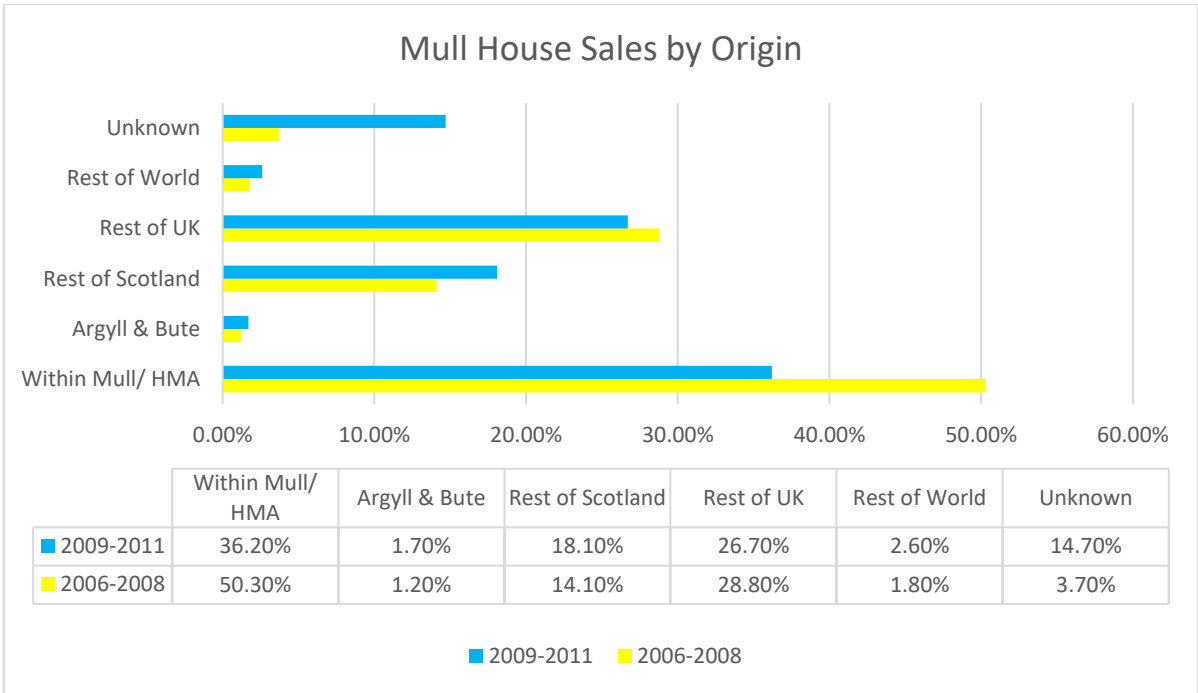
Figure 4.14.: Mull House Sales by Origin (Register of Sasines quoted by Argyll and Bute Council, 2013: 42/43).

While the data highlights that between 2006 and 2009 more homes were purchased by people located on Mull, it should be noted that during the period between 2009 and 2011 there was a higher percentage of homes purchased in which the origin of the buyer was not known which weakens the comparisons which could be drawn from the two timeframes.

**Second Home Ownership**

Data obtained from the Council Tax Register (2012) revealed that of the 1,757 properties on Mull, 219 homes were second or holiday homes and 25 were vacant properties (Council Tax Register (2012) quoted by Argyll & Bute Council, 2013[1]:24).

More than half of the housing on Mull & Iona was owner occupied, with second homes, social rent and private rent contributing to the remainder of housing as demonstrated in figure 4.15.

**Housing on the Isle of Mull and Iona**

- Private Rent
- Social Rent
- Owner Occupied
- Second Home
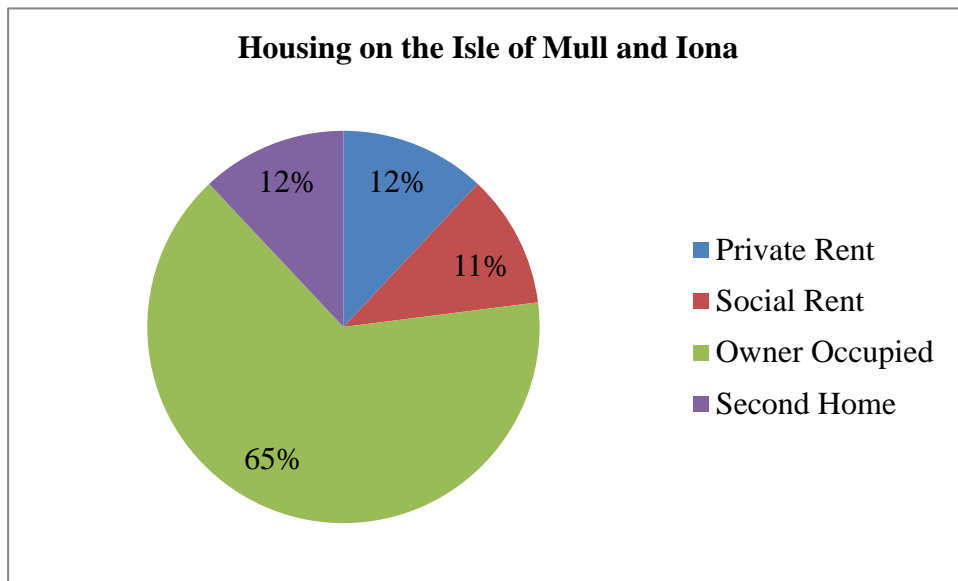
Figure 4.15.: Housing tenure on the Isle of Mull (Argyll & Bute Council, 2013)

Owner occupied property dominated the housing market on Mull (and Iona), with just over a third of the housing stock divided between the private rented sector, socially rented stock and second homes.  In 2014, research was commissioned by HIE to explore the attitudes and aspirations of young people in the Highlands and Islands.  One of the respondents revealed their frustration at the lack of stock available within the private rented sector: "'I adore where I live on the Isle of Mull...but I struggle as a young person to picture my future on an island where there is hardly any rental accommodation but an excessive number of holiday accommodation...' (respondent from Argyll and the Islands)" (Highlands and Islands Enterprise, 2015: 75)

**Property Types**

On the Isle of Mull and Iona, the proportion of properties with four to six rooms was double the number of properties with one to three inhabitable rooms.  In comparison, to Argyll and Scotland, the percentage of one to three inhabitable rooms was notably less than Scotland and Argyll and Bute, while the percentage of dwellings with four to six rooms was higher than Argyll and Bute and Scotland (Scottish National Statistics (2012) quoted by Argyll & Bute Council, 2013[1]: 25) (figure 4.16.).

**Property Sizes**

| | Scotland | Argyll & Bute | Mull & Iona |
|---|---|---|---|
| % dwellings with no. rooms unknown | 1.39% | 2.43% | 2.29% |
| % dwellings with 10+ rooms | 0.55% | 1.79% | 2.40% |
| % dwellings with 7-19 rooms | 5.43% | 8.84% | 10.75% |
| % dwellings with 4-6 rooms | 50.43% | 52.59% | 56.15% |
| % dwellings with 1-3 rooms | 42.20% | 34.36% | 28.42% |
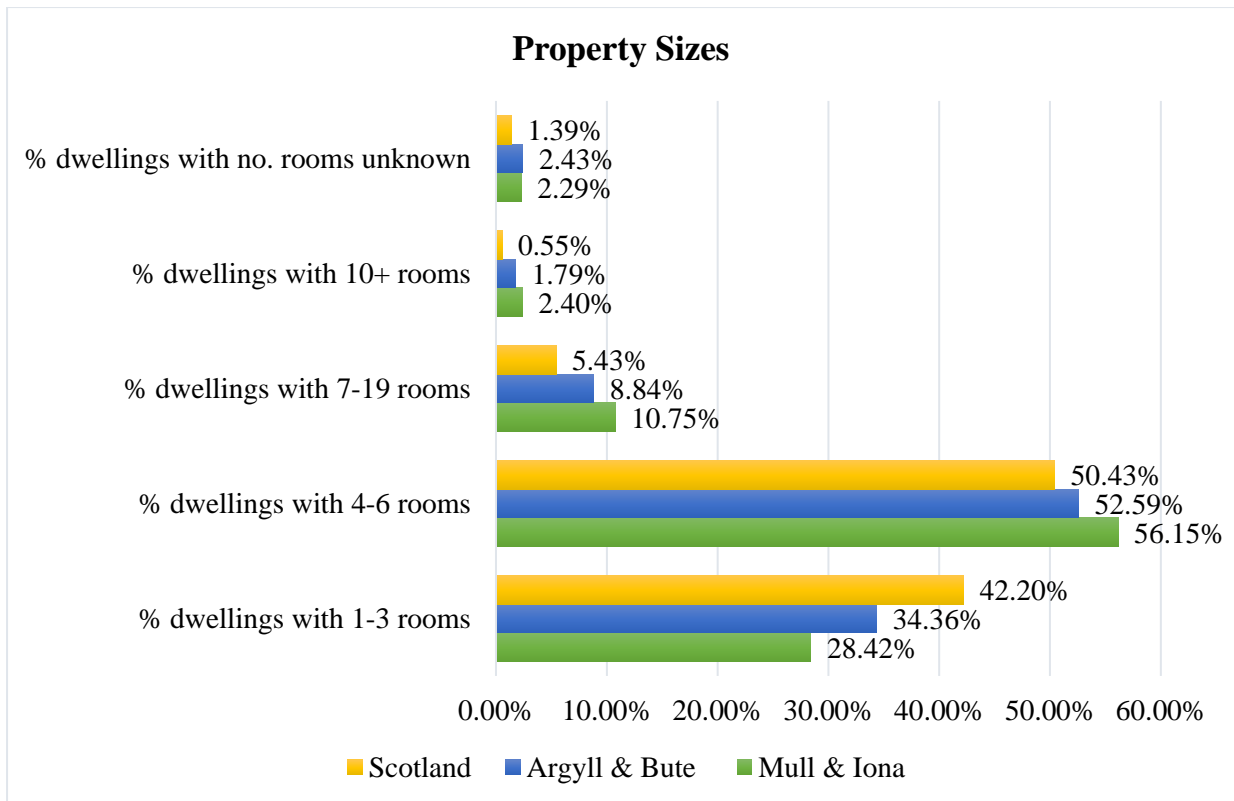
Figure 4.16.: Property Sizes (2011) (Scottish National Statistics (2012) quoted by Argyll & Bute Council, 2013[1]: 25)

On the Isle of Mull and Iona there was a higher percentage of larger dwellings in comparison to Argyll and Bute and Scotland. The type of property on the islands also varied regionally and nationally. Data from 2011 revealed that, on the Isle of Mull and Iona, more than half the dwellings were detached, while flats and terraced housing accounted for just over a fifth of the Islands' dwellings (Scottish National Statistics (2012) quoted by Argyll & Bute Council, 2013[1]: 25) (figure 4.17).
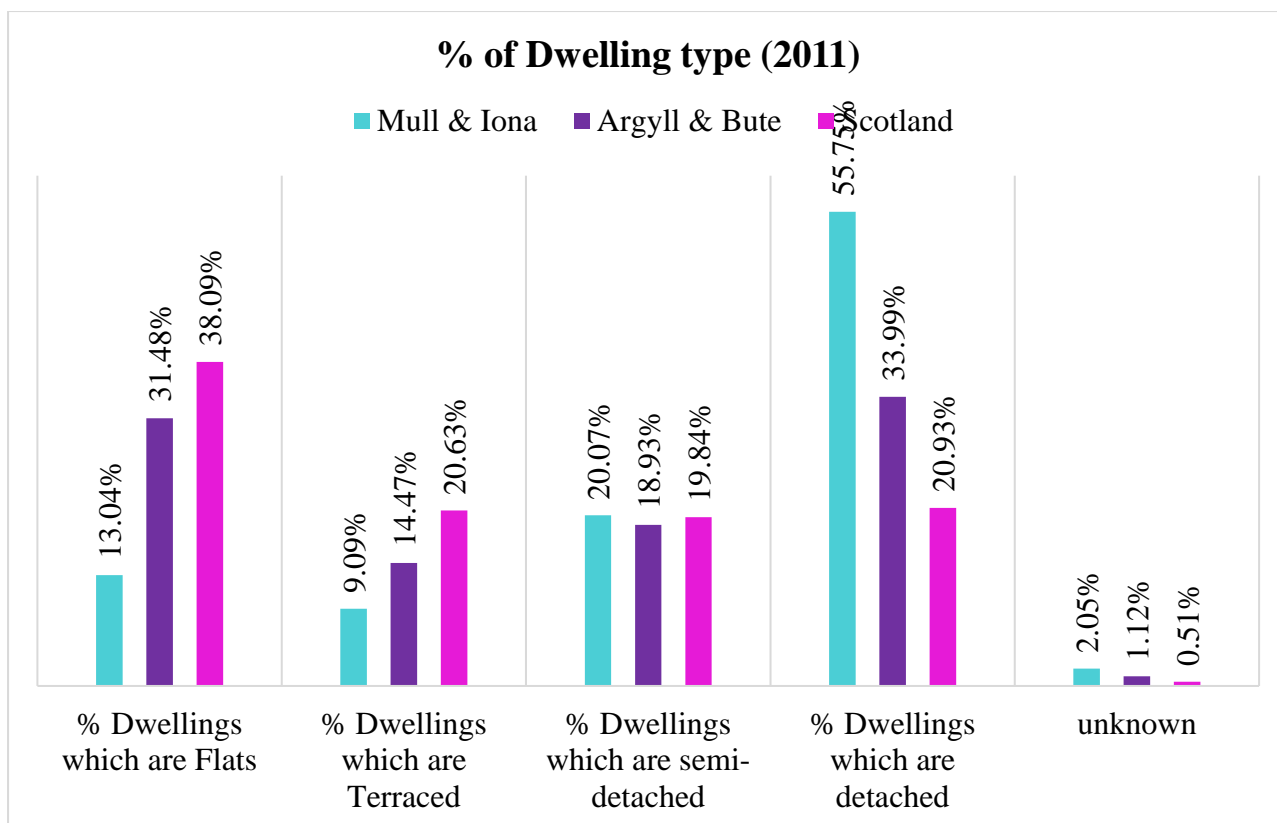
Figure 4.17.: Percentage of Dwelling type in Mull & Iona, Argyll & Bute and Scotland (Scottish National Statistics (2012) quoted by Argyll & Bute Council, 2013[1]: 26)

As figure 4.17. highlights, apart from the percentage of semi-detached dwellings, the type of housing varied considerably between the islands, Scotland and Argyll and Bute. In particular, it was evident that the Isle of Mull had significantly fewer flats and terraced housing with a third and a half, respectively, of the percentage of these types of dwellings in Scotland.

**Social Housing**

Social housing was provided on the Island through the West Highland Housing Association (WHHA) and Argyll Community Housing Association (ACHA). In 2006, the council assigned their housing stock to ACHA (Argyll & Bute Council, no date[3]) Figure 4.18 identifies the level of stock each Housing Association have on the Isle of Mull. The Trust Housing Association is another provider of social housing, in particular, specialist housing with four amenity properties located in Dervaig and twenty-five sheltered houses for elderly in Tobermory (Trust Housing Association, no date; Home Argyll, no date).

|  | Number of Properties WHHA | No. Properties ACHA | Total |
|---|---|---|---|
| Bunessan | 12 | 22 (6 amenity) | 34 |
| Craignure | 15 (11 amenity) | 17 | 32 |
| Dervaig | 4 | 3 | 7 |
| Fionnphort | 8 | 1 | 9 |
| Lochdon | 1 | 0 | 1 |
| Salen | 0 | 33 | 33 |
| Tobermory | 71 | 18 | 89 |
| Ulva Ferry | 1 | 0 | 1 |
| Total | 112 | 94 | 206 |

Figure 4.18.:  Number of WHHA and ACHA Properties on Mull (Argyll & Bute Council, quoted by Rural Housing Scotland, 2014)

As can be identified in figure 4.18., the main areas of social housing stock were located in Bunessan, Salen, Craignure, with the majority of social housing located in Tobermory.  The rental levels for social stock on the Island provided by Argyll Council Housing Association varied from £49 to £74.  Figure 4.19. identified the approximate weekly RSL rents in Mull in 2012.

| Size | Rent Levels | Average |
|---|---|---|
| 1 bed | £49.66 - £56.75 | £53.20 |
| 2 bed | £56.60 - £64.45 | £60.53 |
| 3 | £60.35 - £69.61 | £64.98 |
| 4 | £74.20 | £74.20 |

Figure 4.19.: Approximated weekly RSL rents in Mull in 2012 (ACHA Records quoted by Argyll & Bute Council, 2013[1]: 47)

As identified in the literature in chapter 2, RTB legislation impacted upon the amount of social housing stock.  Social housing on the Island was substantially depleted by the introduction of the RTB scheme from 1980.  Under the Housing (Scotland) Act 1988) council housing tenants had the option to purchase their home at a discount of up to 70% for flats and 60% on the condition they had occupied the premises for two years.  As discussed, there have been a number of changes since the initial RTB scheme was introduced as outlined in the Housing Scotland Act (2001).  More recently, the Housing (Scotland) Act, 2010 outlined the abolition

of the RTB (Scottish Government, 2011). The socially rented stock on the Isle of Mull has depleted substantially since the introduction of the RTB and 2012, with 61% of the entire housing stock in this sector being sold to tenants (Argyll & Bute Council, 2013[1]). Figure 4.20 illustrates the percentage of original housing stock which was sold through this scheme within specific areas on Mull.
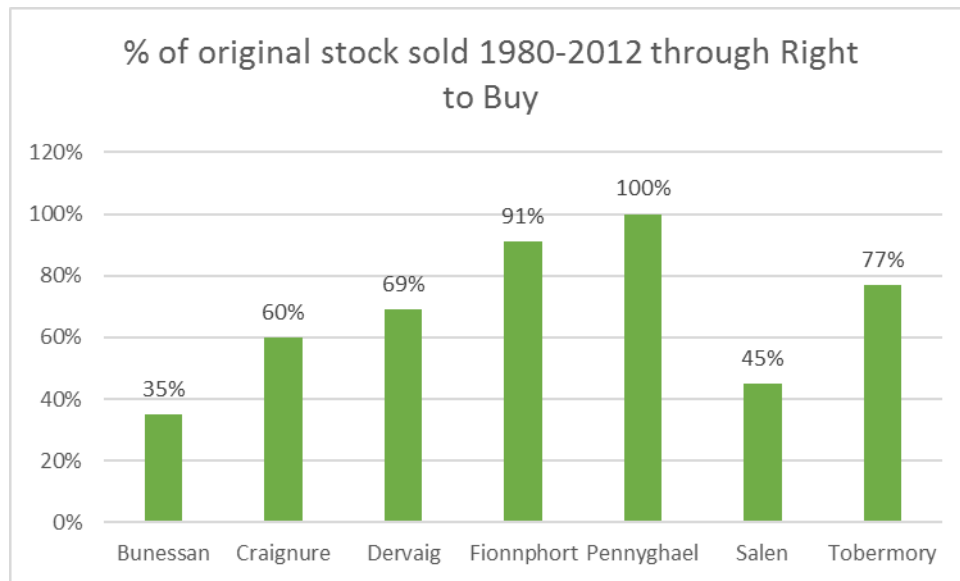


Figure 4.20: Percentage of original stock sold 1980-2012 through RTB (Data from Council Records & Annual RSL Returns as quoted by Argyll & Bute Council, 2013[1]: 31).

The majority of housing on Mull and Iona was sold through RTB prior to 2005. Eleven properties were sold through RTB between 2005 and 2012 and of those properties none have remained in the private rented sector (Argyll & Bute Council, 2012).

One of the changes in the Housing (Scotland) Act, 2010 was that LA's could determine whether an area should be allocated as being a 'pressurised area', withdraw or make alterations to such designations. 'Pressurised Areas' were allocated to particular areas where the need for RSL housing significantly surpassed the amount of homes that were or would be available and where if the tenants were to buy their homes through their RTB, this would exacerbate the imbalance of housing need and availability (Housing Supply Division, Scottish Government, 2011).

The Local Housing Strategy (2011-2016) revealed that there was a waiting list pressure ratio of 10:1 (number of Common Housing Register applicants per available let in a year) in Mull & Iona (Argyll & Bute Council, 2011[2]:21). Argyll & Bute Council proposed Bunessan, Craignure, Salen/Aros and Tobermory as being Pressurised Areas in accordance with the

Housing (Scotland) Act, 2010.  In November 2011, these areas were approved as 'pressurised areas' (Sneddon, 2011).

**Housing Need Surveys**

Two surveys were undertaken over the past ten years, commissioned by Argyll and Bute Council, to identify the need and level of affordable housing required.  The first of these two surveys was undertaken in 2008/ 2009 and was carried out for the whole of Argyll and Bute Council area.  This survey revealed a significant shortage of affordable housing on the Island and as such the second survey was commissioned focused solely on the Isle of Mull.

Isle of Mull Housing Need and Demand Survey (Argyll & Bute Council, 2011[1])

In 2011, a Housing Need and Demand survey of Argyll & Bute was undertaken.  Previous research from 2006, 2007 and 2008 which had been commissioned by Argyll & Bute Council was compiled to establish a holistic perspective of the housing need and demand across Argyll and Bute.  Primary research was also undertaken with two consultancies, Arneil Johnston and Research Resource, who conducted telephone interviews during the summer period of 2009. In Mull and Iona 315 interviews out of 1,654 households were conducted (Research Resource 2009, cited by Argyll & Bute Council, 2011[1]).  Data showed that in the Isle of Mull and Iona, almost two thirds (63%) of households were unable to afford to enter the housing market based on lower quartile house prices (£95,000) and incomes (£15,400), while 57% were unable to enter at the weighted average house price of £141,803 (Sasines data, 2008 and CACI Paycheck, 2008, quoted by Argyll & Bute Council, 2011[1]:115, 116).  Furthermore, it was revealed that over a ten- year period there would be a requirement of 1,101 affordable homes which was almost a quarter of the shortfall for the whole Argyll & Bute area and 749 market housing (high scenario) (Argyll & Bute Council, 2011[1]: 242).

Isle of Mull Housing Need and Demand Assessment (Argyll & Bute Council, 2013[1])

In 2012, Argyll & Bute Council commissioned research specifically on the Isle of Mull. 'Research Resource' undertook the commissioned research, carrying out a random sample of telephone surveys, examination of secondary data and stakeholders were consulted (Argyll & Bute Council, 2013[1]).   There were three objectives of the housing study, one of which was to assess the need of affordable housing.  Of the 1,431 households on Mull, 306 survey interviews were attained via telephone from a random sample of 900 households from the Council Tax Register, achieving a data accuracy of +/-5% (see Argyll & Bute Council, 2013[1]).

To measure the need, the methodology employed was constructed with guidance from the Scottish Government's 'Housing Need and Demand Assessment Guidance' (March 2008) and was the same model by Argyll & Bute Council to determine housing need in 2009/2010 (Argyll & Bute Council, 2013[1]). Figure 4.21 illustrates the model employed.

| Backlog of Existing Need | ➕ | Newly Arising Need | ➖ | Supply of Affordable Housing | 🟰 | Net Shortage/ Surplus |
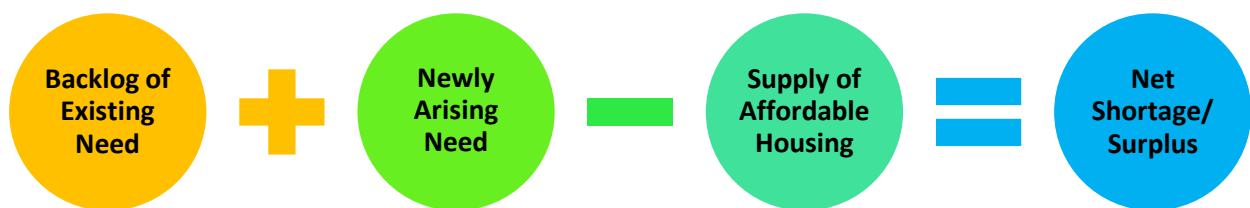
Figure 4.21: 'Outline of Model' (Argyll & Bute Council, 2013[1]: 69)

The research found that there was a shortage of forty-two units at the low end of the market but that the other end of the market was fairly neutral. There was also a postulation that the market would not develop in the next three to five years (from 2013). To calculate the housing need the following methodology was adopted:
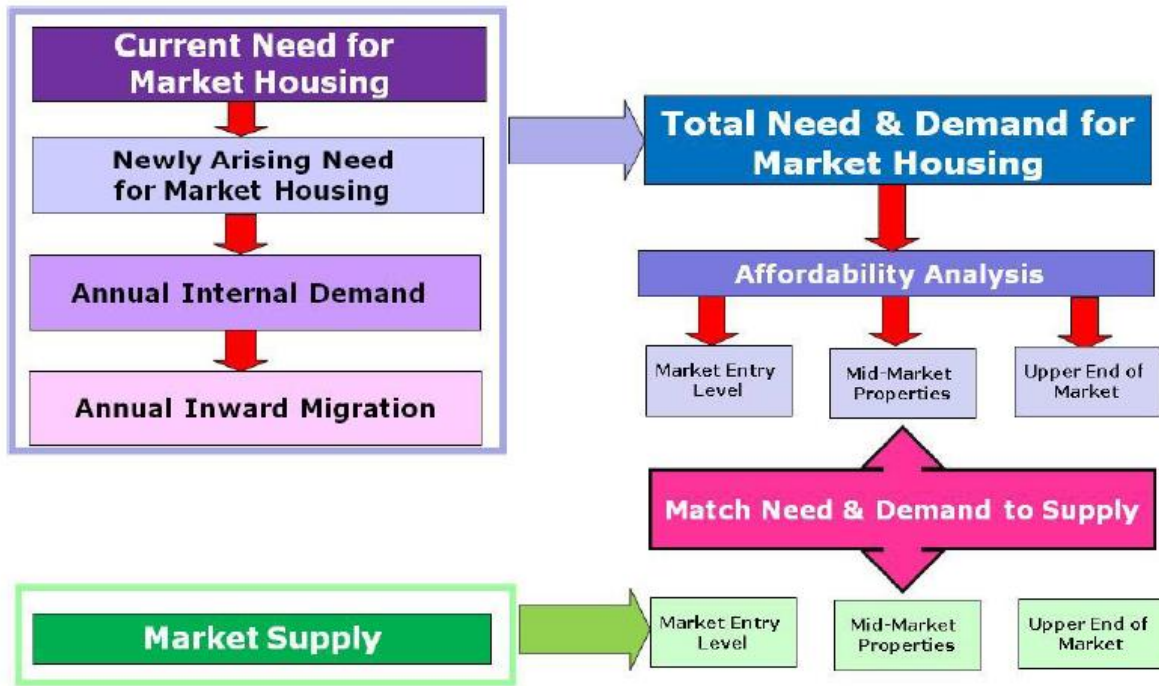
Figure 4.22: Methodology for Assessing the Market Housing Requirement (Argyll & Bute Council, 2013[1]: 88)

The research verified the view that by 2015 (three-year period) there would be a deficit of 126 homes and over five years there would be a requirement of 210 new market homes, figure 4.23 details the calculation of the annual supply and demand of housing by quartile.

| Market Housing Calculation | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| Demand | 42 | 21 | 13 | 11 | 87 |
| Supply | 11 | 13 | 12 | 9 | 45 |
| Additional Requirement | 31 | 8 | 1 | 2 | 42 |

Figure 4.23: Annual Net Shortfall/ Surplus for Market Housing by Quartile (Argyll & Bute Council, 2013[1]: 93)

However, it was found that the deficit of affordable housing identified in the Housing Need and Demand Survey in 2008/09 had substantially decreased over the past three to four years

and that the system was now relatively proportional.  It was evaluated that the Isle of Mull was not classed as a high strategic priority any longer, or for a minimum of three years.  In the short-term it was advised that developing the existing stock, exploring the way in which the Private Rented Sector could help with the lower end of the market and other possibilities, for instance intermediate tenures which are not subsidised and limited public sector investment, should be directed at more urgent areas with the LA (Argyll & Bute Council, 2013[1]).

**Housing development on the Island**

Various institutional actors were present on the Island with either a sole intention to tackle housing concerns or address housing as part of their overall remit. This section identifies third-sector organisations, who have, through different initiatives, intended to increase the housing supply, in particular, affordable housing. These actors include the Ulva School Community Association, Rural Housing Service's OIH initiative, NWMCT, Mull and Iona Community Trust (MICT), Housing Associations present on the Island. The chapter also provides an example of an employer seeking to develop private and affordable housing.

Ulva Ferry: MICT and Ulva School Community Organisation

In 2010, Ulva Ferry primary school was at risk of closure and as a consequence the partnership between Ulva School Community Association (USCA) and MICT was established to help deliver affordable housing in Ulva Ferry (Rural Housing Scotland, no date[1]). MICT played a prominent role in the development, employing a local development officer and manager and taking accountability for the future management of these properties (MICT, no date).

In 2013, the MICT was awarded a grant of £141,760 by the Scottish Land Fund for the acquisition of land at Ulva Ferry (Scottish Government, no date[5]). In 2014, planning permission was granted by Argyll & Bute Council for the erection of two semi-detached dwelling houses (Argyll & Bute Council, 2014[3]). Thorne Wyness Architects, based on the Isle of Mull, were chosen to design these homes with the aim of providing a home appropriate for the rural environment and with the objective of delivering a low energy home (Thorne Wyness Architects, no date). The rental for the housing would be approximately £445 per month, which was based on 85% of the Council Local Housing Allowance and the heating costs were estimated at £200 per year (Mull & Iona Community Trust, 2015).

The build cost for the two homes was £440,000 (Rural Housing Scotland, no date[2]) and various initiatives and fundraising took place to raise money to go ahead with the building of the homes. A plot of land in Ulva Ferry was bestowed to USCA by a landowner with all the capital invested into the cost of building the two affordable rented accommodation. The land was offered below market value at £35,000 (Newsroom, 2015) and was aimed at people living in or associated with the area, in particular families (MICT & Ulva Ferry Housing Partnership, no date).

The 'buy a brick' campaign was established in which members of the general public could contribute to the funds of the project through a 'Just Giving' page and by April 2016, almost

£20,000 had been raised (Just Giving, no date). Other than the 'Just Giving' page other sources of funds included a mortgage, grants from Argyll and Bute Council, the Quaker Housing Trust, Trusthouse Charitable Foundation and private donations (Rural Housing Scotland, no date[2]). In January 2016, the project had yet to meet the funds required for the project and there was risk of the project failing as grant deadlines were approaching. At the beginning of 2016 the project required a further £46,000 to meet the required total, and by April 2016 the deficit stood at £25,000. Two of the grants in which the deadline was looming were able to be extended and an application was made to the Scottish Government's Rural Housing Fund to obtain the remainder £25,000 required to continue with the development. By April 2016, the outcome of the application was not known.

**Our Island Home**

The OIH Initiative was established in 2013 by RHS (previously Rural Housing Service). The initiative was launched as a three-year programme. The main objectives of the project were to provide guidance and help with the increase of supply of affordable housing, particularly for young people. The Isle of Mull was one of the first Islands that the initiative focused, but since commencing in 2013, the programme has been involved in projects across various islands located in the Inner Hebrides such as Coll, Colonsay and Canna.

In 2013, RHS launched a design competition in which a brief was given to design a home fit for purpose on the Isle of Mull which would cost less than £100,000 to build, in which heating costs were less than the Scottish average, that the home could be altered or modified depending on future needs, that costs of building could be reduced and that the appearance was appropriate for the landscape (Rural Housing Scotland, no date[3]). There were fifty entries and Tom Morton of Arc Architects, located in Fife, won (figure 4.24).

Figure 4.24: Arc Architects- Design Winner (Rural Housing Scotland, no date[4])

Sites on the Island were chosen for development, however, since the competition (2014) the home designed for these sites was not yet developed either because the decision was taken not to go ahead with the housing concept or because the plans for development had yet to reach fruition.

**North West Mull Community Woodland Company (NWMCT)**

The NWMCT was established to manage Langamull and West Ardhu woodlands in the North West of the Isle of Mull.  In 2006, the company purchased these woodlands from the Forestry Commission Scotland through the National Forest Land Scheme and received various funding streams and grants to do so (Community Land Scotland, no date).  The company had 4.5 ha of land which, under the Argyll and Bute Council Local Plan, was permitted for housing development, with the proviso that half was affordable housing.  One of the objectives was to offer sites for affordable housing and forest crofts.  In 2011, nine crofts were let, offering affordable housing to people in the community.  Through the OIH design competition, the company aimed to build five homes for affordable renting and offer five sites to enable self-build, however, development was yet to begin by April 2016 (van der Jagt, 2014).

**'The Island Bakery'**

In 2015, a Masterplan was agreed by Argyll and Bute Council Planning, Protective Services and Licencing committee for the development of housing at Lephain which lies on the periphery of Tobermory.  The proposals included the provision of up to twelve low density housing units and land for business use (Argyll & Bute Council, 2015[3]).  Of the units

developed, half would be private housing and the other half were proposed as being affordable housing and primarily for employees of the bakery and Sgiob-Ruadh farm located close by. The affordable housing would be maintained by the landlord, J&C Reade & Sons (AGL Architect Ltd, 2015). Sgiob-Ruadh farm was the sole dairy farm on the Isle of Mull and where production occurred for the 'Isle of Mull Cheese' company (Isle of Mull Cheese, no date). The 'Island bakery' was established by the son of the owners of the dairy farm. Brendan Reade explained that there were approximately twelve employees working at the Isle of Mull cheese company and three resided in caravans (Campbell, 2015[1]). In the past, caravans were a prominent form of accommodation with one in six households residing in caravans the whole year or at times during the year (1994) yet by the 2001 census 4 percent of the Island were recorded as living in caravans. However, it has been noted that some in-migrant employees on the Island may need to reside in temporary accommodation as housing is unaffordable. The 2012 HNDA survey revealed that one percent of the population lived in caravans and another one percent stayed in chalets/bothy style temporary accommodation (Argyll & Bute Council, 2013[1]). Housing required for local employment is not a new phenomenon on the Isle of Mull. Minutes from the Mull District council highlighted the need of local employers requiring housing for their employees. In 1953, a request was made regarding housing for a local Engineer of the Post Office Department and in 1972, Ledaig Distillary Ltd wrote to the council requesting that their employees had precedence of the residences in the locality of Tobermory (Mull District Council, 1953; 1972).

**West Highland Housing Association**

In 2009, six units were completed by WHHA for social rent (Argyll & Bute Council, 2013[2]). In 2010, twenty-six new homes were developed in Tobermory (figure 4.25) by the WHHA. Eighteen units were available for rent and eight units available for sale through the Scottish Government LIFT Scheme, available for first time buyers (Argyll & Bute Council, 2013[2]). A further twenty units were developed and available for rent by WHHA, with phase 1 completed in 2011 and phase 2 completed the following year (WHHA, no date).

Figure 4.25: Struan Crescent, Tobermory (Campbell, 2015[2])

The WHHA own another site in Lochdon/ Craignure where there were provisional proposals of the development of six units in year two of the provisional Strategic Local Programme 2015-2018 (Argyll & Bute Council, 2014). In January 2015, a housing needs and demand assessment was undertaken by RHS to gauge the housing need in the area and determine the type of housing required in the area. To understand the level of interest before building on the land, WHHA were advertising for people to contact them if they would be interested in buying or renting in the area and for them to take part in a questionnaire (WHHA, advertised on Rural Housing Scotland website, no date[1]).

It is evident that many institutional actors, particularly third-sector organisations, have been particularly pro-active in the Island to encourage the development of more affordable housing on the Island.

**The Isle of Ulva**

As discussed in chapter 2, there has been a movement towards community ownership. One recent example of a community exercising their RTB was the purchase of the Isle of Ulva by NWMCT. The Island, with a population of six people, was put up for sale in 2017 by the owner of the estate (BBC, 2017). Under the Land Reform (Scotland) Act 2003, NWMCT successfully

registered their interest in purchasing the Isle of Ulva (Scottish Government, 2017$_2$); the first time consent had been given to a community body to register interest in an island (Big Lottery Fund UK, 2018). The primary objective of seeking to purchase the Island was to create social and economic development, in particular, one of the ambitions was to develop the number of residents on the Island (NWMCT, 2018) with the intention of increasing the population to approximately thirty residents after two decades (NWMCT, no date). A number of aims were proposed, including the ability to offer security of tenure for both current and prospective inhabitants and make improvements to housing stock (NWMCT, no date).

Following a period of negotiation, NWMCT purchased the 2,000ha Island in June 2018 (BBC, 2018). The site (including other components), valued at £4.65million, was primarily financed through £4.4million of funding received by the Scottish Land Fund (Drysdale, 2018). In addition to the funds secured through the Scottish Land Fund, there were also various fundraising approaches such as crowdfunding online (NWMCT, 2018). The Land Reform Act (2003) in Scotland has provided communities the opportunity to purchase land and therefore give more control to communities. However, as demonstrated in the case of the Isle of Ulva, it is also the funding streams that facilitate the financial capabilities of communities.

**Conclusion**

The purpose of this chapter has been to investigate the profile of the Isle of Mull and housing on the Island. What this chapter has shown is that there were various interconnected and interrelated issues on the Island which impacted on the housing market. In the past, there have been various research commissioned and surveys undertaken to identify whether there is a need for housing, in particular affordable housing, and to what extent. This chapter has shown that there has been a conflict between qualitative and quantitative data. It has been evident in the research that there were various actors involved in the rural housing market on the Isle of Mull including local government, land owners, planning officers, financial institutions, third- sector organisations and the community. It was evident that there were multiple institutional actors involved in the rural housing market. In particular, third- sector organisations appeared to be at the forefront of taking action and ownership of the land that they occupy with the likes of the OIH campaign, Ulva Ferry 'Build a Brick' initiative and the Community Trusts promoting and pushing for the development of housing for local people. Figure 4.15 identified the different tenures on the island. In particular, home ownership was the dominant tenure with approximately two-thirds of the housing stock in this tenure. It has also been evident that the

institutional environment in which they operate is very influential in structuring and controlling the housing environment. The next chapter explores the research design and research methodology for conducting the PhD research. The chapter also describes how Clapham's (2005) housing pathways approach and Williamsons (2000) NIE framework were applied to this research. Chapter 6 and 7 then review the primary data that was collected from the fieldwork on the Isle of Mull.

**Chapter 5. Research Methodology**

**Introduction**

The review of the literature in chapter 2 identified how young people were constrained in the housing market due to the characteristics of the rural environment, the characteristics which can cause problems for rural development and the institutional actors involved in rural housing development and the housing market. The exploration of the literature influenced and shaped the key objectives of the research and consequently the research methodology and design. The objectives of the research were to examine whether and how young people were constrained in the rural housing market by utilising Clapham's housing pathways approach and to analyse the characteristics of rural areas and land which make rural housing development challenging, the institutions involved in the rural housing market and the institutional environment in which they operate by employing the NIE framework. The purpose of this chapter was to explore how the research methodology and design were selected for undertaking the PhD research. This chapter also illustrates how the housing pathways approach was used to explore the agency of young people in the housing market. In addition, the chapter identifies how the NIE theory was applied as the theoretical framework underpinning the research.

The research design chosen for this study was the examination of a single case and the research methods selected were semi-structured interviews and questionnaires. The first section of this chapter explores the reasons for choosing a single case, providing a brief analysis of the case study as a research design and examines how the case study acted as a framework for the research. The second section of this chapter begins by discussing why a mixed-methodological approach was chosen for this research and continues by reviewing the methods selected including interviews and questionnaire surveys. There is an appraisal of each of these methods, analysis of why each method was chosen and how they were implemented in the research. This section also identifies how the collected data was collated and analysed, including how the housing pathways approach was utilised in the research as an organising mechanism for exploring the relationship between young people living on the Isle of Mull and their housing experience. The third section of the chapter explores how NIE was applied to the research as the theoretical framework. The fourth section identifies the ethical issues that were considered for undertaking the research, followed by a reflection of the research methodology and design chosen for this study and the ethical issues which arose during the fieldwork. The chapter

concludes with a summary of the research design, methods and frameworks explored in the chapter.

**Research Design: The Single Case Study**

The examination of a single case study was chosen as the research design for this PhD research. Firstly, there will be analysis of the advantages and disadvantages of this research design, followed by an examination of why a single case study was chosen to achieve the objectives of the research.

**Case Study: The Advantages and Disadvantages**

There are various definitions in the literature defining what a 'case study' is. Cases are often regarded as a method (Hammersley et al, 2000). Yet, it is contended that a case is not a method but a selection of what is to be examined and the methodology is chosen to investigate the selected case (Stake, 2005). Similarly, Punch (1998) explains that a case study is a thorough exploration of a single case or multiple cases, using suitable methods and considers the case a 'strategy' rather than methodological approach. It is recognised that a case must have definite boundaries and that it has the ability to be studied as an independent unit (Denscombe, 2014). For the purposes of this research the 'case study' referred to the geographical area which was chosen to investigate the housing market. There are many advantages and disadvantages associated with using a case study. The purpose of this section is to identify these benefits and limitations.

One of the reasons for using a case study as a research design is the ability to thoroughly explore the minutiae of a particular environment to elucidate the most significant characteristics (Henn et al, 2013). Furthermore, the all-encompassing nature of the case study is advantageous. Since the case study aims to study people in their environment this can present the researcher with primary data and greater theoretical insight into social systems of actors, actions and motivations (Orum et al,1991: 8). Similarly, the case study can also be considered from different perspectives, be used to identify the effect of actors and the relationships between various actors, which can elucidate "how and why" situations/actions occur (Simons, 2009: 23). Additionally, case studies enable the use of a range of different research methods (Denscombe, 2014). Moreover, data from case studies can be used for challenging and constructing theories (Denscombe, 2014).

Flyvbjerg (2004) identifies five misunderstandings of case study research (figure 5.1). In the literature, these misunderstandings are also often perceived as disadvantages of case study design.

| Case Misunderstanding | |
|---|---|
| Misunderstanding 1 | General, theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent) knowledge |
| Misunderstanding 2 | One cannot generalize on the basis of an individual case; therefore, the case study cannot contribute to scientific development |
| Misunderstanding 3 | The case study is most useful for generating hypotheses, that is, in the first stage of a total process, while other methods are more suitable for hypothesis testing and theory-building |
| Misunderstanding 4 | The case contains a bias towards verification, that is, a tendency to confirm the researcher's preconceived notions |
| Misunderstanding 5 | It is often difficult to summarize and develop general propositions and theories on the basis of specific case studies |

Figure 5.1. Misunderstandings of Case Study Research (Flyvberg, 2004:391)

Flyvberg continues to dispel each of these misunderstandings (see Flyvberg, 2004). These 'misunderstandings' will be discussed in turn.

Misunderstanding 1: *Context-independent knowledge is more valuable than context-dependent knowledge*

Flyvberg (2004) argues that while context independence is important, undertaking case studies provides a way of applying the knowledge and learning from different cases which can further enhance knowledge. Furthermore, he argues that, in social science, such context dependent knowledge is needed to generate and develop theories.

Misunderstanding 2: *Generalisations cannot be derived from one case study*

One of the main concerns of case study design and in particular single case study design is the issue of generalisation. In contrast to having many case studies and quantitative research,

individual case studies can be seen to lack the ability to replicate or compare findings and be perceived as less thorough (Barzelay, 1993).

There are two ways in which the individual case can be applied within a broader context, firstly by conceptualising or secondly by cultivating propositions. Rather than providing a narrative of the case, conceptualising means the researcher can devise notions to elucidate a particular feature of the case. Propositions are the application of theory to explain relationships within a case which in turn may be transferable to other cases (Punch, 1998). As the case study is not representative of a whole population, or a "sample", populations cannot be generalised; however, theoretical notions can be generalised and applied (Yin, 2014). Yin distinguishes two types of generalisation: analytic generalisation and statistical generalisation. The former relates to applying theories to particular cases, analysing conceptually, looking for conclusions which could be applied to cases other than the individual case being studied. Statistical generalisation relates to taking a sample and projecting findings on a wider population. There is an issue of generalisation in this way as a case is not a "sampling unit" and would not be representative of a wider population (Yin, 2014: 40).

Misunderstanding 3: *The case study is more suitable for yielding hypotheses rather than testing hypothesis and theory-building*

Flyvberg (2004) explains that cases can be used to test and generate hypothesis and relates to the previous misunderstandings of generalisation and continues to explain that the choice of case influences whether theoretical notions can be generated.

Misunderstanding 4: *The case contains bias towards verification*

It has been identified that following research of case studies many researchers have altered their theories given their findings. Furthermore, the case study should not be singled out as being bias as all research methods could be subject to bias (Flyvberg, 2004).

Misunderstanding 5: *Difficult to summarise and develop general propositions from specific cases*

It has been acknowledged that summarising case studies can be challenging, and this can be very dependent on the case being studied. It is not always beneficial to condense or generalise a case. Fyvberg (2004) explains how, in summarising a case, important features of the case may be lost, hence why there can be a reluctance to summarise.

**Case study design**

There is much debate in the literature concerning the use of one case instead of multiple cases, primarily because of the issue of generalisation, discussed earlier in this chapter. For this PhD research, a single case was chosen for three main reasons. Firstly, the PhD research was funded and the research question was originally focused on the experience of young people on the Hebridean Islands. Secondly, the aim of the PhD was not to compare rural housing on different islands but rather to explore the rural housing market from an institutional perspective and as such a thorough exploration of one case was more constructive than undertaking a comparative study. Thirdly, devoting the time and resources to focus on one case allowed for a robust exploration of the institutional environment, as well as gaining insight into the perspectives of those living in the rural environment through the use of complementary research methods. The single case chosen was an 'instrumental case study', which has been defined as a specific case which can provide insight into the subject being studied: "…we will have a research question, a puzzlement, a need for general understanding, and feel that we may get insight into the question by studying a particular case" (Stake, 1995:3)

The Isle of Mull located in the Scottish Hebrides was chosen as the case to study. There are two interrelated reasons for choosing this case. Firstly, the PhD was awarded on a collaborative basis between the University of Stirling and the Rural Housing Service (now Rural Housing Scotland) and the initial award was based on research exploring the housing environment for young people on the Scottish Hebridean Islands with particular reference to the OIH Initiative. The OIH Initiative was a three-year programme established by RHS launched in 2013. One of the objectives of this initiative was to increase housing supply for young people on the Hebridean Islands. When the research began, the Isle of Mull was one of the first islands to have established areas of development and where the process of development had commenced. Since the launch, the initiative branched out to other Hebridean Islands.

Secondly, the over-riding purpose of the research was to explore the institutional actors and the institutional environment of the rural housing market. Choosing the Isle of Mull provided a way of analysing various institutional actors and the environment in which they operate within the rural housing market because of the different stages of housing development on the Island such as the OIH initiative but also through developments by private developers, community developments and housing delivered through Housing Associations. This single case therefore allowed for thorough exploration of institutional actors and the institutional

environment by examining past, present and future developments in comparison to the experience of young people in the housing market. Housing on the Island had been identified as being constrained (see chapter 4) and therefore the Island provided an opportune case to explore the reasons for constraint in the housing market. The case also enabled the experience of young people in the rural housing market to be explored. As the review of literature has shown, there were many motivations, aspirations and constraints and opportunities which affect the housing pathways of young people in rural communities. Choosing one case to focus on provided a way of exploring the rural environment in which these young people live and of understanding their motivations, aspirations, as well as the opportunities and constraints.

Yin (2014) distinguishes five rationales for choosing a single case over multi-case designs: 'critical, unusual, common, revelatory or longitudinal' (see Yin, 2014: 51). The 'critical' case refers to a case in which propositions and theories can be tested. Statutory housing needs and demand assessments and development strategies had been undertaken by the LA on the Isle of Mull and the Island was host to past and ongoing third-sector initiatives concerning housing development (see chapter 4). The Isle of Mull was chosen as a single case as these initiatives offered a way of analysing the effects of interventions in the context of the rural environment. Therefore, this case could be described as critical. There are situations in which the choice of case is influenced by externalities and as such the case is chosen by a series of events rather than by choice such as when research is commissioned or when situations arise within a particular case which provided the researcher with the chance to research these specific occurrences (Denscombe, 2014). As mentioned, the Isle of Mull differed from other Islands due to the development activity which had taken place and therefore meant different institutional actors could be studied and also the PhD study was designed with a broad predetermined research objective.

Researchers often have the choice of studying few cases very thoroughly or many cases in less detail (Creswell, 2013:101) or a combination of the two approaches (Gerring, 2007). The third reason for choosing a single case was that the study of one case thoroughly was of more benefit to the research than studying many cases because of the time and financial resources available for carrying out the research. Although time and resources were an important consideration, this was less imperative than the other two rationales for choosing the single case.

The aim of the research was to explore whether changes in the institutional environment could alleviate housing development in rural areas which in turn could ease the housing market

particularly for young people. The range of activities on the Island provided a way of examining the role of different Institutional actors and to evaluate their impact and role on housing development. The purpose of the research was not to study the rural housing market per se but rather to examine the institutional environment in which the housing market operates. Therefore, the Isle of Mull was chosen as an institutional environment which could be explored in great detail and examination due to the development activity on the Island and more specifically the range of interventions from varying public, private and third-sector institutions. A combination of research methods was adopted for gathering the primary data within this single case study.

**Mixed-method approach**

A mixed-methods approach refers to the application of both qualitative and quantitative research methods in a single study (Braun et al, 2012; Bryman, 2012; Creswell, 2014; Denscombe, 2010; Denscombe, 2017). While it has been recognised that mixed methods tend to relate to the combination of the two approaches (Gray, 2014), the research design can also relate to the multiple use of solely qualitative methods (Hennink et al, 2012; Silverman, 2017). Semi-structured interviews and questionnaire surveys were chosen as the research methods for this study, therefore, in the context of this research, mixed-methodology refers to the combination of qualitative and quantitative research methods. Following a discussion of the reasons for adopting the mixed-methodology, the features of, and reasons for choosing to conduct interviews and questionnaire surveys for this research are discussed.

There are distinct qualities of a mixed-methodology framework. In addition to the use of both qualitative and quantitative methods, the approach allows for the research to be explored from different viewpoints and thirdly, the methods adopted are selected depending on the needs of the research and what is the most effective methodology for addressing the research matter (Denscombe, 2017). These characteristics correspond with the advantages identified for adopting a mixed-method approach including "Improved accuracy, a more complete picture, compensating strengths and weaknesses, developing the analysis, an aid to sampling" (Denscombe, 2010: 139-143).

These fundamental underpinnings and recognised benefits of adopting a mixed-methodology coincide with the reasons for choosing this research design. The main aim of the PhD was to explore the characteristics and challenges associated with the rural housing market. One of the advantages of adopting the mixed-method approach was the ability to combine methods to

explore the research topic from different perspectives by sourcing and exploring different datasets (Henn et al, 2009). The use of semi-structured interviews and questionnaire surveys as well as an examination of secondary qualitative and quantitative data allowed for a critical exploration of the rural housing market on the Isle of Mull from different viewpoints. Specifically, the semi-structured interviews allowed for an exploration of the individual housing experiences of young people on the Island and the questionnaire surveys provided insight into whether young people, who were nearing the end of their school education, intended to stay on the Island or migrate. The combination of datasets also enabled triangulation of the data which allowed for probing and cross-examination of the data particularly between the secondary data analysis and the empirical data. The triangulation of the data also enabled a more comprehensive exploration and validity to the research than would have been achieved from employing a single research methodology (Henn et al; 20). The reasons for choosing the research methods are discussed in more detail in this chapter. However, to briefly clarify, the interviews were the principal research method employed but the additional questionnaire survey provided further insight into the rural housing market and particularly the aspirations of young people aged between 16 and 18 years old living on the Island in terms of their plans to remain or migrate from the Island. The number of questionnaire surveys obtained was relatively small. The combination of methods was therefore also beneficial in terms of strengthening the research findings particularly with regards to the small sample size of the questionnaire survey as this data could be correlated with the other forms of data collection. While the benefits of using a variety of methods have been illustrated, drawbacks to this approach have also been acknowledged including the cost associated with conducting different forms of data collection and challenges associated with inconsistent findings instead of the data corresponding. The latter may be caused by the way the research questions are expressed (Gray, 2014). The expense of conducting the research was an important consideration and, as discussed later in the chapter, the cost associated with undertaking interviews prevented the fieldwork being undertaken in the summer months. There were costs associated with the field work and the most cost-effective way of conducting the research was deliberated. However, priority was given to the needs of the research and the best way of addressing the research questions. In terms of the challenges associated with adverse findings of different data sets, investigation would have been undertaken to understand why such divergencies had occurred and discussed in the analysis of the data. While these issues were considered, the mixed method approach was deemed appropriate and necessary to achieve the aims and objectives of the research.

**A mixed-method approach: semi-structured interviews and questionnaire surveys**

"Often, methodology is described as a bridge between theory (ideas) and method (doing)…" (Kramer-Kile, 2012: 27)

The research methods chosen for undertaking this research were questionnaires and semi-structured interviews. Initially, other methods were considered but changed due to circumstances during the research (outlined later in this chapter). The purpose of this section is to explore why questionnaire surveys and interviews were chosen to gather data for the research and the process implemented for collecting the data required. Each of these methods are examined.

**Questionnaire survey**

The review of the literature (chapter 2) identified that young people were particularly affected by restrictive housing markets in rural areas. Yet, as identified, the age classified as 'young' was broad, ranging from 16 years to 35 years. One of the aims of the case study was to establish how young people were restricted in the rural housing market in Mull but also to establish whether all young people aged between 16 and 35 years were affected, and particularly whether young school leavers were concerned with difficulties in the rural housing market. The research sought to understand whether school leavers intended on staying on Mull and if not why and if at an early age they were concerned about housing on the Island. This information was particularly pertinent for understanding whether 16-18 year olds aspired to remain living on the Island.

Following a pilot workshop with school pupils at Tobermory High School and Oban Youth Hostel, it was recognised that this target group of young people aged 16-18 years were less vocal in an open forum style discussion (discussed in more detail later in this chapter) and the decision was taken to carry out questionnaires with this age group. Firstly, the advantages and disadvantages of undertaking self-completion questionnaires will be analysed, followed by an analysis of the process of preparing the questionnaire through to completion.

**The advantages and disadvantages of questionnaires**

Research undertaken on the subject of consultation with young people has revealed the advantages and disadvantages of questionnaires from the perspective of young people (Stafford et al, 2003). One of the advantages was that they allowed less vocal, more introverted people the opportunity to express their opinions. They also allow for anonymity and confidentiality, and practically they are simple and expedient. However, it was also found that questionnaires were not interesting and could be difficult to interpret because of the language used. Furthermore, if the young people carrying out the questionnaire were hurried to complete the questions, the layout was not suitably exhibited, or the questionnaire was lengthy they became disinterested in completing them and as a result there would be risk of them providing frivolous or false answers. There was also the view that if the questionnaires were organised by the school, the questionnaires could be perceived as being filtered by staff (Stafford et al, 2003). These issues have been addressed in the literature. Furthermore, (as with medical environments) gaining access to the school environment to administer questionnaires can be challenging and as such establishing a gatekeeper is often required to gain entry (Race, 2008). The challenges of conducting questionnaires were considered in the context of this research and measures were taken to overcome these issues in terms of the design and implementation of the questionnaire.

**Questionnaire survey and the Research**

As identified, one of the advantages of undertaking questionnaires is that they provide anonymity (Mathews et al, 2010) which means that participants may feel they can be more open and can therefore increase accuracy (Marshall, 2005). Measures were taken to ensure anonymity. These steps included making it clear to the pupils that they should not put their name on the questionnaires or envelopes and, from the researcher's perspective, making sure that any additional information that may be provided in relation to the questions were not unique to a particular pupil who could, as a consequence, be identified within the research (this was only likely if they put an answer to 'other' in the questionnaire).

Another advantage of questionnaires was that they can be less time-consuming than interviews. However, attention needs to be given to the types of questions used, closed questions allow for quick responses whereas open questions tend to be more demanding in that they may require more consideration (Bryman, 2012). The quickness of questionnaires was of benefit to the research as it meant pupils would be more likely to complete the questionnaire and as such

there were only seven questions (appendix 3). Furthermore, using closed questions meant that answers could be compared and communicated both qualitatively and quantitatively although primarily analysed quantitatively given the lack of opportunity to expand upon answers to closed questions.

The information required from this age group was whether they intended to leave Mull and why, if they would return and whether housing was of concern to them. One drawback was that other than the questions given, additional themes were unlikely to emerge given the lack of discussion which focus groups would afford. However, the scoping exercise identified that very little data would likely be obtained from focus groups and therefore questionnaires were a suitable alternative, given the limited data required from this age category.

The questions asked in the questionnaire and the informed consent needed to be articulated in a way that was coherent for the target participant. To ensure the questions were comprehensive, the questions were piloted by being given to a secondary school teacher and a young adult to ensure the questions were unambiguous and understandable.

Peterson's (2002) structure for constructing a questionnaire (figure 5.2.) lists seven actions for designing an effective questionnaire. Many of these actions relate to the issues mentioned above. Figure 5.2., identifies how this structure was utilised for developing questionnaires for pupils aged 16-18 years at Tobermory High School.

**Steps in Constructing a Questionnaire (Peterson, 2002)**

- Review information requirements of problem, oppportunity, decision to be made, and so on

- Develop and prioritize a list of potential research questions to provide required information

- Evaluate each potential research question:

  Can potential study participants understand the question?

  Can potential study participants answer the question?

  Will potential study participants answer the question?

- Determine type(s) of question to be asked:

  Open-end question(s)

  Closed-end question(s)

- Decide on specific wording of each question to be asked

- Determine questionnaire structure

- Evaluate Questionnaire

**Constructing Questionnaire for the research**

- The research aims to establish whether rural housing affects 16-18year olds and whether this age group intend on leaving the Island or stay and require housing

- The information required from the questionnaire was whether pupils over the age of 16 years wanted to stay on the Isle of Mull or whether they wanted to leave and for what reason. Also, whether they were concerned about housing

- Questions were designed for pupils still at school aged 16-18 year old

  Questions were short and not regarded as sensitive questions

  Questions were given to a young adult and a secondary school teacher who worked with the same age group

- Primarily closed questions with the option to disclose further information

- Questions were direct and suitable for this age group

- The questionnaire was structured in a logical order

- The questionnaire was designed to produce data required from this age group and was sent to SASS Ethics committee for approval before distribution
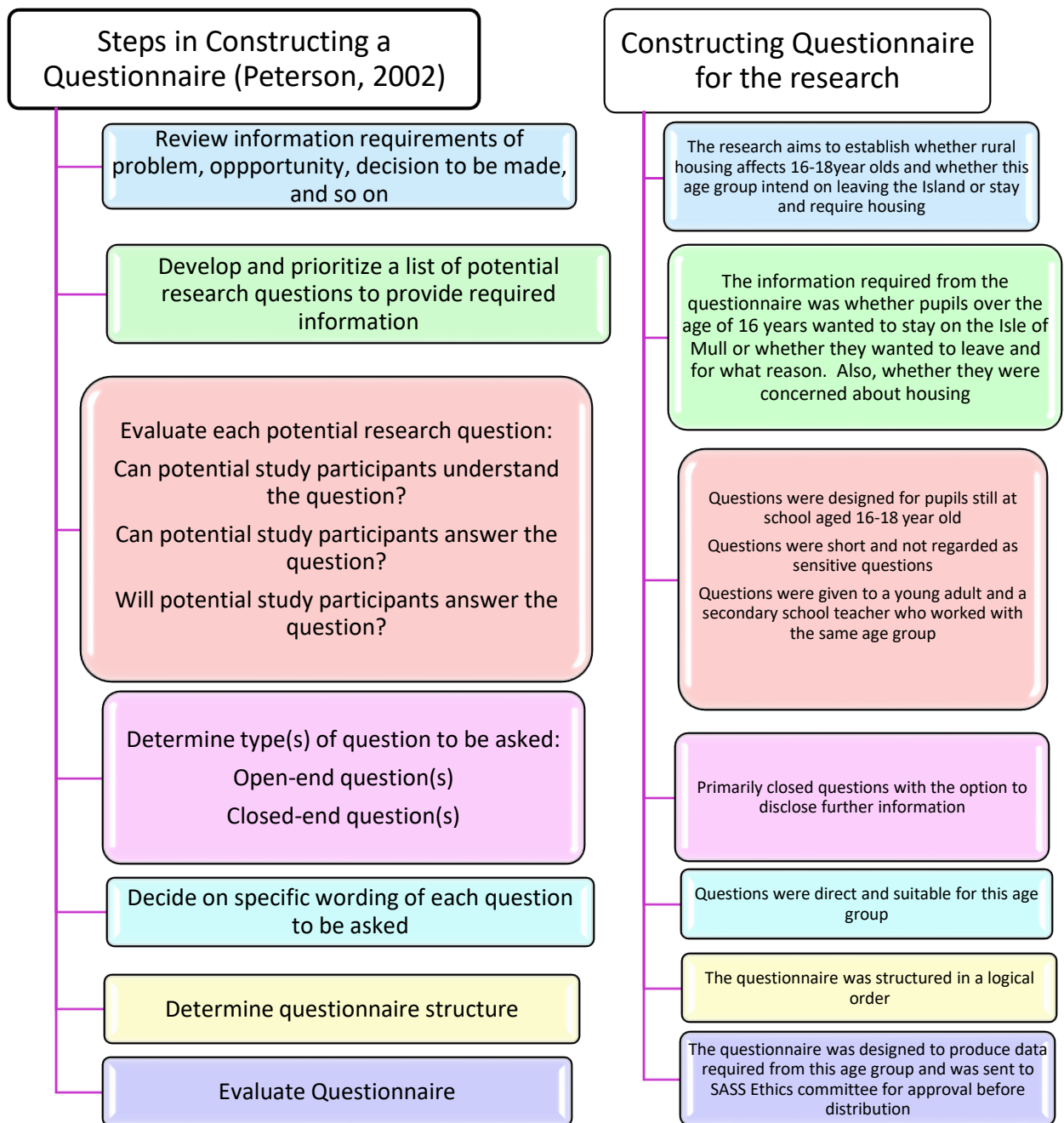
Figure 5.2. Steps in Constructing a Questionnaire (Peterson, 2002: 14)

Tobermory High School is the only secondary school on the Island, however, not all young people on the Island attended the school. Oban High School on the mainland also served as the secondary school for young people on the Island. The RHS's OIH initiative had arranged to conduct housing education sessions in Tobermory High School. As such, RHS acted as a gate keeper for making connections with the school. Questionnaires were handed out to school children aged between 16-18 years. The decision was taken to only carry out questionnaires with pupils aged 16 years and over as those under the age of 16 years would be unable, by law,

to own or rent their own home until 16 years of age. Including them in the research could also be emotive, if they had not thought about their aspirations when they leave school. In addition, figure 2.2. of the literature review chapter identified that research of this nature tended to include young people aged 16 years and over.

Firstly, permission to hand out the questionnaires to pupils was required. The consent forms and questionnaires were sent to the head teacher for approval. As the pupils were aged between 16-18 years old they were classed as children and therefore informed consent forms were required to be signed by the pupil's parents or guardians as well as the pupils (appendix 1 and 2).

Instructions were given to the teacher who was administering the questionnaires. Two envelopes were provided with each of the forms: one for the completed informed consent and one for the questionnaires. This meant that the questionnaires remained confidential and anonymous. A hand-in date was arranged approximately one week after the questionnaires had been sent to the school. However, the timing of handing out the questionnaires was during examination period, therefore the time to complete the questionnaires was extended to enable a higher return rate.

Since the findings would be distributed at least two years after the data had been completed, Facebook and twitter pages were set up and details were included on the information sheets for future updates and dissemination of results.

Thirty-seven questionnaire surveys were administered and twenty were returned, providing a participation rate of 54%. It is acknowledged that there were limitations to the data collected. Firstly, a relatively small sample was achieved with only twenty respondents. Secondly, in terms of the selected sample, not all young people of school age on the Island attended Tobermory Secondary School, therefore the sample cannot be inferred as illustrative of the wider population of young people within the age bracket on the Island. Furthermore, without the data to compare, the experiences of young people attending school on the mainland could have differed from the aspirations or motivations of those who remained on the Island for their education. As described, the questionnaire survey was designed to be quick and easy to complete with the intention that this could yield a higher completion rate, although this was also a drawback in terms of the level of detail gathered from those who completed the survey. While these were recognised as limitations of conducting the questionnaire surveys, it is also important to recognise the purpose of and use of the data in the context of the research. The

main aim of conducting questionnaire surveys with young people still in school was to gain insight as to whether they were likely to stay or migrate from the Island and why, and to understand what their perception of the housing market was. The aim of gathering the data on young people aged between 16 and 18 years old was an important element of the research and the intention was to cross-reference the findings with the literature. However, the main focus of the research was to understand the extent to which young people were constrained in the rural housing market and therefore the research concentrated on young people who were more likely to be in or be trying to enter the housing market. The intent of the questionnaire surveys was to gain insight into the experience of young people on the Island but it is recognised that given the data limitations, the sample may not be representative of all young people in this age group on the Island.

**Semi-Structured Interviews**

There were two aims of the interviews, firstly, to understand the motivations, views and aspirations of young people living on the Isle of Mull, and secondly to explore the complexities of the broader rural housing market and housing market on Mull from an institutional actor's perspective. As such, there were two categories of interviews arranged; those with young people on Mull, and interviews with institutional actors.

There are three types of data collection interview: semi-structured, structured and unstructured. Semi-structured interviews were chosen for this research. With semi-structured interviews, there are a defined set of questions which are to be asked but the order of these questions can be altered depending on the conversations with each participant. Unlike semi-structured interviews, with structured interviews there is a set order of questioning, the order of which does not vary between participants. Unstructured interviews do not have a set sequence of questions, and the conversation is not restricted to certain themes (Fylan, 2005).

The advantages and disadvantages of this research method will be examined, followed by an exploration of how the interviews were used to collect data for the research and the data that was required.

**Semi Structured Interviews: Advantages and Disadvantages**

Advantages

There are many advantages of conducting semi- structured interviews, including the ability to be conversational while still having a structure; interviews allow for thorough questioning and follow up of responses, a rapport can be built with a face to face interview and social cues of the interviewee can be noted. While not specific to semi-structured interviewing, there is also the ability to audio or video record the interview, which can later be transcribed.

One of the features of semi-structured interviews is the ability to have specific questions prepared but without the rigidity of structured questioning. The choice of changing the order of questioning depending on the conversation helps to keep the interview flow more natural while addressing the questions which are important for the research. Semi-structured interviewing also allows for follow up questions, if there have been particularly important responses (Bryman, 2012), but can also be beneficial for probing responses or asking respondents to provide more detail (Arksey et al, 1999).

Rapport is an important feature of interviews: if the participant is at ease, they will feel more comfortable engaging in conversation (Rapley, 2004). Face-to-face, semi-structured interviews are also particularly useful for building rapport with participants as participants may feel more at ease, being able to meet the interviewee in person. A benefit for the researcher is that social cues can provide additional data and can be noted in conjunction with their verbalised responses (Opdenakker, 2006). This is particularly important for understanding whether particular questions evoke emotional reactions and the behaviour of the participant often provides as much data as the answers given. Furthermore, having the ability to audio record can be advantageous as the interview can be transcribed. Although laborious in time, transcribing the interview can also be beneficial as the researcher has the capacity to become very familiar with the data and the format of the data is easier for examining (Denscombe, 2014).

While semi-structured interviews offer an effective method for data collection they also have some disadvantages which must be considered. These difficulties include problems recruiting participants, problems of anonymity when carrying out interviews within rural communities, and arranging convenient locations for interviews.

Firstly, the effectiveness of interviews, like most methods, is partly determined by successful recruitment of target participants and a suitable number of participants to reach the point of data saturation. Often, a gatekeeper is necessary to help provide a way of meeting target participants and ensuring participants that the researcher is reputable (King et al, 2010), but the researcher must be cautious that the gatekeeper does not filter the participant recruitment or guide the research in a specific direction.

Secondly, in relation to undertaking interviews in rural areas, it may be difficult to protect participants' anonymity as people living within a small community are likely to know one another. The use of pseudonyms provides a way of protecting the anonymity of individuals, places or organisations (Layder, 2013).

The second category of interviews involved elite interviews. Elite interviews have their own set of challenges including time pressures, problems ascertaining who the appropriate contacts were within the institutions, the researcher having appropriate skills to get the most data from the interviewee, and there can be issues of confidentiality and as a consequence may be prevented from audio recording (Flick, 2014).

**Semi-Structured Interviews and the Research**

Mason's (2002:72) structure for planning and preparing qualitative interviews (figure 5.3.) was followed for preparing interview questions.
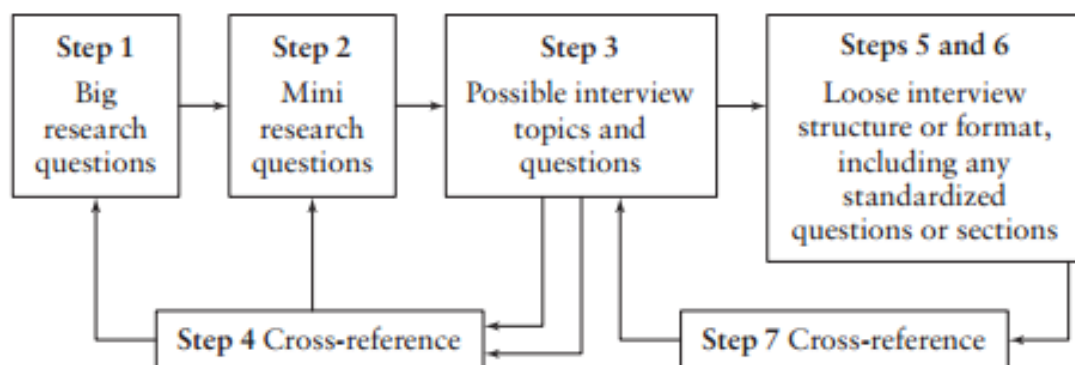


Figure 5.3. Overview of the planning and preparation procedure for qualitative interviews (Mason, 2002: 72)

Two groups were identified as key sets of participants for interviewing: institutional actors and young people living on the Isle of Mull. The interviewees were grouped into two categories because of the different data required from each set of participants. There was also more emphasis and focus placed on interviewing institutional actors, given that the purpose of the research was to explore the influence of institutions in the rural housing market.

In terms of young people, the following information was sought:

 ➢ Do they feel there is a lack of choice in the housing market?
 ➢ What changes could be made to alleviate the problem of lack of housing?
 ➢ What are the housing aspirations of young people living on the Island and do these aspirations differ between age groups?
 ➢ Are these people aware of the OIH campaign and have they considered engaging with this or similar organisations to obtain a home?

Following the review of housing research, young people aged between 18 years and 35 years living on the Island were target participants. However, during the fieldwork process the decision was taken to not expressively state the age of participants required. Advertising for participants stated interviews were sought with young people over 18years old. There were two reasons for this. The age boundaries of 'young' were not classified to avoid excluding people over the upper banding who could elucidate the experience of the housing market and provide insight into housing transitions. By doing this, interviews were obtained with participants in their late 30's and early 40's. By stating that interviews were sought with 'young people', this prevented those in later stages of life participating.

In relation to data gathered from institutional actors, the following information was be sought:

 ➢ Do they believe there is a shortage of housing?
 ➢ If so, what do they believe has caused the shortage of affordable homes?
 ➢ What can be done to alleviate the issues in the long term?
 ➢ What is their definition of affordable housing?

These questions were derived following a review of the literature.

The institutional actors who were recruited for interviews included people from the Scottish Government, an estate agency, Housing Associations working in Argyll and Bute, third sector organisations operating on the islands and organisations with a rural economic development remit, Argyll and Bute Council and land owners on Mull.

With regards to the number of participants being recruited for interviews, it is generally accepted that there is no 'standard number' but instead it is dependent on when there is no more original data- also known as saturation (Suter, 2012). However, this ambiguity was impractical. Indicative numbers are vital when planning the research to establish the resources required and to incorporate into procedures before beginning the fieldwork (Guest et al, 2006). The number of participants recruited for interviews was thirty-three. Figure 5.4. provides a breakdown of the participants.

| Participant | Number of participants |
|---|---|
| Young people aged 18-30 years | 10 |
| Land Owner | 2 |
| Construction Industry | 1 |
| Planning Authority | 1 |
| Third Sector | 7 |
| Non-Departmental Public Body (NDPB) | 2 |
| Private sector (rural business organisation) | 1 |
| Local Authority (LA) | 1 |
| MSP (2011-2016) | 1 |
| Academics | 2 |
| Housing Association | 2 |
| Architect | 1 |
| Property Industry | 2 |
| Total | 33 |

Figure 5.4. Interview Participants

To protect the anonymity of participants, pseudonyms were used when referring to all research participants. The participants were selected following the review of the broad literature on rural housing and the examination of literature for the case study. Third sector organisations included organisations in which their remit was rural economic development, rural housing advice and business.

Contacts were made with those living on the Island through community organisations and local organisations such as the OIH campaign. A Facebook and twitter account were created which acted as a method of recruitment. Adverts were also placed in the local magazine and in local shops. However, most of the participants were recruited as a result of snowballing (discussed in the reflection of fieldwork section later in this chapter).

**The philosophical foundations of the research**

The research was underpinned by both ontological and epistemological foundations. The two approaches embody different philosophical perspectives, yet the combination of the two approaches enabled an exploration and understanding of the rural housing market from different perspectives and was appropriate in terms of the objectives of the research. The adoption of both ontological and epistemological perspectives was particularly relevant because of the application of the NIE model and housing pathways frameworks underpinning the research.

Ontology has been defined as "a concept concerned with the existence of, and relationship between different aspects of society, such as social actors, cultural norms and social structures" (Barron, 2006: 203). As discussed in chapter 3, the purpose of adopting Williamson's Economics of Institutions model was to analyse these different elements of the rural housing market. In adopting a single case study for the research, these various aspects of the rural housing market could be explored holistically. The questionnaires with young people and the interviews with both institutional actors and young people living on the Isle of Mull helped to explore the facets of the remote rural housing environment from different perspectives and understand the structure of the environment. This approach is identified as a key aspect of ontology:

"The ontological issue relates to the nature of reality and its characteristics…..when studying individuals, qualitative researchers conduct a study with the intent of reporting these multiple realities. Evidence of multiple realities includes the use of multiple forms of evidence in themes using the actual words of different individuals and presenting different perspectives" (Creswell et al, 2018: 20).

The interviews with both young people and institutional actors were analysed, and themes were extracted. Key dialogue was selected to illustrate the key points made by the participants. The data of the two sets of participants was presented in different manners, as discussed later in this chapter.

Another key objective of the research was specifically to explore the extent to which the housing pathways could help to interpret the experiences of young people in the rural housing market.  Interviews with young people were conducted to understand their experience of being in a remote rural environment.  Creswell et al's (2018) definition of epistemology epitomises the objective of the research and the methodology taken:

"Subjective evidence is assembled based on individual views.  This is how knowledge is known- through the subjective experiences of people… It becomes important, then, to conduct studies in the "field", where participants live and work- these are important contexts for understanding what the participants are saying" (Creswell et al, 2018: 21).

As discussed, later in this chapter, I stayed on the Isle of Mull to conduct the fieldwork.  This enabled me to recruit for interviews with young people and institutional actors and being on the Island, I was able to become immersed in the environment and have more of an appreciation of the experiences of young people living in that location.

As discussed in chapter 3, the housing pathways approach, developed from social constructionism is mainly interested in elucidating the way in which people see the world in which they inhabit (Gerden, 1985).  The interviews with young people and institutional actors in the rural housing market provided an understanding of the challenges and experiences of the rural environment.  The purpose of the later chapters, chapter 6 and 7, is to present the findings, identifying common and disparate themes within and between the sets of interviews, drawing out key dialogue to demonstrate the different perspectives and take a holistic approach to analysing the rural housing market.  Adopting the epistemological approach, aligned with the objective of understanding people's views and perspective of being in the rural housing market and the approach to the methodology continued in the analysis and presentation of the data collected.

**The Housing Pathways Approach**

Chapter 3 detailed the purpose and origins of the housing pathways approach and use of the framework as a mechanism for exploring choice and constraints of young people in the housing market. After an examination of the approach, the decision was taken to employ the framework as a means of organising the data on young people and exploring the individual experiences and influences of young people's housing choices or lack of choice on the Isle of Mull. The approach was effective for systematically collating the factors that influence housing decisions. The approach was valuable for undertaking a review of the literature as it has provided a means of identifying and pulling together data on the routes to obtaining housing and the associated opportunities and barriers.

The initial review of the literature on the rural housing environment highlighted that the issues of the rural environment were exceptionally integrated and co-dependent, which made it very difficult to identify specific issues in isolation when considering routes to housing. The literature highlighted that there were many factors which influenced housing choice and constraint in the housing market. In addition to summarising the findings of the interviews with young people on the Isle of Mull, the individual experiences of those interviewed were provided to highlight the housing pathways of each of the participants. Exhibiting the data in this way enabled a thorough examination of individual experiences in the housing market and therefore the decision was taken to present vignettes of each of the participants. As acknowledged in chapter 2, the housing experiences of young people are not homogenous (Rugg, 2010; Rugg et al, 2015, Heath, 2008). This point was raised by Jamieson et al (2008) in their research on out-migration from Scotland, yet they recognised themes from their review of literature. It is this approach that was taken for this research on the individual circumstances of young people on the Isle of Mull.

Clapham recognised that the housing pathways approach was not a 'theory' but could be used to generate theoretical notions and not a research method but could be employed as a framework for 'research methodology' (Clapham, $2002_1$). For the purposes of this research the pathways approach was employed in the research as a framework for organising and understanding the choice and constraints of young people's housing pathways. The conclusions drawn from this data and the data gathered from the institutional actors were then analysed in the context of the NIE theoretical framework.

**Theoretical framework- New Institutional Economics**

The review of the literature on the rural housing market (chapter 2) indicated that the housing issues experienced by young people could be a consequence of entrenched institutional problems within the Island environment. It was necessary to understand these deep-rooted problems before the issues in the housing market could be addressed. A theoretical approach was therefore required to deal with such intricacies and this was achieved through the application of the conceptual framework, New Institutional Economics. The review of the literature on NIE highlighted various strands of NIE and different approaches of the framework depending on the context of research and different ambassadors of the approach. Williamson's framework of economics of institutions was chosen as the framework to explore the intricacies of the housing market. Figure 5.5. demonstrates how Williamson's (2000) framework was employed for the purpose of this research and specifically how it was adopted to explore the Isle of Mull housing market. Figure 5.5. also breaks down the various forms of data collected to explore the different levels of the housing market and institutional actors involved.

| Level | Level | Isle of Mull Case study | Data Collection |
|---|---|---|---|
| 1 | Embeddedness: informal institutions, customs, traditions, norms, religion | Exploration of informal institutions such as third sector organisations and traditions of self-build housing. Analysis of the Isle of Mull, the history of the Island. | Analysis of documents. Interviews with people living in Mull. Questionnaire with school pupils. |
| 2 | Institutional Environment: formal rules of the game-esp. property (polity, judiciary, bureaucracy) | Examination of the institutional environment such as tenure of land, planning authority which influence the use of the land, policies which affect the development of land. | Analysis of documents and policies. Interviews with institutional actors. |
| 3 | Governance: Play of the game- esp. contract (aligning governance structures with transactions) | Exploration of the governance of housing and associated land development on the Island. | Exploration of structure of governance. Analysis of policy documents. Interviews with Institutional actors. |
| 4 | Resource allocation and employment (prices and quantities; incentive alignment) | Analysis of supply and demand. Identification of factors which affect the allocation of land and housing as well as the factors affecting the development of land such as costs of development. | Document analysis such as demand and supply assessments, employment statistics, local plans and development plans. |

Figure 5.5. Adaptation of Williamson's Economics of Institutions (Williamson, 2000: 597; 1998:26)

Figure 5.5. shows how the different levels of the rural housing market were examined. The breakdown of various levels of the rural housing market enabled an exploration of the relationship between different elements of the housing market. This was important for analysing whether changes in the structure of the housing market could help to reduce

transaction costs in the housing market and ease transacting. The use of the housing pathways and NIE framework provided a way of studying the agency of young people in the housing market and the structure of the housing market. The combination of the two frameworks provided a robust structure for exploring the rural housing market and investigating whether changes to the structure could in turn relieve constraint experienced by young people in such constrained markets.

Primary and secondary data were gathered over the course of this study to explore the housing market from the perspective of young people and institutional actors. Chapter 8 analyses the data on the Isle of Mull housing market, drawing upon literature on rural housing markets more generally.

**Data Analysis and Presentation**

The decision was taken to present the data with young people in the form of vignettes to demonstrate the subjective views of the participants. However, the decision to take this approach to presenting the data was not initially planned. After transcribing the interviews, themes were extracted from each set of interviews. Thematic analysis was challenging as it was often very difficult to split the data into specific themes as they tended to be interconnected. However, this difficulty was also insightful as it highlighted the interconnectivity of issues in the rural housing market. While the interview data from the institutional actors was presented in themes (see chapter 7), a different approach was taken to presenting the data obtained from interviews with young people living on the Isle of Mull. Presenting the data in thematic form did not do the research justice in terms of representing the individual experiences of young people on the Island. There were many different circumstances associated with single themes such as 'affordability' and the summaries of experiences did not convey the rich data that had been collected. It was for this reason that the decision was taken to present vignettes which enabled the participants individual experiences of living on the Isle of Mull to be communicated and this approach also helped to provide more detail about the participants who were expressing their experiences. This approach to presenting the data was also complimentary to the adoption of the housing pathways framework as the accounts enabled an understanding of the individual's housing experience. The vignettes also provided a way of effectively showing how although individual experiences varied across participants, collectively there were similar themes which could be drawn.

**Consideration of research ethics**

Ethics are fundamental to carrying out research. It is crucial that ethical issues are considered from the outset of the study and throughout the research (Punch, 2005). Before undertaking the research, the ethical issues were identified, and measures were put in place to ensure the protection of the researcher, research participants and their data. The ESRC (2010) guidelines and University of Stirling, School of Applied Social Science handbook (2014) were consulted and adhered to prior to and during the research. The ethics of the research were considered and submitted to the University of Stirling, School of Applied Social Science ethics committee for approval before the research fieldwork began.

Ethics

While the nature of this research may not be classed as 'highly sensitive', it was understood that for some of the participants especially for local people struggling in the housing market- the issues raised may be emotive. In preparation for such cases, a plan was implemented. If such situations arose, the interview would have been stopped and participants would have been asked if they wanted to continue. Information would have been made available to participants who felt affected by their housing situation by directing them to places where they would have been able to seek help such as the LA or third-sector organisations specialising in housing advice.

Informed Consent

Prior to conducting interviews and questionnaire surveys, participants were given an information sheet and informed consent form (appendix 4, 5, 6), so that they knew the purpose of the research (Bryman, 2015).

As discussed earlier in the chapter, informed consent forms were also requested for the questionnaires. The informed consent forms advised that pupils had to be at least 16 years to complete the questionnaire. It was realised that the research will involve 'vulnerable people' as questionnaires will be given to young people aged between 16 and 18 years who are still in school. Informed consent forms were required to be signed by pupils (appendix 1) as well as their guardians/parents (appendix 2) and all questionnaires were kept anonymous and confidential. There were separate consent forms for the pupils and their guardians to be suitable for both to understand the purpose of the research and how their data would be used for in the research.

In terms of the interviews, participants were provided with an informed consent form (appendix 5) and information sheet (appendix 6) explaining the purpose of the research the researcher's details, university and supervisors' contact information, the choice of anonymity, that the data collected would be kept confidential and the participant's had the right to withdraw at any time (Appendix 4).

With regards to confidentiality and anonymity, every effort was taken to ensure each. Earlier in the chapter, it was noted that consideration would be given to those living in rural communities where it may be harder to retain anonymity and that the use of pseudonyms provided a means of protecting the anonymity of individuals, places or organisations (Layder, 2013). It is for this reason that the young people living on the Isle of Mull who participated in the research were assigned pseudonyms instead of using their names, and care was taken to ensure that details referencing their identity were not revealed when discussing their housing experiences or quoting them directly. In addition, Institutional actors were also given pseudonyms, in the form of category of institutional actor, and were assigned a number, to differentiate between participants.

Interviews were audio-recorded, unless permission was not granted, as this enabled a more precise and easier format for coding responses. It was recognised that some participants may prefer not to be recorded, in which case, detailed notes were taken. All interviews were personally transcribed and therefore there was no issue regarding the out-sourcing of this data. Transcribing the interviews personally enabled thorough examination and reflection on the interview data. Listening back over the interviews was beneficial for immersing in the data and also themes emerged which had not been picked up on at the time of the interview. However, care had to be taken not to allow for researcher bias. To avoid this, once the interviews had been transcribed, the transcriptions, notes from the interviews and audio recordings were returned to at a later date, to check that the transcriptions accurately reflected the interview. The data was also manually coded, which again was beneficial for connecting with the data.

Researcher's Safety

The safety not only of the research participants but also of the researcher is another important consideration for undertaking the research. The decision was taken to conduct interviews in a public meeting place, either in cafes or offices. Measures were put into place to ensure personal safety. These included advising a designated contact including a local contact and PhD supervisor- details of where and when I was conducting interviews and using a separate phone for research matters to protect the privacy of the researcher.

Data Security

The data collected during the period of the study was stored safely. Hard copies of data were kept in a locked cabinet and electronic data was stored in a password- protected computer. The decision was taken to store the data for two years after the PhD findings have been disseminated and after this period it will be destroyed. Facebook and twitter accounts will remain active for one year after the research has been disseminated.

**Reflections on the fieldwork**

This chapter has explored the reasons for adopting the research methods and research design chosen to undertake the research, and the ethical issues which were considered prior to conducting the research. While the research methodology and ethical issues were carefully considered and deliberated upon prior to conducting the research, issues arose during the fieldwork which led to a change of research methodology and continual reflection and evaluation of the ethics of conducting the study.

This chapter set out the research methodology for conducting this study. Prior to beginning the fieldwork and during the fieldwork issues arose concerning recruitment of participants. This section identifies the issues which arose during the period of study and reflects upon the experience of conducting the fieldwork and lessons which were learnt in the process.

One of the decisions I took was to stay on the Isle of Mull to undertake the fieldwork. There were four reasons for this. Firstly, by living on the Island for a short period, I gained a first-hand understanding of the living conditions and barriers faced by the local people. Secondly, living on the Island helped me to get to know the local community and helped me to transition between being an 'outsider' and being known by the community. Thirdly, I hoped that by being present on the Island for a prolonged period it would demonstrate to the community that as a researcher I was serious and committed to witnessing and understanding the problems

faced by those living in the rural environment. In addition, it was more practical to stay on the Island rather than travel to the Island each time an interview was arranged. Also, I preferred to conduct face-to-face interviews due to the advantages over telephone interviews (discussed earlier in this chapter 5).

Originally, the plan was to undertake the research between March and June, when the season was transitioning between mid-to-high tourist season on the Island. There were three main reasons for initially choosing these months. Firstly, it was thought that interviews could be gained with both people who live permanently on the Island and those who return to the Island for employment during the tourist season. Secondly, in spring the tourist attractions and activities commence following the winter period and as such it was believed that there could be more opportunities to engage with people on the Island. Thirdly, three months would have been an appropriate length of time to integrate with the community, trying to establish relationships before undertaking the fieldwork. Leyton (2002) when undertaking research with young people in rural areas (South West England) initially spent over three months (out of fourteen months) integrating with young people and building rapport before engaging in interviews and found the time taken to build these relationships before undertaking interviews was valuable because young people were more willing to participate, in-depth interviews took place without difficulty, a trust was established and the group could be governed more successfully. However, due to the cost of accommodation during these months, undertaking the research at that time of the year proved unfeasible. While this, the spring-time, was partly chosen because it was mid-season for tourism, this factor prohibited going during this period as the cost of accommodation reflected the increase of tourists. Consequently, the fieldwork was pulled forward to the end of January and the period of being on the Island was reduced to five weeks which was more financially feasible. On reflection, by going at this time of the year, I managed to experience the Island as the local community experience the rural environment and meet people who live on the Island all year round who experience the seasonality of the Island. While I did not conduct further research on the Island after this period, I did visit the Island to experience the Island during the summer months for a personal understanding of the variations on the Island during different seasons.

It is advised that at the design stage of research proposals strategies for entering the field should be devised and "gate-keepers" should be identified (Marshall et al, 2011). This issue was particularly pertinent to gaining access to rural areas, given the characteristics associated with such areas including close-knit communities where those not living within the community may

be perceived as 'outsiders'. Neal et al (2006) discussed two methodological issues associated with their research on belonging and identity in rural communities in England. Firstly, they explain the matter of being 'urban-based' researchers undertaking research in rural areas and trying to establish familiarity amongst those who lived in the rural communities. Secondly, they discuss how the narratives were dependent on how they were perceived by the locals. A gatekeeper was established before the fieldwork was undertaken and proved to be very beneficial in gaining contacts with key people on the Island. It was important to go beyond the points of contact and establish other contacts on the Island to widen the sample of participants. As an 'outsider', this was very difficult and emphasised the advantage of having a point of contact who could introduce participants and act as an intermediator. Attending social events was one way of interacting with and meeting new people.

At the early stages of the research the intention was to carry out focus groups with young people aged 16-18 years who were still in school and young people living on the Island aged over 18 years. However, the decision was taken to change the approach to the methodology

The original intent was to conduct focus groups with young people who were still in school to understand their housing aspirations prior to entering the housing market. In November 2014, the project officer from the OIH Initiative had arranged a housing education workshop with pupils aged 16 to 18 years at Tobermory High School and the youth hostel in Oban where pupils who live in the South of Mull stay during the week to attend Oban High School. I attended the workshops with the project officer as an observer and acted as a scoping exercise for the research. Participation was very low in both workshops and given the opportunity to ask or answer questions, there was little to no response. From observing the two groups, there were three possible explanations for the lack of contribution from the pupils. Firstly, they may have been anxious about answering or asking questions in front of peers or while their teacher was in attendance; secondly, they may not have felt comfortable answering or asking questions because they did not know me or the project officer. Thirdly, they may not have considered housing or what they wanted to do when they leave school prior to the workshop.

Given the observations at the workshop, questionnaires offered a more effective method of obtaining the data while giving the privacy and anonymity. Therefore, the decision was taken to carry out questionnaires, instead of focus groups, with pupils still in school.

I had also intended on conducting focus groups with young people aged between 18 and 30 years old to identify themes which would shape interview questions and to make contacts for

interviews. However, due to circumstances including recruiting participants and for logistical reasons, I decided to adopt a different methodological approach.

Morgan (1995) in discussing his own experience of focus groups, advises that the most common problem and reason for lack of success with focus groups is the difficulty recruiting participants. The lack of participation in focus groups is more detrimental than interviews because of the time, exertion and financial costs involved organising participants to meet, especially if working within a specific timeframe (Morgan, 1995). A contributing factor to the difficulty arranging focus groups was where to locate the meetings. The vast expanse of the Island was a hurdle in terms of accessibility to the focus groups. Accessibility was difficult in terms of finding a location suitable for a wide catchment area but more importantly attracting people within the catchment area to the focus group. If the meeting was arranged at the central point of the Island (Craignure) this could mean that people at either part of the Island could have up to an hour of travelling by car and this was more problematic for accessing participants who did not drive. An associated issue which arose during the research was finding convenient public places to meet for interviews. As the fieldwork was being undertaken in the winter, many public places on the Island were either closed or had restricted opening times. While I was as flexible as possible in terms of meeting participants in a public area which was convenient for them, for example in a local café, this was at times challenging given the spatial nature of the Island. It was not always convenient for research participants to meet in a public place either and two interviews were not conducted for this reason.

Given the limited time to conduct the fieldwork, the logistical problems and the financial constraints, the decision was taken to concentrate on recruiting participants for interviews as more in-depth data could be collected. However, problems also arose recruiting participants. During the fieldwork there were very low levels of participation in interviews. Given the level of interest in taking part in the interviews, it was evident that those who were making contact about taking part in an interview had an interest in housing and it was very difficult gaining access to quieter members of the community who may have had experiences of their own to share, especially those who were within the age category of 18 to 30 years.

As recruitment was very low and there was limited time to conduct the fieldwork on the Isle of Mull, I decided to conduct surveys in addition to undertaking interviews. I contacted the ethics committee proposing the additional research methodology and once approved, I began undertaking surveys with young people over 18 years on the Island. Parent/ toddler groups

took place across the Island every week and provided an opportunity to explain the purpose of the research and make contacts. Even though the research appeared to be well received and there was a level of interest, there was no response to taking part in interviews. Therefore, the decision was taken to carry out surveys at these arranged events as they could be quickly filled out and participants would be able to remain anonymous. This should be caveated as at times it was difficult to segregate participants in the room as they were there to supervise the children, but they were informed of the risks of lack of anonymity before starting the survey.

Surveys share many characteristics with questionnaires in that they are an effective way of obtaining large amounts of data within a specific timeframe. However, given that written consent was not being requested and to ensure the surveys did not turn into interviews, the questions had to be closed, direct questioning and therefore the data was not as rich as in-depth interviews. Furthermore, the surveys were not self-administered and therefore there could have been an element of the researcher's presence affecting the answers provided by the respondents.

The response to the surveys was well received but were at times difficult to administer given the presence of young children and the need for supervision. While this method proved effective in the short term, the decision was taken to focus more on the interviews as recruitment started to snowball not long after starting the surveys and decisions had to be made as to the best use of time. I also took the decision to concentrate on obtaining interviews with institutional actors, which proved beneficial, as I was introduced to further actors and young people and having the introduction or recommendation from the participant helped access further participants.

The study highlighted the challenges associated with conducting fieldwork in the rural environment. While I managed to overcome these issues, I learnt that although a researcher can prepare and plan for conducting research, they are not in control of the research environment and that alternate plans are essential. At an early stage of the fieldwork, I realised the need to evaluate the research methodology throughout the fieldwork and this was imperative in my circumstance given the limited time I had on the Isle of Mull to gather the research. One valuable lesson I learnt was the need to be patient- at the start of the fieldwork recruitment was very slow but this was actually a very important time and part of the research as it took time to build rapport and become known on the Island.

The researcher's presence on the Island proved to have numerous benefits. As a resident on the Island, a familiarity was developed between myself and the local community which was beneficial for accessing new contacts. In addition, before undertaking the fieldwork, I did not have first-hand experience of living in the rural environment. This was advantageous for observing the environment without preconceived notions. During my stay on the Island, I was also able to immerse myself in the rural environment and I took opportunities to attend locally organised events and a community council meeting, where I was able to discuss my research. I also became familiar with the local networks and ways of engaging with local people. For example, it came to my attention that there was a local magazine which published details of events and relevant news which I advertised my research in and sought participants for interviews. I also became aware of notice boards, such as in the local convenience stores, where I placed posters explaining my research and recruiting participants. One experience I found very useful was visiting the Isle of Mull Museum where I read archives which helped me to gain perspective of the history of the Island and gain a sense of place. These experiences were achieved by staying on the Island and contributed to my appreciation of the rural environment. I recognise that my presence on the Island enhanced the research in terms of recruitment of participants, but personally as the researcher, it gave me a greater perspective of the research subject.

**Conclusion**

The purpose of this chapter was to discuss the research design, methodology and research frameworks chosen to undertake this PhD research. This chapter explored the reasons for choosing a single case as the research design. The main reason for adopting the research design was due to the remit of the research and exploring a single case enabled examination of a rural housing market and the institutional actors involved. After considering various options the decision was taken to select the Isle of Mull to study. This was due to the objectives of the research and the selection of a case was broadly determined by the original remit of the research focusing on the Hebridean Islands. While not a primary factor in the decision process, time and resources also influenced the research design. Questionnaires were chosen as an appropriate method for understanding whether pupils at school intended on staying in Mull or if they intended to leave the Island, this was particularly important for understanding housing need on the Island. Interviews were beneficial for understanding the perspectives of those living on the Isle of Mull but also institutional actors involved in the rural housing market. Together these methods were complementary and rich data was collected by using the two

methods within the case study design. Triangulation reinforced the research through the use of multiple methods (Patton, 2015). The analysis of documents within the case and literature review, interviews and questionnaires meant that triangulation was achieved as each method provided data which strengthened the research. During the fieldwork, issues occurred which required consideration prior to and during the data collection process. This chapter evaluated the research design and methods chosen for this study, reflecting upon the challenges that arose and changes which were made to the methodology before and during the process of conducting the interviews and questionnaires.

As this and the previous chapter has shown, the housing pathways approach was a mechanism for exploring the individual housing pathways of young people and the interviews with young people on the Island enabled analysis of their experiences of housing on the Isle of Mull. Furthermore, this chapter set out how the NIE framework was utilised in this research to identify the institutional actors and their influence in the rural housing market. Given the different sets of interviews and different approaches of analysing the interviews, the findings from the primary data collection were divided into two chapters. Chapter 6 explores the individual housing pathways of young people on the Isle of Mull and the intentions of those on the cusp of leaving school, providing insight into the agency and choices of young people living in the rural environment. Chapter 7 explores the themes that arose from the interviews with institutional actors. This chapter explored how the NIE framework was applied to the research and how the different strands of data collection contributed to the evaluation of the rural housing market. Exploring the structure of the housing market provided a context for understanding how changes could alleviate housing market constraint. Chapter 8 draws upon the secondary and empirical data to identify whether and how institutional innovation could help to alleviate housing market constraint for young people living in rural areas.

**Chapter 6. Findings: The experience of young people in the rural housing market**

**Introduction**

The previous chapters have explored the literature on young people and rural housing markets. Specifically, the housing market on the Isle of Mull, Scotland, was examined as the case study for this PhD research. The secondary data provided a context and understanding of rural housing markets and the complexities surrounding young people gaining access to housing in rural environments. The aim of the PhD was to explore whether and how a change in the institutional environment could alleviate housing market constraints for young people in rural areas. As such, there were two main foci of the collection of the data. Firstly, to understand the constraints and choices of young people in the rural housing market. Secondly, to investigate the views of institutional actors in the rural housing market and explore whether they thought there were barriers in the rural housing market particularly for young people and if so how such constraints could be addressed. The primary research was conducted between February 2015 and May 2016 and consisted of interviews with young people and institutional actors and questionnaires with young people who were still in school education on the Isle of Mull. Given the two motivations of the research data collection, the findings were organised into two chapters. This chapter explores the experience of young people living on the Island and their relationship with the housing market. The following chapter reviews the rural housing market from an Institutional perspective, exploring the constraints within the housing market, why constraints have occurred and the ways in which they could be overcome. Chapter 8 examines the empirical data and the secondary data simultaneously in the context of the theoretical framework adopted for this research.

**Perspectives of the rural housing market from young people living on the Isle of Mull**

The purpose of this findings chapter is to explore and understand the housing pathways of young people living on the Isle of Mull. The two methods of data collection relevant to this chapter are the interviews conducted with young people living on the Isle of Mull and questionnaires completed by young people who were still at school on the Island.

Firstly, the findings from the questionnaire are reviewed. Secondly, the data obtained from conducting interviews with young people on the Island are presented and these sections are followed by a summary of the findings from these two forms of data collection.

**Survey Questionnaires**

Questionnaires were conducted with young people aged over sixteen years old who attended Tobermory High School on the Isle of Mull. The questionnaires were conducted in February/March 2015 and there were twenty respondents to the questionnaire. The purpose of the questionnaire was to understand the future housing and educational aspirations of young people who were still in school. The questionnaire consisted of seven questions (appendix 3). A summary of the responses is presented in figure 6.1.
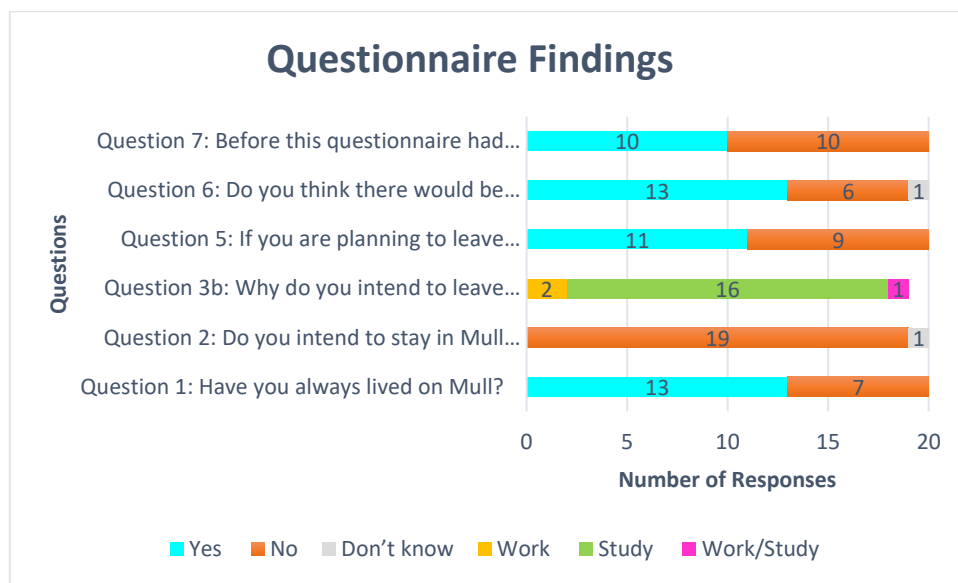


Figure 6.1.  Questionnaire findings

The questionnaire data revealed that most of the young people who took part in the questionnaire aspired to leave the Island once they had finished school. Of the nineteen respondents who said they were intending to leave after school, the majority revealed that they wanted to leave for educational reasons while two of the respondents aspired to leave the Island for employment opportunities. This highlighted that the push factors for young people on the Island could be more influenced by employment and education opportunities rather than housing constraints. The aspiration to leave the Island to pursue education and employment could be influenced by the choices available off the Island compared to staying on the Isle of Mull. This empirical data resonated with literature on young people migrating from rural areas, with young people moving to pursue further education and more employment opportunities (Rosvall et al, 2018; Hall Aitken, 2007; Stockdale, 2002$_2$). The findings also correlated with research in the wider Highlands and Islands region, where it was revealed that in terms of aspirations of young people, a high proportion intended to pursue further education with 51%

aspiring to go to university and 21% intending to go to college. The third most popular desire identified from the research was employment. In terms of location, only 14% hoped to be doing what they aspired to do in the local area, with envisioned destinations including elsewhere in Scotland (22%), in the central belt (19%) and elsewhere in the world (18%) (HIE, 2015). Employment was also raised as a factor influencing young people's decisions once they left school. While not explicitly mentioned, independence and the opportunity to experience a new environment could also have been factors which were evidenced in the literature as other motives for out-migration (Crow, 2010; Kloep et al, 2003). This view was suggested in the HIE (2015) research where it was identified that employment would not be the only influence of migration of young people, advising that it was conceivable that young people may seek "change" (HIE, 2015: 36). Similarly, the research found that just over a third (31%) of the young people thought that the availability of local further/higher education would not have an influence on their decision once they left school (HIE, 2015). This highlighted that though there may be provision of advanced educational facilities in the local area, it may not necessarily directly impact on the decision of young people to stay in the area.

While the majority of participants had plans to leave the Island, if those returning aspired to return to stay on the Island, then there could be a future requirement for employment opportunities and the need for housing. The HIE (2015) research found that there were prospective returners and new residents to the highlands and islands. The profile of these young people were typically those who were in employment and had completed their education. In the wider sense and specifically on the Isle of Mull, as most of the participants were leaving the Island to pursue further education, a lack of employment opportunities on the Island could influence their decision to return in the future, especially if there were a lack of opportunities specific to their chosen career. Similarly, if there was a lack of housing or specifically affordable housing on the Island, this could also impact on their decision to return.

While the sample size of the questionnaire survey was small the findings from the questionnaire provided an insight into the choices and intentions of young people living on the Island. The findings allowed for an analysis of how the actions of young people leaving school could impact on the loss of the younger generation on the Island and the potential need for homes if young school leavers were to return to the Island, though as briefly indicated employment opportunities would likely be an important factor.

**Interviews**

Interviews were conducted with ten young people aged eighteen to over thirty-six years old. The interview data provided an insight into the agency of individuals living on the Island and the structural barriers they thought constrained their housing pathways. The data from interviews with young people on the Island highlighted different forms of constraint within the housing market. To convey the individual experiences of young people living on the Island, this section presents the accounts of each of the participants' experiences of living on the Isle of Mull in the form of vignettes. Key dialogue was selected to illustrate the choices and constraints in which they were bound living in a rural housing market. This section is followed by an analysis of the findings from the questionnaires and the interviews.

**The Individual Experiences of Young People living on the Isle of Mull**

| Kate* | Always lived on Mull, apart from University |
|---|---|
| Age | 18-24 years old |
| Housing situation | Living with Parents |

Kate, who was originally from the Isle of Mull, returned to the Island after pursuing further education. When Kate was asked what she liked about living on Mull, she liked aspects of the environment such as the proximity to the sea but also mentioned the 'sense of community' and mentioned in the interview that she would like to see more people her age return to the Island for social reasons and to sustain the community. She thought that more educational options such as apprenticeships for young people would help retain this age group.

Kate lived with parents but wanted to own her own home as she felt this would offer more permanence. Kate discussed how she knew of people who had experienced housing issues such as people who were on short assured tenancies, people living in estate houses and those living in temporary or seasonal accommodation. However, she explained how people had become resigned to their housing circumstances:

*"...it's not necessarily a massive problem because they don't aspire to live in anything else, it's just the way it is 'round here, so that probably needs to change"*

Kate thought that one of the reasons these housing issues she mentioned had occurred was because there were large estates owned by few landowners and implied that the desire for financial gain was one of the factors causing such issues:

*"I think because certainly in one half of the island there's a lot of big estates so there's few land owners and I couldn't say for certain but most I believe aren't living here, they are absent landlords so their main aim is to make money out of the properties on the land so they use them in the summer for the holiday market and self-catering accommodation".*

Other issues discussed as contributing to the housing issues included retired people migrating to the Island and purchasing homes, consequently increasing house prices and making housing unaffordable particularly for those on low to moderate jobs and that there was a prevalence of seasonal work and seasonal housing.

Kate thought that there was a lack of choice in the housing market as there was a lack of affordable housing for her age group, rental properties were seasonal and because the social housing available was restricted to main settlements. Kate thought that self-building could be a less expensive option for young people, however she thought that access to land and the cost of land was problematic:

*"it would even be useful if community groups or land owners could provide plots at little or no cost because some of, even the plots, the plots that are half the market value are still unreachable for young people and for Mull incomes"*

In response to being asked about approaching housing organisations if issues arose she explained that there was a perceived negativity on the Island to housing in general:

*"I just think, it's probably just a negative attitude that a lot of people have got, that they are never going to get anywhere so, so why bother which is a shame…"*

As highlighted from Kate's earlier dialogue, there was a sense that people had become resigned to the constrained housing environment on the Island.

| Amy* and Peter* | Amy*: Always lived on Mull |
| --- | --- |
| | Peter*: Migrated to the Island a few years ago |
| Age | Amy*: 18-24 years old |
| | Peter*: 25-30 years old |
| Tenure | Rented Accommodation- Housing Association |

There were several aspects of living on the Isle of Mull which Amy and Peter liked. Amy liked that it was quiet, and she was close to her family. Peter enjoyed the pace of life and liked that everyone knew each other but said that this was not always a positive aspect of living on the Island. They wanted to see more services on the Island including an increased bus service and more sports facilities on the South of the Island. They were renting their property through a housing association but aspired to own their own home. They explained that their property was not in good condition when they moved in, describing it as being in a "terrible state" and had to improve it themselves while paying rent. They felt that there was a lack of choice in the housing market and as such implied monopsonist behaviour within the housing market:

*"I think that's why they can get away with being pretty rotten landlords 'cause they know they've got you unless you can afford to go private or buy something, there's no other rentable housing".*

When asked who was pressurised within the housing market, referring to the South of Mull, Peter explained that all age groups were affected because of the lack of housing but young people would be particularly affected:

*"I think probably certainly at this end it affects everybody cause there's just not a lot of housing. Certainly, eh it's gonna affect younger folk more cause once they get too the age of wanting to move out they've got nowhere to go to, other than maybe moving to Oban or further afield".*

When asked what type of housing they would like to see more of, Peter said he would like to see more variety of housing and specifically more affordable housing options:

*" I think just more of a variety of houses 'cause as I said those ones are built where we stay built long before I came here but they're supposed to be affordable family housing but they're not big enough for a family" … "…they're too small for a family and too expensive really for*

*one person to live in so a variety of one to three bedroom sort of houses to make it more affordable for different folk to move in".*

| Nicola* | Brought up living on Mull, migrated for education and returned to the Island |
|---------|------------------------------------------------------------------------------|
| Age | Over 36 years old |
| Tenure | Privately Rented Accommodation |

Nicola was born on Mull but left for educational purposes during which time she married and recently returned in her mid-thirties. She liked the 'sense of community' on the Isle of Mull:

*"the sense of community, the closeness of the community. The fact that you know that if anything happened to you folk would pull together and help you through it including neighbours, family, everyone".*

Nicola had impairments which affected mobility and required physically accessible housing. She felt that there was not enough adapted (sic) housing specifically for young people:

*"...I feel that there is disabled housing there but they seem to use it for over sixties and I don't really need the house with pull cords and wardens but I could do with one with a walk-in shower, with, you know social housing with the security of that tenancy. And I think that there's a gap in the market there for some adaptive housing but for younger people.... but there's nothing for my age group so I think there's a little gap there"*

Nicola rented in the private sector but wanted to rent in the socially rented sector primarily to have the security of tenure:

*"...being in the private sector you feel like they could tell you to get out anytime and finding a house especially to meet my needs in a month would be very difficult...."..."the worry doesn't help me, the thinking oh what if something happened to my landlord, what would happen if he suddenly decides to sell, what if he has to put us out because there is bad dampness in the house so if it needed treated or whatever".*

Here, Nicola expressed how she had anxiety because of the lack of security in her accommodation. While Nicola wanted to rent in the social rented sector she explained that she thought she had low priority because she had accommodation through the private rented sector:

*"..there's just so many needing a home that, 'cause we were fortunate enough when we get a rented one which quite suits me, it does have a walk in shower, it means that my points are quite low for house so it's very difficult but what I tend to do is whether its right, wrong or indifferent, every time a house becomes available I just phone them up and say please can you consider me for this house regardless of what state it's in, regardless of whether it's got you know whatever. Just to make my name known to both housing associations"*

Nicola thought that the lack of housing had occurred because housing had been bought through the RTB legislation but had not been replaced. Nicola wanted to see more affordable housing to rent and buy but discussed the cost of land:

*"...by the time you've bought a plot of land here your talking £50-£100,000 and people just don't have that"... "if you could get maybe people together to buy a plot of land and build affordable housing on that or something like that"*

| Lauren* | Migrated to the Island |
|---------|------------------------|
| Age | 31-35 years old |
| Tenure | Housing Association |

Lauren migrated to the Island to work at an outdoor centre. She liked the environment and being part of the community. She thought that there could be more improved medical services but thought that in other aspects of life on the Island, people were pro-active:

*"...in terms of local projects, people are quite pro-active about getting, working on things themselves but obviously, something like medical services coming from outside, that needs to be tackled".*

Lauren liked renting and rented through a housing association. She specifically mentioned the security of tenure associated with this form of housing. However, her experience of housing on the Island had been difficult. She migrated to the Island for employment which came with accommodation, but when she changed jobs she found herself homeless:

*"...when I took on this job I had nowhere to live basically, so I moved seven times in one summer and I survived by kind of, I survived because I'd already got to know people here. If I was coming in cold knowing no one it would have been a disaster cause I, you know I did things*

*like I found out when there were spare weeks in people's holiday cottages and lived there or I lived in someone's like bed shed for a while, I house sat for people who were going away for a few weeks you know so I sort of pieced it together for a few months and that was really stressful especially starting a new job at the same time and then eventually I got like a, a cottage that I rented for two years*".

Lauren was on the housing list for two and a half years. She thought the difficulty obtaining housing had arisen due to housing purchased as second home ownership and holiday homes which were left vacant during parts of the year. Lauren expressed that she thought there was choice for those who had money but for those without the finance, the market was restricted and thought that young people were particularly affected:

*"...if you're starting out then you take what you can get really"…. "I mean a lot of people are coming here to retire so they've obviously, you know made their money somewhere else, and they can afford to invest in a bigger house but if you're just starting out here, you know, you've got a young family or you've moved here for work then it's really hard to get a foot in the door".*

| Lucy* | Always lived on Mull |
|-------|----------------------|
| Age | 25-30 years old |
| Tenure | Rented Accommodation |

Lucy had always lived on the Isle of Mull and liked that the Island felt safe. Lucy rented her property but would prefer to own her own house:

*"to own your own house I just, you just get so much, if you've got the money to buy a house, you've got so much more choice in what you can have and what you can do with it and stuff, so that's the main reason"*

Lucy discussed how she had managed to obtain a home as she knew of someone on the Island who was moving, but felt the availability of housing in certain locations was restricted:

*"we were quite lucky when we were looking for a house that one came up quite quickly, but we only managed to get it because someone else had just got a council house. So, if they hadn't got that council house then we wouldn't have had anywhere kind of thing. So maybe lack of, maybe kind of housing in the areas that you want to stay, I mean cause like Tobermory has a lot of accommodation, whereas Craignure has no young people accommodation at all".*

When asked why there was a lack of housing in certain areas Lucy explained:

*"Oh I don't really know at all actually, I think it's just, it's just chance where things happen to go isn't it really…"*

| Rachel* | Migrated to Mull |
|---|---|
| Age | Over 36 years old |
| Tenure | Home Owner |

Rachel migrated to the Island when she was twenty-seven years old. She thought the housing market was more constrained when she moved to the Island than now. She spoke of rented accommodation being very seasonal and very few houses being on the market when she moved to the Island. Although Rachel thought that there was more housing on the market to let and buy than when she moved to the Island, she thought the cost of housing was challenging:

*"There's some choice now, there are many more houses on the market than there were. In fact I think probably, well if you look back over the last twenty years there's never been so many houses on the market, both probably to let and to buy, but they're all in higher price bracket so there are very few, if any, houses under £100,000."*

Rachel had worked in another part of the United Kingdom before moving to the Island and had enough money to buy a plot of land:

*"We actually built a house, we ended up having to get a piece of ground because there wasn't housing to buy at that time but we were just lucky that we managed to buy a piece of ground to build our own".*

*"I was only 26 when I came here so, 27 when I came here, so we didn't have lots of money but we managed to have enough money to buy a plot and then and we were still working down south so we migrated up in the process but we did manage to build something for even with the land price around 150[2] so it was, it was a good deal really and potentially land for sale could be a good option for younger people still. So I'd like to see that, as well as affordable housing, affordable plots and options for building"*

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[2] It is presumed the participant was referring to £150,000 as the figure was not clarified at the time of the interview.

Rachel thought there needed to be more affordable housing within a bracket of between £50,000 and £150,000. She also thought that self-build could be a potential cost-effective option for young people to enter the housing market.

One of the issues raised by Rachel was the need for more young people on the Island to sustain the community and take over from older generations:

*"I think I'd like to see more people being prepared to get involved in running community buildings and community services. I think that probably takes younger people to do that. A lot of retired people have already done that in their working lives or previous years, so I think that not enough people come through. If you like to help run things like village halls and churches, and that's really important to have a long term vibrant community".*

| Amanda* | Migrated to Mull |
|---------|------------------|
| Age | 25-30 years old |
| Tenure | Rented Accommodation |

Amanda had family on Mull and migrated to the Island for a short period for employment before going to University. Following her higher education, Amanda returned with her partner to Mull. Amanda identified Mull as her 'second home' and enjoyed being near family. Amanda wanted to see more employment opportunities for young people on the Island and more affordable housing. She also wanted to see more young people being able to take over from the older population. Amanda rented and was happy renting due to the uncertainty of whether they would remain on the Island. Amanda discussed her experience of acquiring the accommodation:

*"..I was really lucky the house that we rent. We only found out about it because it was a family friend, that's how we found out about the house. If we hadn't had that, we wouldn't have anywhere to live and I don't, nothing's come up apart from in Tobermory and I didn't want to live there, I wanted to be close to where I worked. And nothing has come up in the year that we've been here, so if I hadn't have found that one, we wouldn't be here basically. I could maybe stay with my family in […] but I wouldn't want to, I'd want my own place".*

Amanda thought that the lack of availability of housing had occurred because of the 'over-heated' self-catering market and because homes were let as holiday lets at a substantial cost.

She thought that there was a shortage because these homes were not available in the private rented sector. The scale and location of development was also mentioned:

*" I think even if ten people or ten houses were released for renting all year round it would alleviate so much. Not everyone wants to live in Tobermory and people want a house and a garden, not just a flat…"*

Amanda wanted to see fewer flats and more one to two bedroomed houses. When asked whether she would approach any organisations offering housing advice and organisations, Amanda said she would not approach such organisations:

*" I wouldn't ever approach them cause I don't feel that I, I think there's people much more in need that I am, em cause I've got family…"*

| Emma* | Migrated to Mull |
|-------|------------------|
| Age | 25-30 years old |
| Tenure | Rented Accommodation |

Emma had two young children and, as a family of four, thought the Island was a good place for raising children and thought that people were more pro-active at arranging community events because there would be a lack of things to do otherwise. While Emma thought that it was a good place for raising a family, she thought there needed to be more for children and young people to do on the Island. One of the examples she gave was that the swimming pool was more *"geared around the hotel rather than the community"*.

Emma and her family lived in rented accommodation and wanted to own her own home but was unable to afford to purchase a home. Emma discussed the issues she faced with rented accommodation:

*"...certainly the house that we are in […] isn't very well kept so you're paying rent every month for a house that's costing you a fortune to heat, it's just crumbling and nothing's done to fix it. And it's just, you're spending money on a house that's not yours"…." another of the problems is we are on a month by month lease that a lot of people are on so you've got no security".*

Emma's preference was for her family to live in another part of Mull, but there was limited rental accommodation and the size of accommodation required to accommodate themselves

and two pets was unaffordable. She thought that the price of land had been influenced by the number of people retiring to the area:

*"...anyone kind of under the age of about thirty-five, just with the amount of people that come to retire, just the house prices have shot up even like a plot of land round where we live your talking about £120,000 it's like how do you buy that and then try to build a house".*

Emma explained how movement in the housing market was restricted due to the lack of availability of housing and how the lack of housing and young people in the area affected the local school:

*"...there's just going to be a stage where certainly like in our community 'round there, they're building the two rental houses now but there's no kind of like ladder so you know those two houses yeah but it's only for two families, there's nowhere after you rent for a while for you to then stay in the area, you have to go out and move somewhere else cause it's got to the stage now where my daughter will start school after the summer, that will take the school role to eight and there's one other child between her and him starting and there's no others and there's no one else in the area who will be having children, so the school isn't going to last cause there's no young people".*

Emma suggested that young people had moved to Tobermory because other areas were unaffordable for this age group:

*"It's just the prices are so high and you've got, like the areas in Tob[ermory]. Some people are lucky enough that if their parents have ground or can help them they can build a house but certainly no one can buy one and you've got like Struan Crescent. Like that area is kind of where all the young people are now because they're priced out of everywhere else"*

| Julie* | Always lived on Mull |
| --- | --- |
| Age | 18-24 years old |
| Tenure | Home Owner |

Julie worked in the food industry and liked the peacefulness of Mull and thought that living costs were low. When asked what improvements she would like to see on the Island, Julie said she would like more visitors but that this was because of her occupation. Julie owned her own home through a shared equity scheme and explained why she preferred owning her home rather than renting:

*"I think renting is a waste of money. If you're going to pay money into it, you may as well get something at the end of it"*.

While Julie liked owning her own home she explained she had housing aspirations to own a property which was on its own, not a flat, and had a garden but which was in an estate. Julie thought that there was a lack of choice in the housing market:

*"..I think you kind of get what you're given. A lot of people I know are on the housing list and they have to go somewhere I don't think they're happy about…"*

**Analysis of the housing market from the perspective of young people living on the Island**

The questionnaire data and accounts of each of the participants gave an insight into the choices and constraints of young people living on the Isle of Mull. The dialogue from the interviews with young people on the Island provided an insight into the different experiences of the participants and highlighted the varying housing pathways, while allowing the similarities to emerge.

Six main themes emerged from the questionnaire and interview data and were as follows:

- ➢ The retention of young population on the Island
- ➢ The strong correlation between housing and employment
- ➢ Division on the Island between those who could and could not afford housing
- ➢ The lack of choice in the housing market for young people on the Island
- ➢ The significance of post-school education in initial and potentially temporary migration
- ➢ Evidence of rural out-migration

While these themes were identified, many of the themes related to one another. The findings corresponded with the themes which emerged from the review of the literature in chapter 2.

The sense of community was a recurrent theme in the interviews. Many of the participants acknowledged that the sense of community was one of the things they liked about living on the Island. However, the need to retain young people on the Island was occasionally linked to the need to retain the sense of community for example in relation to taking over roles within the community. The need for young people and young families was also discussed in relation to the need to sustain the local school. These themes also emerged in the literature in terms of the positive association of a strong sense of community associated with living in the rural environment. There are mixed perceptions of belonging to a community with some viewing it

as positive characteristic in the young people's experience with the rural environment, yet it has also been linked to migration (see Kloep et al, 2003; Glendinning et al, 2003; Stockdale, 2002[1]). While most of the participants that referenced community did so positively, one of the participant's, Peter, indicated otherwise. The need to maintain the sustainability also resonated with the research on the Outer Hebrides (Hall Aitken, 2007) in which the need for young people was recognised, in particular the study identified a need for young females of child-bearing age, as being important for encouraging sustainability.

Two scenarios would increase or maintain the number of young people on the Island. Either those who lived on the Island as children would remain or migrate back to the Island once they had left school, or young people would need to migrate to the Island. Taking the first scenario, the questionnaire data revealed that most of the participants who were near completion of their school education aspired to leave the Island, primarily for education but also to work and this coincided with literature on the aspirations of young people in rural areas (Rosvall, 2018; Stockdale, 2006; HIE, 2015). The reasons for the aspiration to leave the Island could be because of the choices available to them off the Island with a range of educational and employment opportunities. However, other factors such as wanting to experience a different place or other social factors could interplay. As Kuhmonen et al's (2016) research suggested and HIE's research (2015) also indicated, the desire to return to the rural environment can be evident in the later stages of life. The trajectory of migrating from the rural environment and returning later in life was evidenced in the interviews with two of the research participants (Kate and Nicola) leaving the Island and returning after leaving the Island for educational reasons. If those young people who left the Island decided to return and stay on the Island in the future, their return could be influenced by the employment opportunities available to them. As demonstrated in the HIE (2015) research, the 'availability of high quality jobs' and 'opportunities for career' were ranked as the top two of 'very important' factors in terms of the Highlands and Islands region being an attractive place to live and work. Following closely behind the employment factors was 'good access to housing' which was ranked third. Housing opportunities would also be a significant factor in determining whether those young people intending to migrate back to the Island would be able to afford to stay on the Island upon their return. The link between employment and housing was particularly stark in the literature and this was also perpetuated in the empirical research. Lauren's experience on the Island stressed this relationship as her situation demonstrated the need for affordable housing options to coincide with employment opportunities. Lauren highlighted that the difficulty accessing

housing arose due to difficulty competing with more wealthy migrants. This view correlated with broader research on in-migration and second home purchases and the impact on the affordability of housing (see Graham et al, 2015; McGrath, 2001; Satsangi et al, 2009; Bramley et al, 1995; Burrows et al, 1998). If migration occurred later in life, for example retiring to the area, the issue of retaining young people on the Island would still not be addressed. Also, young people returning later in life could be returning able to afford housing on the Island and be competing with local incomes. As discussed earlier in the chapter, the desire to experience living on the mainland could also be a factor in the decision to move from the Island. This is a significant factor as changes to educational or employment provision would not influence their decision to migrate from the Island if the primary factor was to experience living in a different environment.

Taking the second scenario of young people moving to the Island to address the concern of retaining young people on the Island. The lifestyle of living in the rural environment could be a primary pull for young people moving to the Island but, effectively, as noted throughout this chapter, employment and housing are two significant factors which would likely determine whether young people would stay on the Island. With either scenario, jobs and housing would be required. However, while there is a need for provision of employment and housing opportunities, there needs to be a distinction regarding the type of employment and the type of housing required. The research identified that employment in rural areas tend to be associated with tourism and that this work is often seasonal and low-paid (see McGrath, 2001; Burrows, 1998; Cartmel et al, 2000) but as the HIE (2015) research found, there was a desire for good quality employment opportunities with the opportunity for 'career progression'. This highlights the need for good quality employment opportunities to retain and attract young people but there is also a need for more affordable housing options to cater for those who are in lower paid, seasonal employment. Figure 4.11 (chapter 4) detailed the list of occupations on the Island and this data showed a spread of occupations. One observation was that there was a higher percentage of managers, directors and senior officials and skilled trades occupations in comparison to the rest of Argyll & Bute and Scotland (Argyll & Bute Council, 2015). It was also identified in chapter 4 that Mull and Iona had the highest percentage of self-employment of the Housing Market Areas (HMA) in Argyll & Bute Council region at approximately a quarter of the economically active population on the islands (Census, 2011 cited in Argyll & Bute Council, 2015[1]). Figure 2.7. survey data revealed that self-employment was more typical of remote rural areas with 23% of employers self-employed in comparison to

17% in accessible rural areas and 10% in the rest of Scotland. The remote rural environment may not be suitable for certain employers due to the need for accessibility, there therefore could be a focus on encouraging those who are self-employed to more remote rural areas.

Analysis of the interview data indicated that housing and employment were both significant factors yet the two were very much interconnected. Housing was a pull factor for those who could retire to the area or for those able to afford second homes. Yet, this put pressure on the housing market and the ability to afford housing and particularly young people were affected by the lack of affordability. The data revealed that employment and, more dominantly, education were push factors resulting in migration from the Island for those who were leaving school. However, employment could be identified as a pull factor, yet, there needed to be more emphasis on employment as a pull factor to encourage more young people to the area. Employment opportunities which had consistent work patterns and were better paid could lead to more people being able to afford housing on the Island and encourage more people to the Island and sustain the younger population. More employment opportunities could also encourage young people to stay on the Island once they had left school. What this has revealed is that employment could be an instrumental factor for retaining and encouraging young people to the Island with housing being equally significant.

The interview data highlighted that there was a lack of choice in the housing market but that there were various forms of constraint within the housing market that impacted on this lack of choice. Examples given within the interviews included the inability to move to certain locations, the inability to progress within the housing market and the difficulty of accessing certain housing tenures due to financial constraint and availability. The crux of the lack of choice was the inability to afford housing or land to build and the lack of housing options. One of the recurrent themes was the participants' lack of control and their constraint in the housing market which had derived from the lack of choice. This was evident through the participants' use of language with many discussing their feeling of gratitude and 'luck' that they had managed to obtain housing. This illustrated that, as agents, they felt a lack of control of their housing situation. It was suggested that people on the Island had become passive to their housing situation with participants mentioning that there was an acceptance that housing was constrained on the Island and therefore some people were submissive to their housing circumstance. The constraint on choice was derived from a lack of availability of housing tenures and in certain locations housing and land were deemed unaffordable for many of the participants. One of the participants discussed the lack of 'a housing ladder', that the

progression of housing was constrained due to the lack of options available. Many participants discussed how there were no options beyond their current housing situation either because there was no housing available in their chosen tenure or because they were unable to afford their choice of housing tenure. Second homeownership, holiday homes and people retiring to the Island were mentioned as possible/likely causes/explanations of the lack of affordability of housing. One issue which was linked to the private rented sector was the lack of security of tenure. Two of the participants who rented privately discussed their concerns of lack of permanence within their housing. Since the interviews were conducted, the Private Housing (Tenancies) Scotland Act 2016 came into force meaning that new tenancies from December 2017 will be a private residential tenancy superseding short assured tenancy agreements. This new tenancy provides more rights and security for both tenants and landlords (Scottish Government, no date[6]). A couple of participants discussed their desire to locate to locations outside of the main settlement of Tobermory. Self-build was discussed as a more cost-effective method of housing, however, the constraint which continuously arose was the cost of purchasing the land. Two of the participants discussed how local connections helped them access the housing market. This highlighted that it could be more difficult entering the housing market for those without local knowledge or links to people on the Island with more insight into the housing market.

Segmentation in the housing market became evident through the interviews. Housing purchased as second homes and holiday homes, people retiring to the area and landowners with seasonal housing were all identified as contributing to the lack of choice in the housing market.

Overall, the data found that housing and employment opportunities were very inter-related. As shown, this was also a key theme which was distinguished in the review of the literature and case study. One of the issues discussed by participants was that employment tended to be low paid and seasonal, making housing and land unaffordable for local salaries. This highlighted a strong correlation between employment and housing and that affordable housing was required for those dependent on local incomes. There are two issues which arose from the data. Firstly, there was a need for more affordable housing for young people on lower incomes living on the Island and more employment opportunities to encourage young people to the Island to live there and this could also encourage more people to return to the Island who migrated at an earlier age. However, there would be a concern that the gap between those who could and could not afford would widen if better paid employment encouraged younger people to the Island and could in turn push up house prices and price local people out of the market.

This chapter has explored the housing market from the perspectives of young people living on the Isle of Mull and the aim was to present the challenges and choices which young people on the Island encountered. The previous chapters provided a contextual overview of the experiences of young people in the housing market and the empirical research reaffirmed many of the issues which transpired in the literature. The following chapter analyses the rural housing market from the perspective of institutional actors and focuses more on the structural influences which affect choice within the housing market.

## Chapter 7. Findings: Institutional actors in the rural housing market

**Introduction**

The purpose of this chapter is to present and analyse the data from the interviews with institutional actors involved in the rural housing market. The previous chapter explored the housing market from the perspective of young people living on the Isle of Mull, understanding their individual and collective constraints and experiences of living in a remote rural environment. This chapter provides an insight into the operation of the rural housing markets, including the barriers for young people and possible mechanisms for alleviating housing constraint from the perspectives of actors in rural housing.

Semi-structured interviews were undertaken with twenty-three institutional actors. The participants recruited for the research had various roles in the rural housing market. The rationale for the research methods chosen and a breakdown of the interview participants was given in chapter 5, Research Methodology (figure 5.4).

Once the interviews were transcribed, the data was coded into themes. This chapter explores the themes that emerged from the data. The themes were separated into three categories which covered various issues and characteristics of the housing market and this chapter is divided into three sections which represent each of the three categories. The first section analyses aspects of the housing market on the Isle of Mull including housing supply, demand and issues and the experience of young people in the housing market. The second section explores the problems associated with developing housing on the Island. Finally, the third section explores the possible ways of addressing the issues identified within the first two sections. Throughout the chapter, the participants' own words are used to illustrate the themes identified. A summary of the initial findings concludes this chapter.

**The Housing Market**

Themes were identified in the research and the themes which came through from the interviews resonated with these themes. This section explores the range of themes which related to characteristics of the housing market, including housing availability and affordability, the relationship between housing and employment, and the experience of young people in the housing market.

**Housing Affordability**

Prior to exploring the themes that emerged from the research, this section explores what the participants regarded as affordable housing. As discussed at the beginning of the thesis, there are many definitions of affordability depending on form of measurement and context. To reiterate, it was not the intention of this research to promote one single definition, but it was important to be clear about what is meant by 'affordable' as discussed in chapter 2. As the term was frequently referred to by the institutional actors during the interviews, it was also important to be clear their understanding of the term. The interviewees were asked to describe what their definition of 'affordable housing' was, to understand their interpretation and provide a context for discussions of affordability. Many of the participants had to reflect before answering this question and often found it problematic to define what 'affordable housing' was but often had views on what it should be. The answers to this question were very varied and included qualitative responses measuring individual circumstance and quantitative responses in which affordability was calculated by a numerical indicator or a combination of both approaches.

One property developer who had developed on the Island indicated ambiguity over the definition:

"that's an interesting one because everyone, there's no definition and we are told that we have to build affordable housing as percentages and there's no, the planners don't know, they can't give me a definitive answer" (Property Developer, 1).

Many of the participants quantified what affordability was. One participant (Planner, 1) explained that "the standard definition was three and a half times the average income or 25% of the household monthly income". Other calculations included measuring against the lower quartile house price and the cost being lower than local housing allowance with participants advising between 80% and 85% of the allowance.

Two participants thought that the costs associated with living in the house should be included when calculating affordability:

"…It should be warm and dry and, and whoever is living there should be able to afford to keep it in that condition, because there's not really much point having somebody who can't afford to heat a property and inhabiting it even". (Architect, 1)

It was mentioned that affordable housing was housing offered at mid-market rent, however, one participant said that in Mull, mid-market rent would still be too expensive due to other factors including employment and associated salaries:

"…people here have got three jobs in the summer and one in winter just to keep their heads above water…anything that's seemingly above minimum pay is well paid on the Island and that's the issue we've got to bear in mind, it's a different economy" (Third Sector, 7).

This view of having to consider the market on the Island was reflected by many of the participants who stated that they thought that the calculation needed to be place specific and take into consideration the low wages on Mull.

One academic (academic, 2) explained that they did not agree with measuring affordability quantitatively and thought it was "useful but only tells so much" and went on to say "It's difficult, households make decisions about how to spend money, need is more subjective".

The range of definitions highlighted that there was a lack of consistency and different interpretations of what affordable housing was. The term 'affordable housing' was a frequently used term in the interviews, but there was a lack of cohesion amongst actors in the rural housing market. There was an awareness, particularly by participants involved in rural housing on the Isle of Mull, that affordability should reflect the housing market and the incomes of people on the Island.

Housing availability and affordability were two interconnected themes which were dominant throughout the interview data. Participants were prompted to discuss whether there were shortages of housing and issues of affordability both in the rural housing market generally and specifically on the Isle of Mull, but the themes also emerged in response to other questions during the interviews.

Many of the participants agreed that there were shortages of accommodation to rent and to buy on the Island. An example by one estate owner on the Island illustrated the level of demand for rented accommodation:

"we put three properties on to rent- we had about twenty enquiries within about a week" (Estate owner, 1)

Two of the participants advised that in terms of social housing, there was demand but low turnover of stock, with one of the respondents advising that this was specifically evident in

certain areas including Tobermory and Dervaig (larger settlements). The RTB legislation was identified as being a contributing factor for the lack of socially rented accommodation. While this was stated anecdotally, the case study indicated a significant proportion of the stock on the Island within the socially rented sector was sold under right-to-buy legislation (figure 4.20).

In terms of shortages of sizes of accommodation, there was not consensus, with a range of housing identified as being in short supply, from single person accommodation to larger family homes. However, more participants agreed that smaller accommodation was required:

"...And probably family housing, you know two to four bedroom houses. I think there's enough of the bedsit, single bedroom type accommodation on the Island, it's the bigger" (Estate owner, 1)

"…the availability of small units is extremely low" (Third Sector, 7)

"I would say probably two and three-bedroom houses are the most important…also single person flats would be, or small single person dwelling of some sort would be quite useful" (Third Sector, 2)

The data on property sizes on Mull & Iona (figure 4.16) revealed that over half of the properties were 4-6 bedroom properties (56.15%), which was higher than Scotland and Argyll and Bute. This was followed by almost a third of properties being 1-3 bedroom properties (28.42%) which was a lower percentage than both Scotland and Argyll & Bute (Scottish National Statistics (2012) quoted by Argyll & Bute Council, 2013[1]).

While shortages of tenures and sizes of properties were readily discussed, location was also mentioned as a factor of availability:

"I think there is a shortage particularly in the more remote areas of Mull. I think Tobermory is probably quite well served through the Housing Associations but in the smaller settlements in particular I think there is more need. Typically, in those smaller settlements you know the house values are higher and therefore inaccessible to local people who are economically active twelve months of the year." (Third Sector, 6)

"…I think there's a shortage of low cost housing to buy, shortage of plots to build on as part of getting low cost housing opportunities so it depends on what part of Mull I suppose. In some respects, away from Tobermory I think there is quite a lot of pressure on the housing market and I think there's not much opportunities." (Third Sector, 4)

As indicated, certain locations were identified as being more restrictive in terms of availability and affordability. This was noted as being particularly apparent in more remote areas, outside larger settlements where there was less social housing. This view of there being more housing available in the larger settlements correlated with the data on the number of WHHA and ACHA properties (figure 4.18) on the Island as the majority of the two housing association's stock was located in larger settlements including Tobermory, Bunessan, Salen and Craignure making up 188 of 206 properties (Argyll & Bute Council, quoted by Rural Housing Scotland, 2014). As implied by the interviewee (Third Sector, 6), housing availability was linked to the affordability of housing and the inability to access housing in more remote areas due to financial reasons. The link between affordability and availability is examined in further detail within this theme and the connection between housing and employment is looked at in more detail later in this section.

Most of the participants agreed that there was a lack of affordable housing on the Island, either to rent or buy, with a lack of availability of both tenures. One of the participants, when asked whether there were shortages of housing, responded with an example which illustrated the demand for affordable housing:

"In the affordable sector, I would say there was. We built thirty-six units and they said you'll never fill them, you'll never fill them and we filled them no problem in Tobermory." (Property Developer, 1)

The issue of affordability was stated as being a consequence of high demand for housing but limited supply:

"I think that's that relates very much to the issue of excess demand, it's not rocket science to say that limited supply tends to mean relatively high price." (Academia, 1)

The demand was linked to the number of houses purchased as second homes and competition from in-migration which is discussed in further detail within this section.

While the majority of participants agreed that there was a lack of affordable housing, a few of the participants discussed a direct link between availability and affordability and that the lack of affordability was a consequence of the lack of availability of housing:

"Yes, there is an issue of affordability but I think the bigger issue is availability" (Third Sector, 7) "… "the two are probably linked, aren't they cause, if you had more availability there would

be, there would likely be more affordability in that, cause, you know it would drive down the cost.... potentially" (Third sector, 3)

"I don't think the affordability is so much of a problem, it's just being able to get a house" (Third Sector, 2)

However, the following example by one of the participants highlighted that availability did not necessarily equate to affordability:

"I would say there is shortages of housing that's affordable, I mean there are, we came to the Island about nearly five years ago and there are properties that were on the market then that are still on the market now.  You know, I think they're too highly priced probably, but the seller probably doesn't have any option but to have them at that price so yeah I mean there are always a healthy number of properties for sale" (Architect, 1)

As depicted above, there appeared to be an interchangeable relationship between availability and affordability.  Analysis of the data highlighted that the main issue was that there was a lack of availability of affordable accommodation, particularly in more remote areas on the Island.

The RHS OIH Initiative was identified as having an active role in the housing market on the Island. One of the participants (Third Sector, 9) discussed the presence of the OIH initiative on the Island and the benefit for people to go there for help and advice:

"I do have to say that the likes of the Rural Housing Scotland and having [the project officer from OIH] on the Island I think, I think that's a great plus and I think it's great to see that people are on the ground actually trying to deal with it." (Third Sector, 1)

The presence of this third sector organisation suggested that there was a proactive approach to housing issues.  One participant (LA, 1) mentioned having "more preventative housing education and information" could be valuable.

While fuel poverty was not a significant theme throughout the data, a small number of participants raised the subject of the quality of housing and the cost of utilities on the Island being financially onerous:

"Winters are really harsh here, so fuel poverty is a big issue about the Island as well." (Third Sector, 5)

"There's ACHA [Argyll Community Housing Association] which is the housing association which they put up some houses, you know, but the trouble is houses up at Shilling Hill which

were put up two or three years ago appalling they're damp, they're very expensive to heat. The specification on them doesn't seem to be very good…." (Third Sector, 2)

"We've got the housing associations on the Island and there are some good housing developments and there are some not so good, particularly in terms of heating costs. Some of the more recent houses constructed have not been great in terms of being affordable to heat. You know, there's a ludicrous situation where we have relatively new houses three years old and the people living in them are in fuel poverty because their bills are so high." (Third Sector, 6)

Fuel poverty has been identified as being an issue in rural areas, particularly remote rural areas (see Scottish Government, 2017[4]). It has been identified that 63% of households in remote rural Scotland are living in fuel poverty (Scottish Government, 2016[2]). The affordability of housing did not only reflect the cost of purchasing a property but also the cost of maintenance. As depicted in the evaluation of definitions of affordable housing, it was suggested that the cost of living in the property should be considered when calculating the affordability of housing.

Hidden Homelessness

One of the themes that emerged during the interviews was that there could be an issue of hidden homelessness on the Isle of Mull. One of the participants (LA, 1) advised that they were not aware of a significant amount of homelessness and referred to the very low numbers on the housing list. However, other participants indicated that there could be an issue of hidden homelessness with discussion of young people staying in the parental home, a lack of understanding of what it was to be homeless and a belief that applying to be on the list would not achieve housing due to the perceived lack of housing on the Island:

"The need has been hidden, and what I mean by that is, if you look on the housing list you would believe in some areas of Mull there isn't a need but that's because a lot of people do not believe themselves to be homeless. They live in a caravan maybe; they're not homeless. They're not living in a cardboard box in a shop doorway. There might be the third generation who are living in a house with their parents and grandparents; they are not homeless but they are in their mid-thirties and they are living at home still. So, I think that's one of the big factors and the sort of, the main stakeholders, the housing associations and the council when they looking at the housing list therefore they don't see a need." (Third Sector, 6)

"…I think as well that there's a lot of kind of hidden homelessness in this area [Ross of Mull], you know there are a lot of young people that are living sort of with parents a lot older than they would necessarily be if there were living on the mainland. So, then it kind of looks like they're not homeless because they've got somewhere to live but actually, technically, they can't afford to live anywhere else. And also, a lot of people kind of who, who, manage living in winter-lets in the winter time and sort of or maybe have accommodation linked to their jobs so they're up here and they live in accommodation with their job but if it came to it again, want to settle down with a partner or have a family, they wouldn't be able to live there so they'd probably have to leave.." (Third Sector, 1)

"One of the reasons that I think that people don't really appear on the radar is that they think kind of almost a waste of time putting their name on the housing list because everyone knows there is no housing available so what's the point putting your name on the list. Okay that's perhaps the wrong way round because the more people that are on the list, the more chance of getting, you know, getting some housing but I think everyone just thinks it's such a long lead in from, from the aspiration, or the realisation that there is a requirement to actually getting that on site and there being housing available is probably three years on average I would say so, and people generally want a house in the next six months not in three years' time" (Construction Industry, 1)

There were two observations from the data. Firstly, the homelessness expressed by participants was not visible homelessness and therefore numbers would be more difficult to gauge and the problem may not appear as significant due to the lack of visibility of those who would be classified as homeless. Secondly, the recognition that people were not putting their name on the housing list because they did not think it would make a difference in the short term to their situation or because they did not identify themselves as homeless, could be an explanation for the low numbers on the waiting list. The responses highlighted that relying on waiting lists to determine need could produce underestimates. The sense of lack of control and power over individual housing circumstances was also identified in the interviews with young people which highlighted an engrained institutional barrier.

Trying to identify the level of need could prove difficult if individuals did not perceive themselves as homeless or put themselves forward as requiring housing. Furthermore, one of the issues could be gaining access to the people who were in need. While staying on the Island, there were anecdotes from people who knew of people on the Island who had difficulty in the

housing market but accessing these people to discuss their issues directly often proved difficult either because they preferred not to participate in the research or reliance was on general anecdotal evidence. The difficulty would be selecting the sample to get a robust methodology for identifying the level of need. This was mentioned as one of the issues of the first needs survey which identified a high level of need with a subsequent needs survey on Mull indicating a reduced level of housing requirements on the Island. One participant argued that housing need should not be determined by level of current need but instead seek to identify future sustainability:

"I don't think we should be focusing merely on capturing existing demand, hidden or otherwise, I think we should take a new approach which looks at the sustainability of communities so I think what we should do for any given community, it might be Dervaig on Mull, it might be Mull in its entirety or any component community within the bigger community of Mull. And we should be saying, looking at each settlement, each township, each town and saying what does this community need over the next twenty years to remain a sustainable, viable, if not a thriving community at least a sustainable community" (MSP, 1).

This focus of capturing demand and planning and developing accordingly tends to be the basis of local development strategies. However, what seemed to be suggested was that there should be a holistic approach to placemaking with identification of the components required to promote the sustainability. Rather than a reactive planning approach and forecasting depending on levels of need and demand, a more proactive approach to the development of places could help to develop a sense of place and generate more sustainable communities. One opposing argument could be that there would be a risk associated with speculative planning. Furthermore, determining measures to identify what should be implemented to create such sustainable communities could be challenging. There would also be no guarantee that development would result in prosperous communities. The participant (MSP, 1) continued with identifying components which would need to be calculated to implement the approach:

"What does it need in terms of housing, what does it need in terms of other infrastructure, it might be business premises and so on…" (MSP, 1)

The problem with this approach is that there would be many variables which would need to be brought together to create such a pre-planned approach. Issues of investment available to fund such projects would likely be a barrier, fragmented land and property ownership could also impact upon the implementation of a holistic planned approach. Furthermore, employment

opportunities would be a significant element of fostering a sustainable community, yet there would therefore be dependence on businesses to invest in the area. There would therefore need to be an incentive or encouragement for businesses. Because of the rural environment, logistically the Island would not be suitable for certain employment sectors. In theory, a planned and holistic approach to place making could be beneficial and encourage sustainability. In reality, there would be many factors which would make such an approach difficult to implement. Furthermore, there would be many institutional actors involved. Trying to drive forward a project could be challenging due to varying objectives and constraints faced by each actor. The investment and capital required would also be substantial and could be a significant barrier to development.

**Second Home Ownership and In-migration**

Two of the prominent themes across the interviews were the number of properties which were purchased as second homes, and the effect of in-migration on the Isle of Mull. Many of the participants referred to the proportion of homes purchased as second/ holiday homes and how this had a significant effect on the availability and affordability of housing on the Island. In-migrants retiring to the area and buying homes were also mentioned as influencing the housing demand. However, second home ownership was more readily identified by participants as being one of the main causes of the higher house prices and increased demand. Participants drew a link between in-migration and the inability of young people to compete in the housing market, in particular those on local incomes:

"…taking the retirement- related migration first, typically people moving in are buying out-right and some might be buying with a mortgage. But I suspect that's not very many, and they're able to put a lot more into a bid, so they can easily out-bid people dependent on local employment. Then the fact that some, a fair bit of the housing stock, is in second [and] holiday home ownership means that it is not part of the effective housing supply; so for houses that are already there, the likelihood is that they are going to be out-with their reach, of quite a number of people who are dependent on local employment." (Academic, 1)

"I think it's skewed in favour of wealthy incomers who can afford to pay much higher rates than local people, particularly local young people on relatively low incomes." (Third Sector, 6)

"Basically, it's at the moment, basically for rich people, mostly people coming in from outside who are buying houses at inflated prices.  Very, very difficult to get anything for youngsters" (Third sector, 2)

This theme was also prevalent in the interviews with young people, with participant's referring to competition from in-migrants and housing purchased as second homes difficulty and therefore challenges competing in the housing market.  This perception of in-migration and housing purchased as second/holiday homes increasing the cost of homes and the associated challenges for accessing housing was also apparent in the review of the literature (Graham et al, 2015; Satsangi et al, 2009; Bramley et al, 1995; Burrows et al, 1998).  The link between employment and rural areas where demand is heightened was also identified (Academic, 1) and this link was also drawn from the literature (see McGrath, 2001).

The choices of property owners played a significant role in the supply of private rented accommodation on the Isle of Mull, with participants advising that landlords sought the financial rewards of seasonal letting as opposed to long-term lets:

"There's very little private housing for rent on Mull, and that's for long-term rent because mostly, although there are a lot of rental properties, I think somewhere about 250 privately owned rental properties on Mull, they are all summer-lets….I think generally landlords tend to go after the big bucks from the tourists in the summer and don't really bother about the you know, aren't really willing to accommodate people in longer term arrangements." (Construction Industry, 1)

"There's also people who own holiday homes that they are renting out as holiday homes. Obviously, because that's more profitable, but that's a huge dent in the private rented sector. That's a huge number of properties that either aren't available at all or only available for a winter let.  I think we worked out in Ulva Ferry that something like 30% of the houses in the area are holiday homes." (Third Sector, 5)

The decisions of owners to make housing available for rent to tourists during the tourist season rather than release the properties into the private rented sector for people on the Island was identified as an issue.  The tourism industry played a significant role on the Isle of Mull (Argyll and Bute Council, 2013, see Dickie et al, 2006; Molloy, 2011) and as illustrated by participants, it was more economically advantageous for owners of property to rent to this market rather than enter the private rented sector as landlords.  While many of the participants attributed the lack of availability or affordability in the housing market to homes purchased as second homes,

a few of the participants discussed the positive effects of second home ownership and people retiring to the Island:

"Mull's quite complex with its, with its tourism and retirement type place does make it a little bit difficult for young people. You know I suppose if it wasn't that here then the house prices would be a lot lower, but if they weren't there, then job opportunities would disappear, Mull wouldn't be so affluent, so you have to take, there's low unemployment on the Island, generally people with good education. All these things are because people want to move to Mull and there's bus tours and apprenticeships and those kind of things, so at the end of the day it may be hiking up the price a wee bit but the standard of living is higher though so.." (Estate owner, 1)

"…there are a lot of holiday homes and self-catering cottages and stuff but that all, that brings income as well." (Architect, 1)

Referring to second homes in rural areas, one of the participants (NDPB, 1) explicitly outlined the complexity of second homes by explaining that the situation was difficult because these homes "contribute economic value". They thought that there needed to be a "balance" with fewer people owning second homes.

While access to housing was challenging due to the popularity of the Island, tourism and in-migration had to be recognised as benefiting the Island and, as such, the Island was prosperous in many regards. However, this issue emphasised the relationship between housing and employment. Without employment opportunities, local people would be unable to access housing or remain on the Island, but without housing, there would be the issue of where employees could live while in employment.

**Employment and the Housing Market**

The correlation between employment and housing was a recurrent and prominent theme in both sets of the interview data. Sub-themes emerged within the broad theme of employment. These sub-themes included housing affordability and local incomes, the housing market and consequences for employers and the distance of housing and employment in rural areas.

Housing Affordability and Local Employment

The relationship between housing affordability and people dependent on local wages emerged from the interview data:

"I think young people, if they're dependent on local employment, are going to struggle, and it is not only a question of what is the mortgage that they can afford, they're also going to need a significant deposit and they're unlikely to get that through their own resources….." (Academic, 1)

"It's not fair to say that mid-market rent is affordable here… It might be in the central belt, but we have to understand that economies and the market are different here." (Third Sector, 7)

"…here the wages that people get are not exactly, they're not huge, are they? I mean, they're just above the minimum, I mean we pay above the minimum obviously […] you could rent a house, but it would be very difficult to buy into it.  On the wages that we have, impossible almost, I would say." (Business Owner, 1)

There was an awareness that seasonal work and low wages made access to housing difficult for people on the Island, particularly for young people.  The consequences of the inability of employees to obtain or afford housing on the Island was raised as an issue for local employers:

"We've had people in short-term accommodation, staying here four nights a week, Monday to Friday- probably on average of a dozen people for the last three years.  But it would be far better for us to have people move to the Island, become resident here.  But they can't do that without provision of accommodation" (Construction Industry, 1)

"Mull struggles with seasonal accommodation, which is a difficult to supply.  But it's always been an issue with businesses on Mull finding somewhere for seasonal staff to live" (Estate owner, 1)

As depicted, the lack of accommodation for employees had resulted in a transient workforce from the mainland.  In addition, housing for short-term staff during peak times of the year was also expressed as a problem.  The lack of accommodation and increased demand during the tourist season was highlighted as a particular issue for employers on the Island.

One of the participants mentioned the link between housing, the labour market and dependence on private transport in rural areas (Academia, 2).  The correlation between these factors was depicted by participants discussing the situation on the Isle of Mull:

"If you live in Glasgow and you have to commute to and from work, you can, you've got a huge variety of choice of suitable housing within a commuter zone within your place of work. If you live in Mull you've got far, far less choice…" (MSP, 1)

"And I think that's the difficulty, that if you're on the housing list, they say, 'oh well you could get a place in Oban or wherever or far away'. And if your job is here you know you can't come and go on the boat, it's got to be local, it's got to be local for local jobs. It's got to be local houses, it can't be somewhere else. Particularly us, people coming early in the morning, they've got to be right here. They've got to be able to walk or cycle to work." (Business Owner, 1)

The proximity between housing and place of work was discussed. Reference was made to the importance of living close to places of work in the rural environment, particularly for certain types of employment. The spatial differences of living in the rural environment compared to the urban environment in terms of housing availability and place of work were also expressed. Figure 2.8. presented this relationship, with more than two thirds (68%) of employees living in a remote rural location also working in a remote rural environment (Scottish Government, 2012).

One of the participants advised that they thought more housing specific to employment would be beneficial (Property Industry, 1). There was evidence of such practices on the Island. One such employer was Glengorm Estate who converted their properties from self-catering to rented accommodation for their employees to work on the estate (Third Sector, 6).

**The experience of young people in the Housing Market**

Participants were asked about their views of the experience of young people in the rural housing market. Aside from being directly asked, participants referred to the younger generation in their responses to other questions. Many of the participants did agree that young people were particularly disadvantaged in the housing market on the Isle of Mull. Reasons for the difficulties in the housing market related to many of the themes and sub-themes which have been previously discussed in this chapter. These difficulties included lack of finance to access housing particularly for those on local incomes, competition from in-migration and housing supply diminished by houses purchased as second homes and the lack of smaller, more affordable homes to enter the housing market.

The majority of the participants thought that younger people were constrained in the housing market:

"They can't get on board, they just can't because there isn't enough young, there isn't enough starter homes here" (Property Developer, 1)

"I think that probably more than ever really through the recession if you like, five or six years, from [20]07-[20]13, the, its, provision of housing for young people has become more of an issue rather than less of an issue because of the inability to get mortgages and I think the criteria that's now attached to mortgages, whereas pre 2007 you were getting 100, 125% mortgages and I don't think that was a good idea but it meant that young people did have more of a change of getting on the housing ladder" (Construction Industry, 1) [put into own words]

"I guess they severely struggle, that's still my feeling from ten years of looking at it, the numbers go up and they go down. The people that are most in need are the ones that are most transient so they are maybe not, it's a very changing picture all the time. There might be twenty or thirty, one year in the one area and then the next year they've all moved on but that doesn't help society or help those people stay where they want to stay." (Third Sector, 3)

"in some cases on Mull, I think they fare well because in some cases they are able to generate an income which means that they can, they can get into the housing market either in the rental or the owner occupied. But there are quite a few who can't, who can't make that step because they can't earn sufficient income. So, I think it's a, it's a mixed picture. I think it is a, well I know it is a factor that a lot of young people do find it easier to earn a living and to buy homes on the mainland so I know that there is a changing demographic on the Island where the population is ageing as young people leave school and flee to the mainland where they can earn a living and buy a house." (Third Sector, 6)

The reasons given for why young people were constrained in the housing market correlated with previous themes. Firstly, the lack of financial means particularly for those who were in seasonal employment and on low pay meant that access to housing was difficult. One of the participants (Construction Industry, 1) considered the recession as compounding the difficulty obtaining finance due to more restrictive lending criteria by financial institutions. This also correlated with the literature on how the economic downturn has affected access to finance particularly for young people (McKee, 2012; Pennington et al, 2012). Secondly, participants identified that there was a lack of homes which would enable young people to enter the housing market referring to the lack of smaller and affordable homes. The notion of out-migration and

transitionary movement of young people was raised. Discussion on the movement of young people by (Third Sector, 3) highlighted that there could be an issue of capturing levels of demand and need by discussing this movement of young people on the Island. This draws upon earlier arguments of how an accurate level of housing demand could be measured.

While most of the participants referred to the situation on the Isle of Mull, it was acknowledged by a couple of participants that the difficulties experienced by young people in the housing market were not specific to the Isle of Mull but other rural areas also.

Many of the participants agreed that young people were particularly disadvantaged in the housing market. However, a few of the participants asserted that the difficulties accessing housing were not solely experienced by young people:

"Obviously young people are the people who have the most difficult problem you know it's not exclusive to young people but it's often young people and you know I've touched on that it's about affordability. The average earnings tend to be pretty low, often employment is seasonal or it's part-time and yet because of retirement migration, because of second housing ownership the housing market is to a certain extent is overheated and has remained overheated." (MSP, 1)

McKee (2015) also illustrated this view that while housing constraint is not solely experienced by young people, they do tend to be particularly disadvantaged in the housing market. As indicated, numerous factors made accessing housing more difficult due to lack of affordability. The combination of low paid and seasonal employment, housing supply and affordability issues and demand in the housing market had contributed to a restricted housing market which was inclined to be more restrictive for young people.

**Summary**

This section explored various aspects of the housing market on the Isle of Mull. The three broad themes presented were housing availability and affordability, housing and employment and the experience of young people in the housing market. There was an awareness that lack of choice was derived from a lack of availability of affordable housing, particularly in more remote areas. Second home ownership and competition from in-migration were identified as being a significant factor influencing the lack affordability and availability. In addition, the link between housing and employment was a predominant theme. Seasonal employment and low pay were discussed as impacting upon the ability to afford housing. Furthermore, location

of housing was considered as an important element of working in the rural environment. Another issue which was raised was that there could be a problem of hidden homelessness on the Island. This was an important finding as it highlighted that there could be more need for housing on the Island than estimated. Yet, one of the problems raised was the difficulty of capturing this form of homelessness. Furthermore, young people were identified as being particularly constrained in the housing market. This was mainly because of the inability to access housing because of financial constraints. This section exposed barriers in the housing market and demonstrated the complex nature of the housing market. The following section explores the challenges of developing in the rural environment.

**Problems of Development**

The first section of this chapter explored housing supply, demand and issues within the housing market on the Isle of Mull. This section explores the barriers to developing housing on the Island. The cost of developing in the rural environment, planning constraints, land ownership and value issues and characteristics of the rural environment were the four themes which emerged from the interview data.

The cost of developing in the rural environment

The financial cost of developing on the Isle of Mull was stated as being more than developing on the mainland. There were various explanations for the increased cost including physical characteristics of the rural environment and lack of infrastructure and services required for the development of housing.
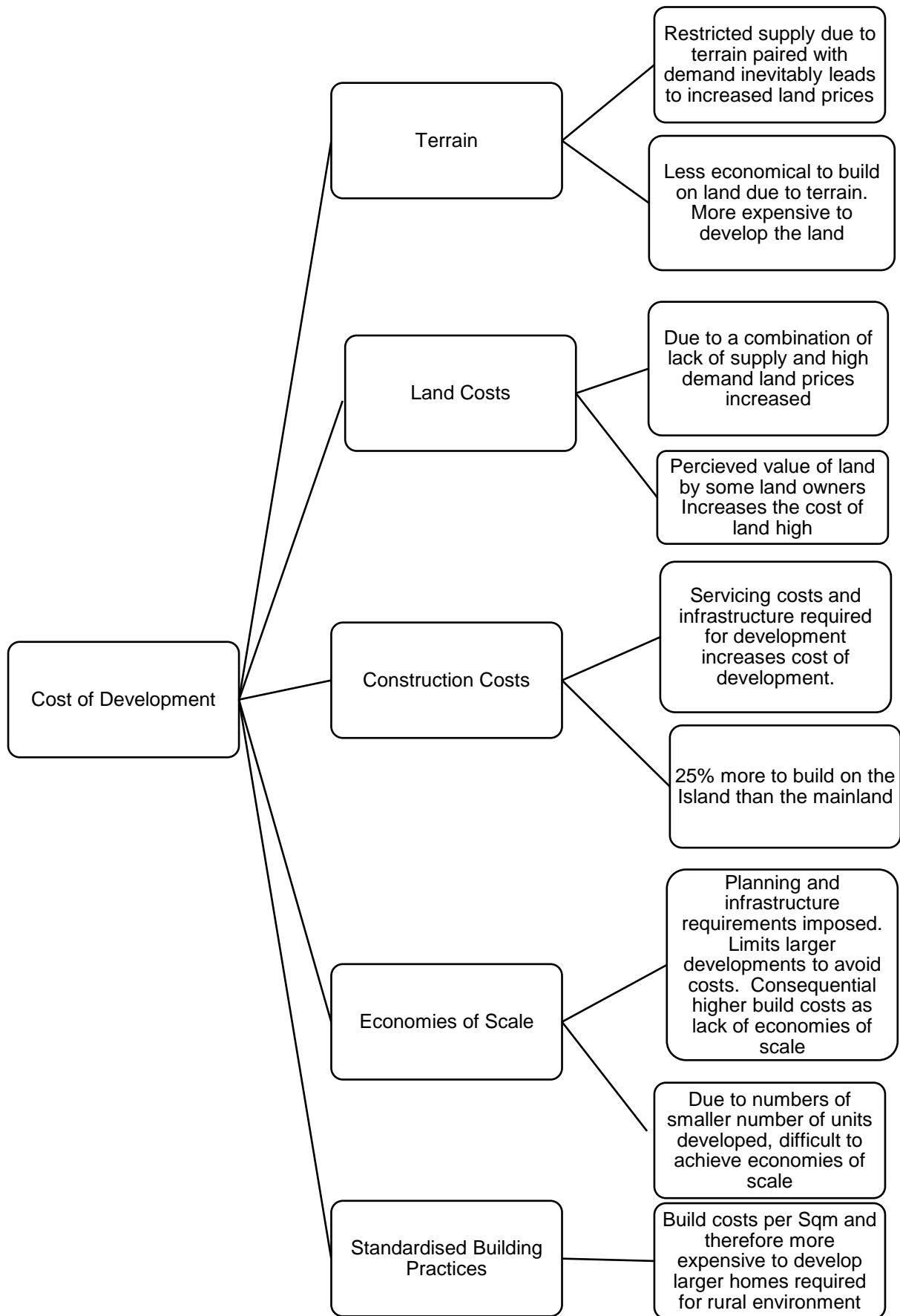
Figure 7.1.: Problems of Developing in the rural environment

Participants who were in the construction industry or were involved in housing projects within the third sector, discussed their experience of housing development on the Island:

"We've noticed that with the houses at Ulva Ferry, that our QS has calculated our construction costs to be up to 25% higher than the central belt. So, that's an issue that particularly if you're looking at our point of view as a community group trying to build houses is just how expensive it is to get goods to Mull then to get them to wherever you're going on Mull, single track roads and the rest of it." (Third Sector, 5)

"…I would say particularly the roads department their requirements add a huge amount of money to a lot of these projects and their adoptable road requirements kick in after five units and I think that they, that's a, adds a huge cost. Quite often the infrastructure of these projects is at least 50% of the entire project costs and okay that's not just roads that's street lighting, drainage, electricity supply etcetera. But it's a, it's obviously, that's one of the reasons that predicates the less than five unit developments because the developers are trying to stay away from the adopted road…" (Construction Industry, 1)

The experience of the participants revealed the additional financial burden of developing in the rural environment due to the nature of the landscape and associated restrictive access and the need for additional services and infrastructure. As indicated by one of the participants (Construction Industry, 1), the policy requirement of additional infrastructure for developments over a certain number of units had encouraged smaller developments to avoid the financial costs associated with implementation of additional infrastructure. However, this therefore would affect the economies of scale achievable and impact on the number of homes being developed, contributing to a restricted housing supply. Developing below thresholds to avoid policy implementation was also mentioned in relation to the affordable housing policy, which is discussed in more detail within the 'planning constraints' theme.

It was suggested that there needed to be more awareness from institutional actors of the costs of developing in rural areas as illustrated:

"I would say that there are two things that the Scottish Government aren't understanding at the moment. One of them is that the cost of building in a rural area and very often servicing, cost attached to Scottish water, Scottish and southern energy for supply of electricity and just general servicing costs like roads and infrastructure" (Construction Industry, 1).

"I would say everything costs a lot more, procurement costs are much higher than what they would be on the mainland and I don't think, people will, well I don't think organisations, a lot of funding bodies have taken that on board. They haven't quite realised the extent of the difference that's made by being on an Island and also the infrastructure, you know whether it be the added costs for private water supplies and water treatment systems. Or whether it be the sort of shortage of available connections to the present system. Certainly in Tobermory, I can't really speak for the south end of the Island because we haven't really worked a lot there but yeah all these things do create barriers." (Architect, 1)

As indicated, it was suggested that there was a lack of awareness of the costs associated with developing in the rural environment and the additional expenditure involved by the Scottish Government and funding organisations.

Scale of Development

The inability to develop on a large scale was referred to on a couple of occasions and has previously been discussed briefly in relation to the cost of development and the lack of economies of scale achievable. While the subject was not a prominent theme, it was important to present the views as they provided insight into the difficulties with developing on the Island and the challenges of the rural environment.

The difficulty of achieving large scale development was identified as an issue associated with Housing Associations. It was highlighted that building a small number of units was "not practical" for Housing Associations (NDPB, 1) and it took "too much time and effort to build too few houses" (Property Industry, 1).

One participant (Property Industry, 1) suggested that Housing Associations could build shell units which private occupiers could then develop inside and therefore a lower rent would be charged. This idea was reminiscent of self-build and therefore could have a positive reaction as people would be able to have a sense of developing a project of their own without the financial burdens associated with self-build. However, if the premises were rented there may not be the same attachment or longevity associated with home ownership. However, as an alternative concept this could be an option worth exploring.

Another issue which was raised was that urban areas could be favoured due to economies of scale and value for money:

"…two in Dervaig is 100% solution to our problem and the problem is the government is always looking to take on the numbers game and you get a lot more bangs for your buck in the central belt than you do out in the Islands" (Third Sector, 7)

As stated, the perception was that the lack of scale on the Island was a barrier in terms of funding and the value for money which could be achieved in the urban environment compared to the rural locales.

Planning Constraints

One of the institutional actors who were seen to have a significant role in the rural housing market were the planning authority. Most of the participants who referred to planning on the Island thought that planning was a considerable constraint in the rural housing market.

The preservation of the landscape over development was questioned and the principle of conserving the landscape over housing need was discussed. The restraint associated with land being conserved and imposed planning constraints was illustrated when one of the interviewees was discussing the issues of developing housing at Ulva Ferry:

"…the planning department is a huge constraint, especially at Ulva Ferry, it was very hard to get planning when we were looking at affordable housing at Ulva Ferry, this has been going on for a few years now, we had support from WHHA right from the beginning and we were looking at various different plots where we could build and the planners came to do a site analysis like three, four years ago and really the plot we are building on was one of the only ones we said we could build on because it is a National Scenic area" (Third Sector, 5).

Planning restrictions enforced to protect the landscape restricted the amount of available land which could be developed. There was a fine balance between delivering housing and protecting the environment and while the importance of providing housing was important, conserving the landscape was also a vital measure. The Island was reliant on the tourism industry and if there was more of a laissez fare approach to planning, other issues could arise where developments could affect the scenic landscape and could provide more tensions amongst residents living in surrounding areas. In relation to the Ulva Ferry project, one of the participants (Third Sector, 5), explained that the planning authority were particular about where the development was situated and there was reluctance for leniency for fear of setting a precedent for future developments:

"…they didn't want to build on the other side of the school because that might set a precedent for ribbon development down that road towards Ulva ferry but we've got an electricity pylon on our site that we've got to move, so we thought could move it to the other side of the school to save that cost but the planners did not want to do that because of the precedent they were going to set to building more houses…" (Third Sector, 5).

As indicated in this quote, the planning authority were keen to avoid allowing developments which could snowball into future developments and be used as an example for future schemes. This notion of time taken going back and forth with planning was discussed by another interviewee (Third Sector, 2) who explained their frustration of negotiating with planning and the process in relation to another project on the Island. While planning constraints provided a way of controlling development, the data highlighted the extensive costs which were incurred entering into the process to obtain planning consent.

A couple of participants sympathised with the physical and environmental constraints associated with the Island environment and acknowledged the opportunities including areas which were designated areas of potential development:

"The planning outlook is quite permissive in principle, I think the council calls it 'areas of opportunity' or something and it has areas of, a fairly limited number of places you can't build at all so I suspect that planning isn't the biggest issue restricting supply." (Academic, 1)

A local planner (Planner, 1) explained how, the planning department had been proactive about identifying sites for development describing the West Coast of Mull as an example where they had worked taken such an approach. However, the majority of participants who mentioned the planning process and authority described the system in terms of restricting development.

It was suggested by one of the participants that assigning more land for development would result in a reduction of land values:

"That brings me back to the planning system because by allocating more land for, that's suitable for housing in the planning system em then we reduce the cost of building land. You know it's an elastic, what the economists would call an elastic commodity if there is a shortage of apples, the price of apples goes up, if there's a shortage of land, the price of land goes up. So, what we've got is a shortage that's been artificially imposed by the planning system." (MSP, 1)

If more land was made available, this would not automatically make land available for development as land ownership issues could still be an issue. While more developable land

could impact on the value of land as increased supply could reduce demand and expectations of land value, there would still also be problems in terms of the amount of land to develop or economically viable land developable due to the typography.  One participant highlighted the latter issue:

"Mull, partly because of terrain does affect bits of the Island that wouldn't be economic to build a house on" (Academic, 1)

While restrictions were enforced through planning conditions, this was not the only factor affecting land value.  Land ownership and the feasibility of developing land also influenced the value of land on the Island.

Affordable Housing Policy

The policy for affordable housing was discussed as impacting upon the number of affordable housing units built on the Island.  Similar to the infrastructure requirements, two of the participants in the construction industry explained how it was uneconomical incorporating the affordable housing allocation because of the scale of development:

"Not, the planning permission, that makes you put affordable housing in.  Cause that just puts people off building […]  It divides up sites and it actually makes it far more expensive because whereas before you might do say for instance If you were to do five properties, to keep under, any more than five, you've got to put in double track roads, all stuff like that, so, if you say oh well just keep it at five then suddenly within five you've got to provide one affordable house so you go down to four I think and you're clear of it, so why would you bother, you'd just go down to four.  For those four houses become more expensive, it has a damaging effect on a place like this.  Not in the cities but in this place it has a seriously damaging effect…And they don't realise this.  People will, developers will work under the rules and we don't have a big development here" (Property Developer, 1)

"obviously planning does tend to put 25% affordability on most planning consents over seven units which in the theory is fine the problem is in a place like Mull, a) a lot of multiple planning applications are five or less so that the 25% affordable doesn't kick in.  I think anything that is bigger than seven is maybe has an affordable allocation say two units but it's very inefficient to build two units and multiples to provide affordable housing you'd need to build multiples of I would say a minimum of ten or twelve units because there's significant economies of scale achievable and ideally I know this can create some issues but ideally you would like to be

building thirty, forty, fifty in one go. The problem with that is that there can be social issues arise from that as well and particularly if some of the houses are lying empty then people are brought in from elsewhere that don't understand the culture of the place and I think Skye in particular has fallen foul of that in the past." (Construction Industry, 1)

The requirements of affordable housing had impacted on the size of developments, with interviewees from the construction industry advising that often the size of developments were based on developing below the threshold for including affordable housing and additional infrastructure. This highlighted that planning policy could be hindering development. While the affordable housing policy could be seen to help integrate affordable housing into the Island housing market, if more houses were developed without the policy, house prices could decrease with the increase of supply and therefore reduction of demand. Furthermore, the increased size of developments would help the construction industry achieve better economies of scale which could encourage more developers to consider development in rural areas. However, other factors such as land typography, number of units and cost of developing in a rural area would also need to be considered.

Research was conducted with small to medium enterprise's in the building industry in Scotland (Guy, 2016). Within the report, the obstacles to small developers building homes for the previous three years and following five years were identified (figure 2.15). The obstacles identified correlated with the themes cited in the interviews particularly financial, infrastructure (section 75), utilities and planning barriers.

Land Ownership and Value issues

The value of land on the Isle of Mull was a contentious issue amongst participants and was mentioned by many participants as impacting upon housing development. One participant advised that house prices were distorted by the cost of land (NDPB, 2). One of the key issues which was raised was the cost of land:

"…land values on Mull and other parts of the Highlands and Islands are still far too high and the further problem that creates is that when you buy a house you end up spending an undue proportion of your overall funds on the land and not enough on the fabric of the building…" (MSP, 1)

The cost of land was also raised as being restrictive by some of the participants from the interviews with young people (Kate, Nicola, Rachel, Emma), particularly in the context of self-build. One participant in the property industry advised that land was not appropriately priced for the current market and that plots reflected a market when lending was not as restricted, and land was bought for more than expected (Property Industry, 1).

There were differing views regarding the influence of land owners in the rural housing market amongst interviewees. One view from the data was that some landowners had unrealistic expectations of land values and were opportunistic:

"… Land owners, yeah there's no doubt that where at the moment an affordable housing plot, affordable housing site is generally in the £10,000-£20,000 a unit bracket, land owners are certainly looking for more than that" (Construction Industry, 1)

This quote illustrated the perception of some of the interviewees in terms of the value expected from the land. Another perspective was that the intentions of land owners varied greatly and that there were land owners who had a positive influence. The data revealed that some of the participants thought that land owners were cooperative and had a positive contribution to the rural housing market but one of the issues revealed that lack of finance often acted as a barrier to development. One participant (Property Industry, 1) thought that there were situations where landowners were "land rich and cash poor". Another interviewee (Estate Owner, 1) thought that more incentives for landowners to help convert dilapidated buildings into housing for the private rented sector or self-catering market could encourage more landowners to provide housing.

Characteristics of the rural environment

One of themes which transpired from the data was that there were cultural issues associated with the rural and specifically Island environment. There was an attitude of self-sufficiency and independence and a strong sense of community empowerment.

The strength of community and their role in housing development in the rural environment was described by participants. The following illustration described the culture of self-containment on the Island.

"…I mean being on an island you expect to be able to do everything yourself….. It's a different mind-set, attitude, I mean there are no contractors here. Nobody coming in to do our work for us or you know we even have to do some of our veterinary work and so we have to do, and it's

the same with the housing sort of thing, well we've got to do it ourselves." (Business Owner, 1)

This portrayal of independence of people on the Island was also evident through the desire to self-build. Self-build was also considered an appropriate and characteristic form of housing development in the rural/ island environment:

"what I was saying to you the difficulty of funding self-build because typically on the islands that's the way people build. They don't buy, build houses, they buy the plot and then they employ contractors to build so when I say self-build I don't actually mean that they sit with the bricks and mortar themselves but self-organised build. And it's very, very difficult to get funding for that." (Third Sector, 7)

"…I mean that's more often what happens in small islands because people build their own houses they don't necessarily buy stuff off the shelf there's just not a lot to buy so maybe more on Mull than other places but even on Mull not an awful lot." (Third Sector, 4)

This view was reflected by other participants. While this form of building was encouraged by participants, land values and funding were identified as hindering this type of housing supply.

The local community was seen to be a driving force on the Island. The rural environment fostered a self-reliance and community empowerment. The community were identified as having power on the Isle of Mull and there could be an opportunity in the housing market for more community housing development.

Community land ownership was discussed by a few participants as a possible way of developing housing. An example of the community influence and this form of development was evidenced through the Ulva Ferry project:

"I don't know the local community has quite a lot of power in a place like this as well, with the Ulva Ferry housing, that's a community built project but there is quite a strong community on the Island because of its size and because it takes, it takes an effort to live here and people care about being here and so I think there's quite a lot of potential for community groups to be more active." (Architect, 1)

While community groups were discussed as a possible option for driving developments, one participant highlighted the constraints of community developments:

"I think the Scottish Land Fund, making community groups or whatever able to purchase land is a huge thing. The Land Fund are also funding my post for two years and I think what my boss […] will say is that when you've got someone who's working three days a week that's on that project, it's more effective than when you've got just community members trying to fit things in, somewhere like Iona where they've got a really busy season it's then quite hard to focus your attention on one thing..." (Third Sector, 5)

This participant (Third Sector, 5) highlighted a fundamental issue of community groups leading development. Without a central figure leading the project this could result in increased time of development.

One participant expressed the need for housing development to consider rural lifestyle in the design of housing:

"I think though rural housing is very different from, well my sort of feeling is that rural housing is very different from housing elsewhere in its requirements and that you know I sort of I think it needs to be that little bit larger and that little bit more accommodating cause you know everything is priced per Square meter but really if you live in the middle of nowhere you need somewhere to store goods and sometimes it's nice to have extended family and friends be able to visit you to combat that isolation so yeah. A spare room or somewhere where your friends can stay the night or your where your family can come visit you, help about with childcare and stuff like that." (Architect, 1)

The social aspect of living in a remote environment was depicted and the need to consider the lifestyle of housing in rural design. However, as explained, the cost associated with the size of development was a conflicting factor with social costs of living in the rural environment.

Summary

This section has explored the barriers of developing housing on the Isle of Mull. The findings indicated that there were many different factors which influenced the development of housing. Figure 7.1 summarises some of the issues which were raised as impacting upon development. The findings highlighted that development was constrained by the physical environment and the institutional environment. The physical environment impacted upon the amount of land which would be viable to develop and location influenced the increased cost of development. Institutional actors were also seen to have a significant role in development including land owners, planners, the community. While other actors were mentioned as having an influence

in the housing market in the interview data, the institutional actors mentioned within this section were identified as having a significant role within housing development. The findings highlighted that each institutional actor was constrained within their own environment and driven by their objectives and this often imposed constraints on other actors. The following section explores what the participants considered to be options for alleviating barriers within the housing market.

**What can be done to alleviate issues in the housing market?**

The purpose of the chapter so far has been to explore the features of the rural housing market and problems of development, with a particular focus on the Isle of Mull. The objective of this section is to present the findings of how the problems raised in relation to the development and access to housing issues could be addressed.

Many opinions were given in relation to how to overcome barriers and issues in the housing market as explored in section one and two of this chapter. Three themes emerged including the need for more funding, the need to build more housing and ways of addressing land ownership and value problems. It should be noted that while previous sections have focused on the difficulties associated with the rural environment, possible ways of overcoming the identified issues were also offered throughout this chapter.

The need to build more housing was raised by participants with one participant stating "build and they will come" (NDPB, 2). As depicted in the first section of this chapter, participants identified the need for more affordable housing. One participant discussed the possible consequential effects of building more housing:

"Building more houses, however, you need to do that sustainably and I think that's part of the problem. I think Ulva Ferry is a good example, we are building two community owned houses and I think not only will that go some way to alleviate the housing shortage in that part of Mull but it's all the knock-on effects. Then, there's going to be more children at the local school which has been tipping on very low pupil numbers for so many years that it was threatened with closure so that's good for the community it might, the people that might live in these houses might work locally, they might create employment locally and also I think gives the community more confidence that there's a permanence here…" (Third Sector, 5)

Referring to the Ulva Ferry project, it was discussed how the development of housing could in turn result in more employment opportunities and more sustainable educational facilities. This

coincided with the theme of housing and employment and how housing could encourage employment opportunities. In contrast, another participant stated that jobs were required as there was "no point just building housing" (Academic, 2). This reinforced the discussion earlier in the chapter of the relationship between housing and employment. The findings resonated with a 'chicken or egg' scenario in which it could be asked which comes first housing or employment opportunities? However, more affordable housing options for those dependent on local incomes could help to ease pressure within the housing market. As described earlier in the chapter, one of the concerns from employers was that employees struggled with finding accommodation especially in the tourist season. More affordable housing options specifically for this purpose could alleviate this constraint.

In theory, building more housing could alleviate housing shortages and help with affordability. However, as identified there were many issues which interplayed such as the problems associated with development of housing such as land ownership, funding and planning constraints. Furthermore, one participant raised caution of developing too much housing advising a "Need to be cautious of demand" (Housing Association, 2)

One of the most common constraints associated with the supply of housing was the lack of available capital. Participants thought that more funding could assist and encourage various institutional actors to supply housing. Furthermore, one of the issues raised was the need for more financial support and encouragement for landlords to provide housing. One of the constraints highlighted by participants was the lack of available finance for landlords to supply housing:

"Encouragement for land owners to be able to bring either derelict houses or houses that are used for self-catering purposes into the rental market so there's some kind of incentive to move away from purely a tourism based houses of which Mull has a huge supply and probably an oversupply of in the self-catering market at the moment, so we took two of our self-catering properties out and put them back to long term lets we have about nine long term and eight self-catering and we might do another one but we have properties that could be converted into long term, derelict, old barns that kind of thing which could potentially provide housing if there was some assistance to do so" (Estate owner, 1).

"this was something discussed at the Rural Housing conference on Friday was the lack of support for individuals or estates or businesses to build affordable housing because they sometimes have the capital to do that but they don't have access to any of the grants or funding

or anything and sometimes they are seen in a bad light because they are in the private sector but I think there needs to be more engagement" (Third Sector, 5)

It was acknowledged that there was a willingness of landlords to provide affordable housing but funding was a constraint (Private sector organisation, 1). As highlighted by one of the participants (Third Sector, 5), there was sometimes a negative outlook towards landlords, estates and businesses but the lack of finance was one of the influencing factors of their actions. As discussed by another participant (Estate Owner, 1), there was the opportunity to develop more housing yet a lack of capital hindered the ability to do so. The matter of incentivising landlords was identified as a means of encouraging development by participants. As highlighted by one of the interviewees (Estate Owner, 1), rather than just incentivising for the supply of housing, there needed to be more inducement to supply housing to the private rented sector instead of catering to the tourist industry. In section one of this chapter, there was an exploration of how second home ownership impacted upon the availability and the affordability of housing on the Isle of Mull. One of the issues which was raised was the pursuit of wealth maximisation in which property owners sought to supply to the tourist market over the private rented sector due to the financial gains.

A couple of participants highlighted the efforts of the council to reinvest money obtained through second home ownership council tax:

"Argyll & Bute's council has set aside money from second homes and empty properties, the greater council tax from that so it's kind of ring fenced for new housing supply which I know has meant that there's, I can't remember how many houses but I know there's some houses being built on Iona and some of the money has gone to that." (Academic, 1)

"they could maybe do more but I mean they've done quite a lot in terms of recycling some of that second home council tax money, some of the money that's coming in through the fact that there is pressure on the market through second homes is now coming back to help fund you know, so there's we're actually, I'd like to see council tax on second homes doubled and that money and get more money for that but that's not just a local government decision, that's also a Scottish Government consideration" (Third Sector, 4)

The reinvestment of money from second home ownership council tax was seen to benefit the Island, one of the participants (Third Sector, 4), thought that the financial burden could be increased for those in possession of second homes. Although the negative effects of second home ownership on the housing market were presented, the positive aspects were also

discussed such as the economic and employment opportunities of the tourism industry. One of the interviewees (NDPB, 1) captured the argument of needing to find a balance between the economic value which second home ownership contributed and the amount of second home ownership.

The views highlighted two significant issues. Firstly, that there could be an opportunity for land owners and estates to have more of a prominent role in the delivery of affordable housing within rural areas if there was funding to facilitate the development of housing. Secondly, the views also emphasised the need to make long term renting in the private sector more attractive to property and land owners than seasonal lets.

One of the issues which was raised by two of the participants was how tax was viewed as a deterrent of redevelopment and refurbishment of property:

"I'd like to see encouragement for maybe the conversion of farm buildings, places, there's been lots of under-utilised, well they may be used as dog kennels or stores for farm machinery and so on but to create rural flats if there was some assistance to do so whether that be with VAT or something like that or even something more so than that to help with the construction costs. The problem with construction costs on a long let property is that you're not able to reclaim the VAT element on it. So that's a significant cost to the project when that and that pressures people if they are going to develop, to turn it into self-catering where they can reclaim VAT also get higher rental return on their investment and whilst that's always there not many people are going to make the choice to go down the long let unless they've got you know looking at the long game." (Estate owner, 1).

"I think a big thing, what is a UK wide problem is VAT on refurbishment I think that causes a lot of difficulties and is completely unsustainable. If anything, that should be zero rated to encourage people to invest money in existing housing stock." (Architect, 1)

Both participants highlighted how tax relief could help with the costs involved with redevelopment and could act as an incentive for those who had the material resources and capacity to contribute to the supply of housing on the Island.

As described in the previous section on problems of development, there was an awareness of the differences between the urban and rural housing market. It was mentioned during the interview that certain initiatives such as mid-market rent were either not feasible or practicable

in the rural environment.  One interviewee (Third Sector, 4), emphasised the need for more initiatives and funding which were more suitable for the rural environment:

"The RHOG's yes they were very good. I mean housing associations, just housing associations housing can be effective.  I think the rural housing development fund that Argyll council have done has been a good idea and also the rural homes for rent grant which was given to land owners, community and others, land owners and communities were effective so you know I think all these kind of initiatives which are tailored to the needs of small rural communities are the ones which have been successful.  The ones that are not successful are the ones that don't really take that into account, a lot of government grants are designed to meet housing need or housing requirements of Edinburgh and Glasgow or Dundee not really designed for rural, rural housing and I think we need to get beyond that, we need to move towards thinking about how, how things fit with our rural communities. Because open shared equity doesn't fit island communities, it just doesn't work.  But that's the main route for home ownership now." (Third Sector, 4)

One of the schemes which was mentioned as being effective was the Rural Homeownership grants.  As discussed (Third Sector, 4), there needed to be more understanding of the rural environment compared to the urban environment.

Another issue which was mentioned in relation to capital was the need for more funding at the beginning of projects due to the financial burden at the outset of developments.  This was identified as a difficulty, particularly for community schemes.

While many of the participants agreed that capital was one of the prevailing constraints on the development of housing, one of the participants highlighted the constraints of the supply of funding:

"my experience as a politician is people want things to stay pretty much the same but they just want more money from Government or you know and government has to look at the big picture and say well if I give you more money I have to take it away from somewhere else and so I think it is a wee bit naïve sometimes…I think what we have to do is be less naïve about it and take a more holistic approach and help government by providing better informed viewpoints." (MSP, 1)

As identified, the government had to make decisions on allocation of funds and as such were constrained in their choices due to budgets and competing needs.

A common theme throughout the interviews with the institutional actors was the cost of land and the perception of the value of land and as noted, the cost of land was also identified as being a constraint in the interviews with young people on the Island particularly in relation to self-build. Two academics discussed how to address issues associated with land value and land ownership. With regards to the value of land, one of the participants referred to the work of Tom Moore, suggesting that the cost of land be valued separately from the cost of housing (Academic, 2). Approaching the valuation of land differently could help to change perspectives of land value. However, it would likely take time to change perceptions of land value because of precedent land values achieved. Secondly, as identified earlier in the chapter by one of the participants (Architect, 1) it was implied that owners may require to achieve a certain value for their property due to financial reasons which is why they may be on the market for periods of time. While the participant (Architect, 1) was referring to homeownership, it could be the same scenario for land owners. Another indication that this could be the case was when another participant (Property Industry, 1) explained that there were situations where land owners were "land rich and cash poor".

In terms of land ownership, one academic (Academic, 1), discussed the application of compulsory purchase orders where ownership constrained the prospect of development:

"Then land ownership constraints, well, the land reform legislation that we are likely get is so wishy washy that well get so little to encourage new supply, I think you need to be more radical on land reform and […] and others have written in support of compulsory sale orders, have written in favour of making it easier for public authorities to assemble land and to get, to get over the problems of owners who won't sell come hell or high water." (Academic, 1)

The ability to compulsory purchase land could help to aid development in that it could unlock land which was seen to impede good use of the land and future development opportunities.

One estate owner (Estate Owner, 1) explained how they sold two plots and gifted a third plot but built a right of pre-emption into the sale of their land to prevent land being sold on for a more profitable value:

"...We built in a right of pre-emption for a period of fifteen years so if there were these houses were sold within the fifteen-year period, the original value of the land would be paid for back out the sale of the house. But after fifteen years we've felt they've invested enough time in the house then if they're sold in the year sixteen then they'll get the full value back so they'll keep

the full value of the house sale. So that allows someone to get onto the housing ladder but making sure they won't just do it for profit" (Estate owner, 1).

The inclusion of a legal agreement to protect individuals from benefiting financially from the goodwill of land owners could help more people get on the housing market. Furthermore, as discussed in section two, self-build was referred to as a preferable method of supply in the rural environment yet the cost of the land was one of the factors influencing this type of housing construction. This notion of having land available at a more affordable cost could help more people access land and self-build. However, it should be noted that cost of development and access to finance to build could still be a barrier to development.

This section has explored the participants' views of how to address the issues within the housing market and the problems of developing in the rural environment which were identified in section one and two. As mentioned at the start of this section, possible ways of addressing problems were also evident throughout the chapter.

Building more housing, increasing the availability of funding and addressing issues of land value and ownership were all explored as ways to ease the housing market. The findings highlighted that there were many barriers and challenges in the housing market and many interconnected problems. While finding solutions to certain issues could go some way to ease the constrained housing market, there were many other issues which all compounded to constrain choice. What was gathered was there needed to be long- term and sustainable ways of overcoming the issues identified.

## Conclusion

The data analysed from the interviews have provided an insight into the housing market on the Isle of Mull, including housing demand and supply issues. The interviews produced primary data which enabled an understanding of the housing market on the Isle of Mull from the perspective of institutional actors. The data revealed that there were many interconnected issues within the housing market and many institutional actors involved in the housing market on Mull. The general view was that the housing market was constrained and there was a lack of availability of affordable housing particularly for young people.

There were various explanations given for the constrained rural housing environment. These included physical, social, financial and institutional constraints. Contributing factors included the amount of second home ownership and the pursuit of supplying housing for the tourism

industry, landownership issues and the perception of land value, the cost of development in rural areas, planning constraints hindering development and restricting supply of land, lack of social housing as a result of the RTB legislation and a skewed number of people who were homeless on the Island distorting the number of homes required. Many of these issues were interconnected and as such resolving one issue may go some way in easing the problems of housing development in rural areas but not necessarily solve the overall problems. For example, if planning was relaxed and more land available to develop, there would still be issues over developing the land because of typography issues, land ownership problems, the cost of development being significant, having the available finance to develop housing and community perceptions of development.

Financial costs were identified as being more significant in the development of housing on the Isle of Mull but other costs were evident also. Search, time and administrative costs were shown to be substantial. The Ulva Ferry project exemplified these costs. Costs were involved identifying appropriate land for development with negotiations between landowners and planners. Time was involved applying for grants and financial assistance.

The interview data revealed the number of actors involved in the rural housing market was substantial and that sometimes actors had similar but also differing objectives. One institutional actor that played an important role in the housing market on Mull was the community. The data revealed that people were pro-active in the community and there was an independence amongst members of the community to resolve housing issues amongst themselves.

One of the findings of the data was that there was a lack of consensus of the definition of affordable housing. There were numerous varying definitions between institutional actors and often uncertainty. The term was used frequently amongst participants but when prompted for a definition there was often ambiguity as to the definition and there was a range of definitions given.

The interview data highlighted that there could be a significant level of hidden homelessness on the Island because of people not realising they would be classed as homeless and a perception that housing was unavailable on the Island and therefore not putting themselves forward as in need. One of the issues discussed was how to identify the level of need which could influence future development decisions.

The relationship between housing and employment was particularly stark. The interview data identified that the availability of housing for employees was a significant issue and in particular affordable housing for employees was in limited supply which was required for those on low and seasonal incomes. Two factors which came from both data arose. Firstly, more affordable housing was required especially for those in local employment both for employees but also for employers. Secondly, if there was higher paid employment opportunities on the Island, this could encourage people to the Island to work but also could help with affordability of housing. The issue arose regarding the importance of housing and employment and the question of whether employment opportunities should come before housing or vice versa.

The overall, view was that housing on the Island was constrained and there was a need for more affordable homes particularly for young people. The data explored many reasons for the constrained environment which resonated with the findings from the interviews and questionnaires with young people on the Isle of Mull, the literature and case study data. The following chapter evaluates the literature, case study data and empirical data and critically analyses the findings from each form of data collection.

**Chapter 8. Is Institutional Innovation achievable in a remote rural housing market?**

**Introduction**

The primary aim of this research was to understand whether and how institutional innovation could alleviate barriers in the housing market particularly for young people. The purpose of this chapter is to examine and triangulate the literature and empirical findings and to explore the extent to which institutional innovation could be achieved. Earlier chapters analysed the secondary and primary research on the experience of young people in rural housing markets and the structure of the housing market, referring to the influence of institutional actors. To understand whether institutional innovation is achievable in rural housing markets, this chapter seeks to consider the research questions which were identified following the review of the literature (chapter 2). To reaffirm, the three research questions for this study were as follows:

1. To what extent does the concept of the housing pathways help in understanding the housing experiences of young people in a remote rural environment?

2. To what extent does a NIE framework help in understanding housing opportunities and constraints in a remote rural environment?

3. How does using the frameworks of the housing pathways approach and NIE help in understanding the scope for institutional innovation in resolving housing market constraints for young people in a remote rural environment?

This chapter explores these research questions, utilising and critically analysing the data collected during the period of this study. The chapter concludes by exploring whether and how institutional innovation could alleviate constraint in the housing market to ease constraint experienced by young people on the Isle of Mull. While the chapter focuses on the Isle of Mull as the case study for this research, the chapter also draws upon the broader research on rural housing markets.

1. **To what extent does the concept of the housing pathways help in understanding the housing experiences of young people in a remote rural environment?**

The review of the literature on young people and rural housing market's combined with empirical data from the questionnaires with school pupils and semi-structured interviews with young people provided rich insight into the aspirations and housing experiences of young people in rural areas. The Isle of Mull was chosen as an example of a remote rural area in which the housing experiences of young people could be empirically examined. Chapter 3 and 5 of the thesis examined the housing pathways approach (Clapham, 2002, 2005) as a mechanism for exploring the individual experiences of young people in the housing market and was adopted as a framework of analysis for this study. The purpose of this section is to evaluate the extent to which the housing pathways approach helps to elucidate the experience of young people in a remote rural environment.

Clapham (2005) used the term 'early pathways' to describe the housing pathways of young people in their early transitions of housing and it was the intention of this research to understand the aspirations of young people in the housing market and how choice was influenced by the structure of the housing market.

The interviews with young people on the Isle of Mull as well as the institutional actor's perspective of young people on the Island provided insight into the experiences of young people living in a remote rural environment. This empirical data could then be correlated with the literature, reviewed in chapter 2, to understand whether the themes identified were consistent with the themes that emerged from the literature. As young people were not a homogenous group (Rugg, 2010; Rugg et al, 2015, Heath, 2008), the vignettes of the interviewees in chapter 6 provided a means of exploring the individual housing pathways of young people on the Island. Organising the data in this way helped to convey that young people's experience's in the housing market were varied yet there were also themes that emerged across the data (discussed in chapter 5).

The review of the literature in chapter 2 identified that the choices of young people tended to be constrained in rural housing markets as a result of demand and supply pressures in the housing market and lack of affordability of housing. The pressures on housing were driven by demand from in-migration combined with limited housing supply derived from institutional constraints which impacted on the affordability and access to the housing market. The themes that emerged from the literature were that there was a lack of choice in the rural housing market,

employment and education were drivers of out-migration of young people and employment was an integral part of housing affordability.

The housing pathways approach was able to capture the reasons for housing constraint and how choice was influenced by the motivations/ aspirations of individuals as well as the structure of the housing market. Lack of affordable housing was highlighted as a reason for out-migration (Crow, 2010) although, it was recognised that out-migration was not necessarily a determinant of the housing market but instead could be the influence of social and cultural influences. This was evident in the context of rural out-migration in which it was identified that young people had various stimuli for migrating such as for independence, for employment opportunities and educational reasons (Crow, 2010). HIE (2015) found that the provision of advanced educational facilities in the local area, would not automatically mean young people would stay in the locality. Similarly, Jones (2001) highlight how the supply of affordable housing would unlikely prevent out-migration except if there were also improved "training, transport and employment opportunities" (Jones, 2001: 61).

While the reasons to migrate from rural areas may not be solely influenced by housing alone, it could also be acknowledged that structural constraints of the rural environment limit the ability to achieve these social wants. For example, more housing in the rural environment and the ability to access this housing could help to achieve independence for young people who remain (Jones, 2001).

The data from the questionnaire (figure 6.1) highlighted that for many of the young people who lived on the Island, the primary reasons for migrating the Island were to pursue higher education and a secondary factor was for employment reasons. While this was a small sample, the high out-migration of young people from the Isle of Mull corresponded with the research conducted by HIE (2015) on the aspirations of young people in the Highlands and Islands which was based on a larger sample. This empirical data correlated with Stockdale's (2002$_2$) identification that the primary reason for out-migration tended to be primarily for education followed by employment.

The research highlighted challenges for young people accessing the housing market in all tenures including the private rented sector, social housing and ownership. The problem with the private rented sector, particularly in rural areas, was the influence of the tourism industry and the seasonality of this tenure affecting the affordability of properties, especially at peak seasons (Heath, 2008) and the availability of properties (see Scottish Government, 2009). This

challenge was also noted in the interviews by both sets of participants. However, there was also acknowledgment that tourism and associated income was also important for the Island's economy. On the Isle of Mull, the problem with the private sector was the lack of security of tenure and also the cost associated with renting. For two of the participants in the private rented sector, the security of tenure was raised as an issue (Emma and Nicola). As noted earlier in the thesis, The Private Housing (Tenancies) Scotland Act 2016 was introduced offering greater rights and security for both tenants and landlords (Scottish Government, no date[5]).

The RTB legislation depleted nearly half a million of social housing stock in Scotland since the introduction of the policy (Scottish Government, 2006). The legislation further exhausted insufficient levels of social housing in rural areas (Fitzpatrick et al, 2000). Figures showing the amount of housing sold on the Isle of Mull between 1980 and 2012 through the RTB (figure 4.20) highlighted the volume of housing that was sold under the legislation as being significant. Another challenge in the rural housing market was access to this tenure. There was evidence of this stock being replenished on the Island (see Argyll & Bute, 2013[2]). One of the issues raised in the interviews was that the stock tended to be clustered in larger settlements rather than more remote areas on the Island and the figures on the amount of housing association stock on the Island (figure 4.18) correlated with this anecdotal evidence. Another issue identified in the literature regarding this tenure was that access to social housing was particularly difficult for young people due to the criteria required to gain access to this type of housing (Gallent et al, 2001; McKee, 2012; Clapham, 2010; ECOTEC, 2009).

Home ownership remains the most desired tenure amongst young people (Clapham, 2005) and this was evident in the interviews where most of the participants aspired to home ownership. The problem with this tenure was the difficulty accessing affordable housing due to competition from in-migration. Figure 4.15 identified that home ownership was the largest tenure on the island (and Iona) (65%) with the remaining tenures (second homes, private rented and social rented housing marking) contributing to just over a third of the housing stock.

In-migration and the subsequent demand for housing combined with restricted housing provision and lack of ability to compete financially were identified as factors contributing to a lack of affordable housing for people in the rural housing markets (Satsangi et al, 2009; Bramley et al, 1995). Young people were identified as being particularly vulnerable in such housing market circumstances (Burrows et al, 1998).

Particularly in remote rural areas, high demand of second home ownership access was particularly challenging for local people (Scottish Government, 2012; Scottish Government, 2009 cited in Scottish Government, 2015). However, competition in the housing market was not solely driven by in-migrants as owner-occupiers living in the local housing market would have an advantage of an "equity base" (Gallent et al, 2000: 53). The effect of in-migration was noted by young people as impacting on the availability of properties and housing affordability in the interviews.

In terms of the perception of the housing market, specific language used by participants revealed that there could be a view of a lack of agency. For example, participants referred to being 'lucky' to access housing indicating a view of a lack of choice and agency in the rural housing market.

It was recognised that a crux of the housing problem was that employment opportunities in rural areas tended to be low-paid and low-skilled employment impeding the ability to compete in the housing market (Shucksmith, 1981 cited in Gallent, 2009; Burrows et al, 1998). Clapham (2005) advised that "housing was not consumed in isolation from other aspects of life… a housing pathway will run alongside and be closely associated with other with other types of pathway such as employment" (Clapham, 2005:30). Employment and the correlation with access to affordable housing was a particularly strong theme that emerged from the research. This was exemplified by the dialogue from one of the participants (Lauren) who described her difficulties accessing housing when she moved jobs on the Island and became homeless. The difficulties between salary and also the affordability of housing were also illustrated by one of the research participant's (Third Sector, 7):

"…people here have got three jobs in the summer and one in winter just to keep their heads above water…anything that's seemingly above minimum pay is well paid on the Island and that's the issue we've got to bear in mind, it's a different economy" (Third Sector, 7).

"It's not fair to say that mid-market rent is affordable here… It might be in the central belt, but we have to understand that economies and the market are different here." (Third Sector, 7)

As both the literature and views of participant's highlighted, affordability of housing was particularly influenced by employment. Although, it was also noted that housing on the Island impacted on businesses as employees had challenges accessing housing (Construction Industry, 1; Estate owner 1).

The differentiation between the housing pathways approach compared to the housing career approach was that the pathways approach includes "social meanings and relationships associated with this consumption in the different locales" (Clapham, 2005: 28). The inclusion of social meanings and relationships helped to show the influences of housing choice and how choice was derived from constraint. Clapham argues that even in constrained markets, people have agency to influence their housing pathways. To an extent, the research would concur with this. Young people have the opportunity to migrate to other housing market's. However, if they want to stay in a constrained rural environment then choices can be limited. The need for young people in rural areas to help sustain rural populations and rural communities was raised as an issue in the literature (Hall Aitken, 2007) and with participant's in the interviews. In the interviews young people and institutional actors discussed the need for young people to sustain rural communities. Therefore, while young people can exercise agency to migrate, this could impact on the sustainability of rural communities.

As discussed, the questionnaire with young people on the Island and wider literature found that young people tended to migrate for various reasons, primarily for education and employment (Stockdale, 2006). However, it was also analysed that young people may desire to return at later stages of their adult life (Kuhmonen et al, 2016; HIE, 2015). This was evident in the interviews as two of the participants (Kate and Nicola) had returned after initially leaving for education. This highlighted that while there may not be an initial demand, there could be the opportunity for young people to move back to the rural environment, though as suggested employment and access to housing would be important factors to encourage and sustain the younger population. There should also be access to affordable housing for those young people who did want to stay.

The housing pathways approach adopted for this research allowed for interrogation of the agency of young people and how structure influenced choice. The review of the housing pathways approach in chapter 3, showed how the approach had been developed from the notion of the housing career approach. The literature on young people and the interview data indicated that housing choice was influenced by motivation and aspiration in addition to the structure of the housing market and the pathways approach enabled the inclusion of motivations and aspirations.

The use of the pathways approach for exploring individual's agency found that choice and agency were not only concerned with the structural and social/ cultural environment but also

concerned with the background and resources of individuals. It was recognised that the framework was not a theoretical means of exploring the agency of young people and the structure of the rural housing market and it was not used in this capacity for the research.

The interview data with young people on the Island highlighted that there were different experiences and relationships with housing (vignettes in chapter 6). The housing pathways provided a way of organising the data and understanding the constraint and opportunities in the housing market. The findings of the interviews with young people on the Island showed that there were varying degrees of constraint in the housing market and by using the housing pathways approach, the choices and constraints of individuals could be analysed on an individual basis as well as collectively. The housing pathways approach helped to elucidate the experience of young people in the housing market and was complementary to the NIE approach which focused on the structure of the rural housing market while also incorporating findings from applying the housing pathways approach.

The approach, derived from social constructionism, provided a framework for exploring the influences of housing choice or lack of choice in a remote rural environment and was chosen to explore these experiences of young people on the Isle of Mull. While Clapham's approach was useful for understanding the agency of young people in the rural environment, a more theoretical approach was required to capture the complexities of the structure of the rural housing market. It is for this reason, Williamsons NIE framework was used in addition to Clapham;s (2005) approach to capture both the experience of young people in the housing market and the intricacies of the structure of the housing market.

2. **To what extent does a NIE framework help in understanding housing opportunities and constraints in a remote rural environment?**

The examination of the literature on rural housing markets and the challenges associated with housing in rural areas highlighted that there were complex supply and demand issues. The demand side issues were identified as being driven by in-migration and second home ownership (Bramley et al, 2005) and restricted supply caused by interconnected issues such as land ownership issues, hope value, planning constraint, financial viability, characteristics of land in the rural environment and the smaller scale of development made access to affordable housing particularly challenging (see figure 2.13, 2.15 and 7.1). Through recognising these issues, it was acknowledged that there were many institutional actors involved in rural housing markets. These institutional actors included landowners, the construction industry, community and third

sector organisations. The literature also revealed how economic factors, particularly the employment opportunities in rural areas, affected the ability to access the housing market with young people particularly affected by this relationship (as explored using Clapham's (2005) pathways framework). Specifically, young people were particularly impacted by the lack of variety of employment opportunities and characteristics associated with employment in rural areas including "low-paid" and "low-skilled work" (Burrows et al, 1998: 179) and part-time and seasonal work associated with the service sector (Cartmel et al, 2000). Employment was also identified as one of the factors of out-migration of young people from rural areas (Hall Aitken, 2007; Crow, 2010; Stockdale, 2002$_2$). As identified earlier in this chapter, a framework was required which was capable of exploring the intricacies of the structure of a remote rural environment and the institutional actors that interplay in the housing market. Williamsons framework of Economics of Institutions (2000, 1998) (figure 3.2) was identified as a framework which would enable multi-level analysis of the structure of the rural housing market and provided a way of identifying how different aspects of the housing market relate to each other and impact on each other. The potential to evaluate the housing market in a holistic and integral way, was one of the main strengths of the framework and reasons for adopting this framework in the research. The basis of adopting this framework was to firstly understand the operational aspects of the rural housing market with the intention of then evaluating whether institutional innovation could help to alleviate constraint in the housing market experienced by young people.

The origins and premise of Williamsons (2000; 1998) framework were discussed in chapter 3 and how the framework was to be applied to this study was set out in chapter 5 (see figure 5.5). Each of the levels of Williamsons framework are now explored in the context of the housing market on the Isle of Mull, drawing upon the wider literature on rural housing markets, the material collected for the evaluation of the contextual case and the empirical research.

Level 1: Embeddedness: informal institutions, customs, traditions, norms, religion

Level 1 of Williamsons (2000; 1998) framework related to social theory and considered the informal institutions, customs, traditions, norms and religion. One of the advantages of using this framework was the integration of social theory as social motivations and informal institutions influencing decisions in the housing market were evidenced strongly in the literature and empirical research.

One Informal institution which played an integral role in the rural housing market was the local community. The research highlighted how communities were of significance in rural areas and the perception of the influence was positive but also could be viewed negatively. The literature revealed that the sense of community and connection between residents was viewed as a pull factor encouraging people to the lifestyle of living in a rural area, but it was also expressed as a negative aspect as the closeness of community could be viewed as preventing independence and privacy (see Hall Aitken, 2007). This was reflected in the interviews with young people as the 'sense of community' was noted as being a feature of the Island that many of the participant's liked, but it was also recognised by one of the participant's that everyone knowing each other was not always positive. In addition, communities also were seen to have clout in terms of development both in terms of pro-development and against new housing with NIMBY attitudes associated with new build housing. An example of the influence of community was raised by one of the participants who explained how the strength of community was due to the size of the area and because people value living there, and the Ulva Ferry community housing project was raised as an example of community union (Architect, 1). As discussed earlier in this chapter, it was recognised that young people were important for the sustainability of communities and this was highlighted in the literature (see Hall Aitken, 2007) but was also evident on the Isle of Mull. Two of the participants (Rachel and Kate) cited the need for young people to sustain the community on the Island. Furthermore, the threat of the closure of the Ulva primary school due to the lack of young children to maintain the local school was an example of the consequences of there not being enough of the younger generation.

One of the findings was that there could be issues of homelessness and this could be skewing the amount of demand identified. Initially, this was identified as a theme in the literature where research indicated that in rural areas homelessness was often hidden. There were different examples of the circumstances that would be classified as homelessness for example living in more temporary forms of accommodation such as caravans (see Reeve et al, 2011). It was also recognised that young people staying in the parental home due to lack of alternative options to buying could be considered hidden homelessness (Jones, 2002). It was highlighted that one of the features of rural homelessness compared to urban areas was that it is less condensed in rural areas (Commins, 2004). The literature correlated with the theme of hidden homelessness that transpired in both the interviews with institutional actors and young people living on the Island. This was exemplified by the dialogue of one of the participants (third sector, 6) who explained why there may not appear to be an issue of homelessness:

"…if you look on the housing list you would believe in some areas of Mull there isn't a need but that's because a lot of people do not believe themselves to be homeless. They live in a caravan maybe; they're not homeless…. There might be the third generation who are living in a house with their parents and grandparents; they are not homeless but they are in their mid-thirties and they are living at home still…" (Third Sector, 6).

The interviews highlighted that young people in constrained housing circumstances may not be aware they could be entitled to help but the interviews also highlighted that there could be an issue where young people do not identify themselves as homeless or were under the impression that expressing a need for housing would not make a difference to their housing circumstance as there was the impression that no housing would be available.

Further evidence of cultural values was the aspiration of home ownership in rural areas. The desire to own a home was evidenced in the interviews with young people and identified in the interviews with institutional actors as being their tenure of preference. This correlated with wider literature identifying home ownership as being preferential amongst young people (Heath, 2008; Clapham, 2010; Pennington et al, 2012). Reasons for the desire to own or why participant's who owned liked owning their own home included increased control, the ability to pay towards housing that was their own and more permanence. In terms of permanence of home ownership, the literature highlighted how the social value of this tenure played in the mindsets of people as they felt more engaged and part of the community if they owned their own home (Pennington et al, 2012).

One of the strong themes which was identified in the literature on young people and evidenced in the questionnaires with school pupils was that housing alone was not necessarily a driver of migration and that aspiration to continue with education was a key driver of out-migration (Stockdale, 2002$_2$; Crow, 2010). Of the majority of respondents who intended leaving the Island, most were leaving for educational reasons (figure 6.1). The other reason for migrating was for employment. These findings correlated with the wider literature that the driver of out-migration from rural areas tends to be for educational purposes and employment (Rosvall et al, 2018; Hall Aitken, 2007; Stockdale, 2002$_2$, HIE, 2015). In the literature there were other social reasons given for migration including parental expectations and to experience more independence (figure 2.4) (Crow, 2010). This indicated that factors other than structural factors influenced choice of young people.

The decisions and motivations of actors in the housing market and the social attachment to land was not exclusively driven by finance. Figure 2.14, outlined the motivations of land owners and the development of land. The map of land ownership on the Isle of Mull (figure 4.3) highlighted the history of and attachment to land and ownership and showed how choice was driven by different influences not necessarily financial. This view of varying motivations was also reinforced by Shucksmith et al (1993: 248-249) who identified "…material interests and social relations, covering kinship, social status and class" as other stimuli effecting decisions of land owners to dispose of land.

Level 2: Institutional environment: formal rules of the game-esp. property (polity, judiciary, bureaucracy)

The review of the literature highlighted that planning can be perceived as restricting supply through the planning control and the allocation of sites that in turn effects the lack of affordability of housing (Leishman et al, 2012). The perception of land supply impacting on land value was also referred to by one of the interviewees (MSP, 1). However, as discussed in chapter 2, Barker (2008) gave an opposing argument on the influence of planning on land affordability. Firstly, that price was demand led and the development industry played an important role in housing supply. This highlighted that there are different factors that influence land supply and it is not specifically the influence of one particular institutional actor in the housing market.

Challenges associated with planning were also mentioned in the context of the development of affordable housing at Ulva Ferry in terms of identification of sites to develop due to the 'national scenic' protection allocated to the area (Third Sector, 5). This notion of preservation and development of the rural landscape is a challenge associated with land supply in the rural environment. As noted by Home (2009), the planning system is responsible for both designating enough land and also the preservation of the rural landscape.

In addition, it was revealed through the interviews with institutional actors that the requirement to build additional affordable housing units and need to include infrastructure to developments above a certain size was hindering development on the Isle of Mull.

Level 3: Governance: Play of the game- esp. contract (aligning governance structures with transacting)

The study highlighted the number of institutional actors involved in the housing market. The institutional actors identified in the research included landowners, planners, third-sector organisations and the construction industry. These actors were identified in chapter 2 and referred to in the interviews with both young people and institutional actors. The research showed how these actors were driven by different motivations and that these intentions at times were conflicting.

Level 4: Resource allocation and employment (prices and quantities; incentive alignment)

One of the stark themes which was drawn from the literature was the relationship between employment and access to housing that was affordable. As discussed in detail in this chapter, issues of demand by in-migration and second-home ownership combined with restricted supply impacted upon young people's ability to access housing. The supply of land was shown to be particularly constrained due to the impact of governance and institutional actors and combined with high demand this created a constrained environment. Issues that impacted upon development were identified in the interviews, for example infrastructure constraints, additional build costs associated with developing in a rural location and the cost of land (figure 7.1).

**NIE framework**

The research identified that the actions of institutional actors impacted on the delivery of rural housing and recognised that they were constrained by structural as well as social/cultural rules and regulations. The study of institutional actors in the housing market showed that institutional actors were constrained internally but also by other institutional actors. For example, the construction industry was constrained by land supply and planning conditions, as highlighted in the research conducted on the obstacles of development experienced by small housing developers in Scotland (figure 2.16) (Guy, 2016). It would be very difficult for institutional actors to work together to overcome challenges in the housing market due to conflicting interests and motivations. This is particularly so due to the number of institutional actors involved in rural housing markets.

Organisations such as RHS and MICT could be identified as bringing actors together and help to ease the process of working together. Another advantage of these initiative's was the ability

to engage at a local level which helped to understand the social and cultural values embedded in the rural environment whilst also appreciating the nature of rural development. They were able to understand the needs of the community and act as an intermediator and voice in the rural housing market. However, these organisations in themselves faced their own constraints. One challenge was that organisations such as RHS and MICT tended to be more co-ordinators in the housing market. While this was useful for bringing institutional actors together, there was dependence on a variety of external factors, such as funding, meaning projects took time to reach fruition or develop beyond conception. Furthermore, in the case of RHS and the OIH initiative, the programme was initially only funded for three years. While the initiative received funding for a further three years, the short-term nature of such third sector organisations is very volatile particularly where there is a dependence on capital. The churn of new programmes and initiatives contributes to the short-term strategies and what is required are long term visions rather than short-term solutions. While this is the aim of housing strategies, these tend to be five-yearly cycles which are still short-term.

The housing pathways approach was particularly useful in this research for exploring the housing pathways of individuals on the Isle of Mull. Presenting each of the housing pathways (chapter 6) showed how young people were constrained in the housing market yet many had different experiences. One of the issues which arose in the interviews was that people on the Island may not have considered themselves to be homeless but by definition they would be. This issue was expressed as an issue over two decades ago by Cloke (2000) who presented an account of a voluntary agency worker in rural Somerset which highlighted the challenges local people's perceptions of homelessness in areas of no guidance:

""I mean, most people have an image of what it means to be homeless and that means sleeping in a cardboard box. So you get people saying `Oh no, I'm not homeless'. So you say `Well, where are you living?' And they say `Oh, I'm staying with another friend'. They are clearly homeless but don't actually identify them-selves [as homeless] ...And those that are sleeping on friends' floors tend to be people that don't actually see themselves as homeless. It's a temporary crisis they're going through, they'll sort it out ...There's this friend and they'll find another friend or whatever. But they're `not homeless', not in those circumstances."" (Cloke et al, 2000:83)

This highlighted the difficulty of capturing accurate data on homelessness. This was of importance as the housing need and demand could be distorted as housing need was determined

by homelessness and those on the housing waiting list. One way of overcoming this issue would be through education and this was one of the activities of OIH to educate young people on housing and to encourage discussion within communities regarding housing need.

The Isle of Mull case demonstrated that access to housing was required to maintain the sustainability of the Island. The method of calculating housing need and demand was limiting in terms of achieving sustainability. This issue was identified in previous research which explored affordable housing need in Scotland:

"sustaining what one interviewee described as 'very small, fragile communities', often in rural areas, cannot be accounted for within the HNDA process where an aggregate analysis masks these concerns. This was reportedly a cause of tension in some LA's as residents in remoter areas lobby for more housing to revitalise the community, but the HNDA and LHS processes are driven by the notion of need 'where it arises', which inevitably focuses in on the main population centres. Such concerns highlight the problems in balancing the specific local needs of relatively small communities, with the need for a robust evidence base." (Powell et al, 2015)

The premise of Williamson's framework is that if all levels are aligned then transaction costs could be reduced. As described earlier in the thesis, transaction costs refer to search and information costs. The research on the Isle of Mull, indicated that there were numerous transaction costs involved in the housing market. These costs included searching and securing land for development, conducting additional local housing need and demand surveys to understand requirements for development, applications of funding. What could be identified was that rural housing enablers took on aspects of these transaction costs. For example, the OIH initiative sought to understand the level of need in rural areas by engaging with local communities.

Williamsons (1998;2000) NIE framework adopted in this research provided a means for exploring the structure of the rural housing market on the Isle of Mull and understanding the potential for innovation in the rural housing market.

The review of the literature highlighted that there were many factors which interplayed in rural housing markets including supply and demand constraints, social and cultural influences and the number of institutional actors involved in the housing market. The research required a framework which could explore these various elements and how they relate with each other in the rural housing markets. The review of the literature on the wider rural housing market, case study and empirical research helped to build a picture of how rural housing markets operate

and the housing experiences of young people. Specifically, studying one case enabled a thorough examination of the housing market.

Williamsons, framework denotes a hierarchical structure in which higher levels impose constraint on lower levels. While NIE is primarily associated with levels two and three of the framework (Williamson, 2000), as detailed above, the evidence from the literature denoted the influence of social/ cultural norms and therefore it was imperative to explore institutional actors in the environment in which they operate. The top level (level 1) of this structure was 'embeddedness: informal institutions, customs, traditions, norms and religion'. As analysed in this and previous chapters, one of the themes that emerged from the literature was the influence of traditions and social cultures in the rural housing market and how entrenched social culture in the rural environment impacted on the housing market and influenced the agency of individuals.

The review of the literature and empirical data revealed that there were many factors which influenced the housing experiences of young people in a remote rural environment including a lack of affordable housing and availability of housing and that these issues also correlated to employment opportunities. The rural housing market was host to complex supply and demand issues with numerous actors involved in the rural housing market. The issues in the housing market were often interconnected such as employment opportunities, housing and transport. The research required a framework which could explore these issues in an inclusive way to understand if and how institutional innovation could help alleviate constraint within the housing market for young people. One of the benefits of employing Williamson's framework was the ability to explore the different aspects of the structure of the housing market in a holistic manner. Williamsons framework allowed for analysis of the different aspects of the rural environment including the institutional actors involved in the housing market, the environment in which they operate and the resources of the rural housing market including employment and housing opportunities as well as the traditions and cultural aspects of the rural environment.

In the case of the Isle of Mull, the OIH campaign through the RHS could be acknowledged as aligning the structures in terms of bringing together institutional actors, the social /cultural norms of the locality and to an extent resources allocation. The third-sector organisation could also be recognised as helping to alter attitudes through awareness and education of housing.

While the research has identified how to an extent institutional innovation is achieved, what the research did recognise was the need for longer term strategies. This is particularly

important for sustainability of rural places and rural communities. The need for sustainable rural places was discussed in the context of retaining or encouraging young people and it was identified that housing, employment and services were all required to do this. The literature and the primary research did emphasis the relationship between housing and employment as being especially concomitant.

3. **How does using the frameworks of the housing pathways and NIE help in understanding the scope for institutional innovation in resolving housing market constraints for young people in a remote rural environment?**

To understand whether and how institutional innovation was achievable in the rural housing market, it was important to firstly understand the experiences of young people in rural housing markets and how the structure of the rural housing market impacted on the choice or lack of choice experienced by young people in the rural housing market.

The housing pathways approach and NIE framework were complementary frameworks that enabled an examination of both the economic and sociological analysis of the rural housing market. As explored earlier in the thesis and this chapter, each framework was chosen as they allowed for analysis of both the structural and agency constraints and opportunities experienced by young people in the rural environment. The data from the fieldwork illuminated the housing market on the Isle of Mull but also gave insight into broader rural housing markets.

In response to the first research question, the housing pathways approach enabled an exploration of the experience of young people in the housing market as a mechanism for understanding their choices or lack of choice in the housing market. The NIE framework allowed for examination of the structure of the rural housing market yet the framework also allowed for integration of the data from the housing pathways framework. Exploring the experience of young people and the structure of the housing market simultaneously enabled a holistic exploration of the rural housing market. The housing pathways approach proved an effective approach to exploring the individual experiences of young people and how the structure of the housing market impacted on their agency and choice. However, it was recognised that a more theoretical approach was required to explore the structure of the rural housing market. As discussed at the beginning of the thesis, the original foci of the ESRC research proposal was on institutions in the rural housing market. After thorough examination of the rural environment, it was clear that institutional actors were instrumental in the operation

of the rural housing market, yet it was important to recognise their influence in the context of environment in which they were embedded.

The literature showed that there were structural constraints in the housing market that were created through cultural/ social, institutional and resource restraint. Williamson's framework provided a theoretical approach for exploring these different elements of the rural housing market in a holistic manner. The framework also allowed for inclusion of the data collected from the pathways approach.

**Whether and how institutional innovation could alleviate barriers in the rural housing market**

This chapter has explored how the housing pathways approach and NIE framework helped to elucidate the choices/ lack of choice of young people in the rural housing market and the structure of the housing market which impacted on choice. The questions reviewed in this chapter were derived from gaps in the literature and the aim of these questions was to contribute to the overarching question of whether and how institutional innovation could alleviate barriers in the housing market, particularly for young people on the Isle of Mull.

The challenges associated with rural housing are not a new phenomenon. Supply and demand challenges relating to rural areas have been recognised for years but problems with access to housing in rural areas persist. While it has been identified that young people may decide to leave rural areas for reasons not concerned with housing, such as to gain independence and education, there is a need to alleviate barriers in the housing market for those young people living in, wanting to live in or to encourage young people to live in more rural areas. The requirement to retain and encourage this populace to live in rural areas is crucial for the sustainability of rural communities and rural places. Without young people in rural areas, there will be a lack of people to take on roles in rural communities, the threat of closures of services such as schools and lack of employees for local businesses. These issues were all mentioned as concerns or reality on the Isle of Mull and it is why it is so important to understand how the housing market can better accommodate the younger population.

Following a thorough review of the data, it can be concluded that radical innovation would be required to disrupt the rural housing market in its current state. There are however, barriers to institutional innovation and it would be difficult to alleviate barriers in the housing market for two primary reasons:

1. There are many institutional actors operating in the rural housing market with different motives

The literature in chapter 2 initially identified the key actors in the housing market and their influence or perceived influence on the rural housing market. Combined with the empirical data, it was evident that institutional actors were driven by different motivations in the housing market and were restrained by different forms of constraint including social, economic and governance constraint. This was illustrated by Williamson's NIE framework which demonstrated the constraint imposed by upper levels of the hierarchical structure of the framework and in this case the rural housing market on the Isle of Mull.

While in principle working in a holistic manner and joined-up approach could help to ease difficulty in the housing market, in reality, this would be very difficult to deliver due to competing motivations and aims of the actors in the housing market. For example, to illustrate this point the diagram below highlights a scenario which elucidates the barriers to development.
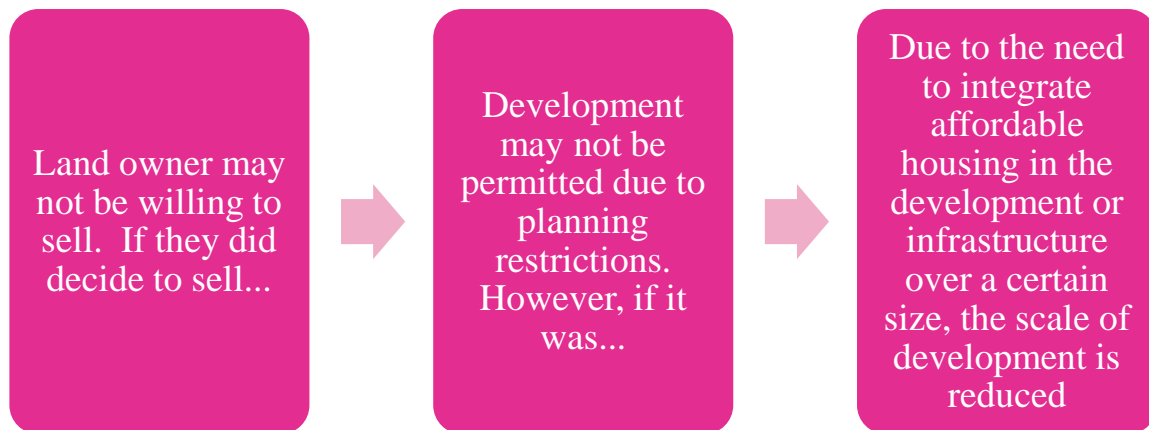


Figure 8.1. Basic scenario of barriers of governance and institutional constraint

As highlighted in figure 8.1, there can be different obstacles to development and changing or overcoming one barrier may only go so far in alleviating constraint in the development of housing. With different actors interplaying in the housing market, a central figure would be required to bring together these actors. However, it also needs to be recognised that even with

a more coordinated approach, challenges will still exist including issues such as land ownership or the construction industry motivations or planning constraints to protect the rural landscape.

2. Traditions and customs are deep rooted in rural communities and play a significant role in the motivations and aspirations of young people and institutional actors.

As indicated in Williamson's framework (2000; 1998) change is cyclical and can often be infrequent. For example, changing informal institutions and customs is a slow process of change compared with governance which is more cyclical.

This is where the need for long term strategies is appropriate as a longer-term view is required to take into consideration rates of change.

**Summary**

While there are barriers to institutional innovation, this is not to say that institutional innovation is not possible in the rural housing market, but it would take radical action to alter the structure of the housing market and deep-rooted cultural beliefs and societal behaviour identified within rural areas.

One of the findings of the research is the impact of third-sector organisations that act as rural housing enablers. This initiative could have the potential to be as a model for bringing different levels of institutions together. The OIH could also, to an extent, demonstrate innovation and a way of potentially easing the barriers in the housing market for young people. The advantages of this organisation were the presence on the Island and the interaction with people in the local area, helping to relate to the social barriers and issues of the rural environment, the organisation brought institutional actors together, they acted independently and at arms-length from other organisations.

While such organisations could contribute to facilitating change, there are drawbacks to the use of such models of innovation. The programme is dependent on funding and is cyclical. The OIH project was initially funded for three years; and while the project has continued beyond the initial period, it is the cyclical nature of interventions which could hinder longer term strategies. Furthermore, challenges persist in terms of bringing institutional actors together due to varying motivations and aims of institutional actors.

**Conclusion**

The main purpose of this research was to explore whether and how institutional innovation could alleviate barriers for young people in rural housing market markets. This study has shown how young people are particularly constrained and this was evident in the exploration of the case. It has been acknowledged that rural housing markets are not homogenous, yet it has also been recognised that there are features of rural housing markets which are characteristic of the rural environment. While it is understood that generalisations cannot be inferred on other rural populations, what can be drawn from this study is insight into the agency of individuals in rural housing markets and the structure of rural housing markets. This chapter has explored how the pathways approach and NIE frameworks were utilised in the research and how they helped to organise and examine the primary and secondary data collected for this research. The combination of the housing pathways approach and the application of NIE theory helped to show the agency and the constraint experienced by young people.

The NIE approach enabled a holistic investigation of the rural housing market. Due to the complex nature of the rural housing environment, the NIE framework provided an effective method for exploring the different elements.

There has been political awareness of the challenges associated with rural areas and this has been evidenced by funds being made available for development in rural areas. Examples of policy interventions and support include the rural and highlands housing funds which aim to help encourage affordable housing. While funds are available and could alleviate financial constraint, and be an incentive for development, not all barriers in the housing market relate to the availability of capital. The new Private Housing (Tenancies) (Scotland) Act 2016 which came into force on 1st December 2017 sought to address this issue associated with the private rented sector. The new legislation has sought to provide greater security for tenants. As part of this legislation, LA's would have powers to apply to the Scottish Ministers to have areas designated as a 'rent pressure zone'. This would apply to private residential tenancies and LA's would have to demonstrate certain criteria, such as where rents were escalating excessively, the increases in rents were becoming problematic for tenants and if these issues were leading to LA's having to subsidise housing costs or are under stress to supply housing. In such circumstances, there would be a maximum imposed on how much rents could increase for current tenants per year in the designated area. The introduction of these policies demonstrates a move towards addressing concerns within the private sector and particularly the rent pressure

zone could help protect tenants living in pressurised areas where rentals were susceptible to increases. This could be particularly pertinent in rural areas influenced by tourism and holiday lets.

'Rural housing enablers' could have the potential to align the structure of the rural housing market by co-ordinating institutional actors whilst understanding the environment that they operate. The OIH initiative and MICT were examples of 'enablers' who were able to identify with the cultural values of the community and coordinate with institutional actors and, to an extent they showed innovation in the housing market. Their presence and knowledge of the rural environment helped to bring together various actors, including land owners, housing associations and other third-sector organisations.

Institutional innovation could be achieved but it would be very challenging to overcome the barriers in the housing market for young people and it is difficult to identify what form of innovation this would take. The reason for this is because of the complex nature of the rural environment and the number of actors involved in the housing market. While efforts could be made to alleviate barriers, there were also external influences, such as employment factors, which impact on the ability to compete in the housing market.

There were indications of innovation in the form of rural housing enablers such as the OIH initiative, which brought together different actors, provided education to younger generations on housing, and were a point of contact to the local community. However, crucially these organisations are also subject to forms of economic, legislative and social constraint which inhibits their ability to provide innovative solutions.

## Chapter 9. Conclusions and Recommendations

### Introduction

In 2013, I began the PhD with the aim of exploring the housing experiences of young people on the Isle of Mull.

The research has shown that remote rural areas can be host to complex and challenging housing markets. While all ages can be vulnerable in housing markets, young people were identified as being particularly susceptible to constrained housing markets (McKee, 2015). This was due to being at an early stage of employment and lack of financial means to compete in the housing market compounded by the 2007/2008 economic downturn (McKee et al, 2017[1]; Clapham et al, 2010).

The focus of the research was whether and how institutional innovation could alleviate barriers in the housing market for young people in rural areas. To achieve this aim, the research explored the housing market from two perspectives. Firstly, I analysed the experience of young people living in rural areas to understand if and how their choices in the housing market were constrained. Secondly, I explored the rural housing market structure including the institutional actors involved.

Before undertaking the research, I conducted a thorough review of UK and European literature in this area to understand the gaps in current literature and to understand whether young people were particularly vulnerable in rural housing markets and the challenges experienced by the younger generation in such remote environments. The review of the literature also helped to identify the institutional actors involved in the rural housing market and their roles. This review helped to shape the research questions. The research design and methodology were selected based on answering these research questions. The Isle of Mull which was chosen as a single case to study, allowed for an exploration of a remote rural area where the housing market was constrained. As part of the fieldwork, I conducted semi-structured interviews with young people and institutional actors which provided rich data and helped to elucidate the experience of living in a rural environment and the structure of the housing market. The questionnaire survey also added to the understanding of young people living in a remote rural environment and specifically this data provided insight into the aspirations of young people living in a remote rural area.

This chapter summarises the findings of the research and how the research could influence future policy and practice. The chapter also discusses how this research has made an original contribution to the rural housing field. During this chapter, I also reflect upon the limitations of this research. To conclude, I provide recommendations for further research which would complement and further contribute to rural housing studies.

**Research findings**

There were seven main findings which derived from this research:

➢ Choice can be restrained in rural areas, particularly for young people who cannot compete in housing markets where supply is constrained, and demand heightened

➢ There is a strong correlation between housing and employment in rural areas

➢ Out-migration is a response to structural constraint but is also derived from social desires and expectations

➢ There is a concern and requirement for sustainability in rural areas

➢ Rural housing enablers such as the OIH initiative may be able to help to bring institutional actors together but also raise awareness of housing need

➢ The housing pathways helped to elucidate the experiences of young people in the rural housing market

➢ Williamson's framework (2000; 1998) approach helped explore the intricacies of the rural housing market on the Isle of Mull and understanding of rural housing markets in a broader context

This thesis has endeavoured to explore the housing experiences of young people and how the structure of the housing market impacts on young people's choice and constraint. The research found that young people were constrained in the housing market and this was particularly determined by employment opportunities and the ability to afford housing and access social housing. Yet, the research also showed how independence and the desire to experience a different way of life impacted upon young peoples' decision to migrate from rural areas. The research explored how housing markets in rural areas were prone to constraint due to complex supply and demand characteristics and young people were often vulnerable to such constrained markets. The research has identified that a more co-ordinated approach of institutional actors could help to alleviate housing market constraint but also a more connected approach to the social and cultural values of the rural environment could help to ease housing market pressures. While institutional innovation would be difficult to achieve, third-sector organisations such as

the OIH initiative may represent an opportunity to bring together these different elements as they worked at a local level, recognising the rural environment, engage with local communities, while also working to bring institutional actors together in the housing market. However, one of the drawbacks was the short-term and cyclical nature of these organisations or initiatives. Furthermore, bringing institutional actors together can be challenging due to differing aims and constraints.

The research attempts to make an original contribution to the field of rural housing with the research framework chosen to explore the sociological and economic perspectives of the rural housing market. As far as I am aware, the use of NIE, specifically Williamson's framework of analysis combined with the housing pathways approach has not been employed to explore the housing experiences of young people in rural areas together with the structure of the remote rural housing market. In addition, as noted in the thesis, recent relevant literature on young people in the rural housing market was not always available. This research contributes empirical research and understanding to the body of knowledge in rural housing and the experience of young people.

## Limitations of the research

While every effort has been made to conduct a thorough examination of the research question, there were limitations of this study. Firstly, the findings cannot be generalised for all rural areas. This was one of the drawbacks of employing a single case (discussed in chapter 5) but due to the scope and purpose of the research, the examination of one case was appropriate. The examination of secondary data and of the literature on the wider rural housing market and experience of young people helped to contribute to a robust methodology and to the overall research findings. Secondly, I acknowledge that the sample sizes of the primary research including thirty-three interview participants and twenty questionnaires was relatively small for inferring recommendations on the population. However, the research methodology was chosen to provide insight into the housing experiences of young islanders and the perspective of institutional actors and this research aim was achieved. Again, the review of the literature and reference to other research reinforced the PhD research findings. This mixed-methods approach to the research also enabled triangulation of the data. Thirdly, another limitation of the research was the availability of secondary data. As mentioned within the review of the literature (chapter 2) and contextual case study (chapter 4), there was often restrictions on the availability of data and recent, relevant research. In such circumstances where data was limited

or unavailable, this was acknowledged in the research chapters. Throughout the research, periodic searches of new academic literature were conducted, and wider searches of the literature were undertaken as the research progressed and new lines of enquiry were developed.

There were various initiatives that were active on the Island and the relationship between institutional actors could be explored. This was one of the primary reasons for choosing the Isle of Mull as the case study. However, another limitation of the research was the difficulty of evaluating the impact of initiatives, such as the OIH initiative on the Isle of Mull. As some of the initiatives were in their infancy, and given the duration of the research, it was difficult to measure the long-term impact and effectiveness of the initiatives. Whilst this is acknowledged as a drawback, there is the potential for further research in the future to evaluate the impact and role of the initiatives in the rural housing market.

**Recommendations**

Recommendations have been identified that complement the findings of this research.

Firstly, there is scope for further research as a development of this PhD study. It was identified in the literature and in the empirical research that young people are not a homogenous group (Rugg, 2010; Rugg et al, 2015, Heath, 2008). More research could be conducted in terms of exploring the variations of housing experiences dependent on different factors such as economic background. Also, the research highlighted different experiences between males and females in the rural environment (see McGrath, 2001; Hall Aitken, 2007 (employment); Glendinning et al, 2003 (community)). Gender specific research using a pathways approach has been undertaken. Hartman et al (2017) explored 'the housing pathways of single older non-home owning women in a rural region of Australia'. The variation of housing experiences by gender in the rural housing market could be explored further.

In addition, Clapham (2005) described the concept of the housing pathway approach as "continually changing set of relationships and interactions that it experiences over time in its consumption of housing" (Clapham, 2005:27). Due to the scope of the research, the experiences of young people in the housing market were captured at one moment of time. While participants reflected on their housing experiences which provided valuable insight into their circumstances, specifically choice and constraints, the experiences of young people over a specific period of time could illuminate further the influences and individual housing pathways. A longitudinal study could therefore be undertaken to understand whether young

people, who live within the rural environment and migrate after school, return later in life and the circumstances that have influenced decisions to return.

One of the key findings of the research was the correlation between housing and employment. Further research could specifically explore this relationship in the rural context. One of the issues highlighted was the lack of variety of prospects in rural areas for young people and that employment tended to be "low- paid" and "low-skilled" impacting on access to the housing market (Burrows, 1998: 179). Furthermore, the importance of proximity to employment and specifically access to private transport was also raised as being particularly relevant (Culliney, 2014). It was important for there to be affordable housing options for young people who were on lower incomes. There is also a requirement for employment opportunities and prospects not only for those who remain but also to encourage the younger generation to migrate to or back to the rural areas. The research highlighted the need for young people to sustain rural communities (Hall Aitken, 2007) and this was also raised in the interviews. Throughout the thesis reference was made to employment being a factor of migration though more of a secondary factor to education in the case of out-migration by young people (Stockdale, 2002). This was demonstrated in the HIE (2015) survey where 'availability of high quality jobs' was ranked number one, followed by 'opportunities for career progression' and then 'good access to housing' as factors ranked as 'very important' in terms of the Highlands and Islands being an attractive place to live and work (figure 2.9). Employment opportunities are vital for encouraging young people to migrate to rural areas. In doing so, the rural environment must also be attractive for employers. As identified in the interviews with businesses on the Island, housing was a barrier for encouraging and retaining employees further emphasising this relationship between housing and employment. Further research could therefore explore this relationship and understand the dynamics of retaining and encouraging both employees and employers. There could be additional research into the types of employment and sectors that would be suitable, for example as shown in figure 2.7 self-employment and home-working was more dominant in remote rural areas, though more so for males. On the Isle of Mull it was identified that a quarter of people who were economically active and employed on the Island were self- employed (Census, 2011 cited in Argyll & Bute Council, 2015[1]).

Furthermore, the research identified that rural housing enablers such as the RHS's, OIH initiative may be able to help alleviate constraint in the housing market. While the initiative showed promise in terms of raising awareness of housing amongst young people and bringing together institutional actors, as discussed earlier in this chapter, due to the primacy of this and

other initiatives, the long-term impact is difficult to measure. Future research could be undertaken to explore whether and how initiatives such as the OIH have helped to ease housing pressures in rural areas through communications and interactions between institutional actors and whether impact has been realised through raising awareness of housing issues in rural areas and providing information to young people on housing.

**Conclusion**

To conclude, this study has shown that young people tend to be particularly constrained in rural housing markets. In particular, the research has identified that there is a strong correlation between housing, employment and to a lesser extent but still importantly, transport and that rural housing enablers provide the opportunity for bringing the different elements of the rural housing market together in a more coordinated approach. The identification of the research questions and consideration of each question contributed to the main aim of the research which was whether institutional innovation was achievable in the rural housing market.

Research on young people and housing experiences in rural areas concluded with the need for further research in this area (McKee et al, 2017[1]). The Isle of Mull provided an example of a constrained rural housing market to examine the experience of young people in a remote rural area and the institutional actors who had an influence in the housing market. This research has contributed to knowledge of young people in the rural housing market by identifying that while institutional innovation is difficult to achieve, the coordinated approach to rural housing could help to alleviate housing market pressures for young people. As such, the research has made a contribution to rural housing studies. As indicated at the beginning of this thesis, recent and relevant research relating to rural housing markets, particularly in Scotland, was limited and this research adds to the body of research.

The aim of the research was to identify whether institutional innovation could help to alleviate constraint on the Isle of Mull. The research has shown that third-sector organisations could have the potential to innovate by bringing a more co-ordinated approach to the involvement of institutional actors in the housing market. Yet, the limitations of this approach are recognised. The literature identified that institutional actors are bound by complex rules and regulations and therefore to work together in a holistic approach would be very challenging.

While generalisations cannot be drawn from this study, the theories used in the research can be applied and drawn upon in the context of rural housing markets exhibiting constraint. The

review of the wider body of research in this area and utilisation of the case study to test the secondary data contributes to the rigour of this study.

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# Appendices

**Appendix 1**

UNIVERSITY *of* STIRLING

**Informed Consent Form- Questionnaire (Pupil)**

**Researcher Name: Rebecca Campbell**

**PhD Research: Whether institutional innovation can alleviate the housing environment for young people and how this can be achieved**

Before signing this Informed Consent form please read the attached information sheet which explains the purpose of the PhD research.

Please Tick

I have read and understand the attached information sheet ☐

I would like to take part in the research by completing the questionnaire ☐

I understand that all the information will be kept confidential ☐

I understand that my name will not be mentioned in the research ☐

My parent/ guardian has signed the informed consent form on the reverse of this sheet ☐

Name: _____

Signature: _____

Date: _____

Researcher's Name: Rebecca Campbell

Researcher's Signature: _____

Date: _____

**Appendix 2**

**Informed Consent Form- Parental Consent for
Questionnaire**

**UNIVERSITY *of*
STIRLING**

**Researcher Name**: Rebecca Campbell

**PhD Research:** Whether institutional innovation can alleviate the housing environment for
young people and how this can be achieved

**Prior to signing this Informed Consent form please read the attached information sheet
which explains the purpose of the PhD research.**

Please Tick

I have read and understand the attached information sheet ☐

I allow my child to take part in the PhD research by completing the questionnaire ☐

I understand that all the information will be kept confidential ☐

I understand that all participants will be anonymous ☐

Name of Son/Daughter:  _____

Name of Parent/Guardian: _____

Signature of Parent/Guardian: _____

Date: _____

Name of Researcher: _____

Signature of Researcher: _____

Date: _____

**Appendix 3**

UNIVERSITY *of* STIRLING

**Questionnaire**

**PhD Research: Young People and housing on Mull**

**Researcher: Rebecca Campbell**

**Instructions**

**Before completing this questionnaire please make sure all informed consent forms have been signed.**

**Place the two informed consent forms (Parent/Guardian signed form and student signed form) in envelope 1.**

**Once you have completed the questionnaire put it in envelope 2.**

**To keep the questionnaire anonymous do not put your name on either of the envelopes and DO NOT PUT YOUR NAME ON THIS QUESTIONNAIRE**

**Hand the envelope to the designated teacher by …………2015**

**What year were you born?** _____

| | Question | Option 1 | Option 2 | | Option 3 | | Option 4 |
|---|---|---|---|---|---|---|---|
| 1 | Have you always lived in Mull? | Yes | No<br><br>How long have you lived in Mull?<br><br>…………………………… | | / | | / |
| 3 | Do you intend to stay in Mull once you have left school? | Yes | No | | Don't Know | | If Yes- Go to 3a<br><br>If No- Go to 3b |
| 3a | If you intend to stay in Mull why? | To work | To study | | Other (Please specify)… | | / |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | / |
| 3b | If you intend to leave Mull why? | To work | To study | Other (Please specify)… | |
| 4 | If you intend to stay in Mull where do you see yourself in five years? | At home with parents | My own home | In rented accommodation | Other (please specify)… |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 5 | If you are planning to leave Mull do you think you would like to return in the future? | Yes | No | / | / |
| 6 | Do you think there would be difficulty obtaining housing in Mull? | Yes | No | / | / |
| 7 | Before this questionnaire had you thought about housing in the future? | Yes | No | / | / |

**Thank you for completing this questionnaire.**

**Appendix 4**

**UNIVERSITY** *of* **STIRLING**

**PhD Information Sheet- Interviews with Young People on Mull**

**Researcher's Name:** Rebecca Campbell

**PhD Research:** Whether institutional innovation can alleviate the housing environment for young people and how this can be achieved.

I am currently in my second year of my PhD at the University of Stirling. The aim of the PhD research is to identify whether and how institutional innovation can alleviate the housing environment to help overcome barriers to the housing market among young people. There are three main objectives of the research:

➢ Examination of how young people are constrained in the rural housing market
➢ Analysis and influence of institutional actors in the housing market
➢ Exploration of the transaction costs in the housing market

In particular, the research will explore the housing market in Mull exploring the housing structure, institutions which influence the dynamics of the housing market and the experiences of people living on the Island and people who have moved from the Island. The purpose of the research is to understand the barriers to housing in rural communities and the ways to alleviate constrained rural housing markets nationally.

I would like to invite you to take part in an interview to understand your experience of housing and living in the rural environment. Your views on this subject area would be very beneficial for the research and greatly appreciated.

All data collected for the research will be kept securely and confidential. You have the option of being kept anonymous in the research and the option of being audio-recorded. You can also request a copy of the transcription.

Participation is completely voluntary and you are not obliged to participate in the research. If you do agree to an interview you have the right to withdraw at any time without reason. If you would like to withdraw please do so by March 2015 as beyond this date the research will be prepared for submission to the University of Stirling. It is anticipated that the PhD research will be completed by November 2016 and thereafter the research will be available at [twitter/ Facebook].

If you have any question's please contact me on [research mobile number] or email me at [email address]. Alternatively, my PhD supervisor is Dr Madhu Satsangi and he is contactable on [telephone number] or [email address].

**Appendix 5**

UNIVERSITY *of* STIRLING

**Informed Consent Form- Interviews**

**Researcher Name:** Rebecca Campbell

**PhD Research:** Whether institutional innovation can alleviate the housing environment for young people and how this can be achieved

**Prior to signing this Informed Consent form please read the attached information sheet which explains the purpose of the PhD research.**

**Please Tick**

I have read and understand the attached information sheet ☐

I would like to take part in an interview ☐

I understand that all the information will be kept confidential ☐

I am at least 18 years of age ☐

I understand that I have the right to withdraw until March 2016 ☐

I would like to be anonymous                                   Yes/ No

I agree to being audio-recorded                               Yes/ No


Name: _____


Signature: _____

Date:_____


Researcher's Name: _____


Researcher's Signature: _____

Date: _____

**Appendix 6**

**PhD Information Sheet- Interviews (Organisations)**

**Researcher's Name:** Rebecca Campbell

**PhD Research:** Whether institutional innovation can alleviate the housing environment for young people and how this can be achieved.

I am currently in my second year of my PhD at the University of Stirling. The aim of the PhD research is to identify whether and how institutional innovation can alleviate the housing environment to help overcome barriers to the housing market among young people. There are three main objectives of the research:

> ➢ Examination of how young people are constrained in the rural housing market
> ➢ Analysis and influence of institutional actors in the housing market
> ➢ Exploration of the transaction costs in the housing market

In particular, the research will explore the housing market in Mull exploring the housing structure, institutions which influence the dynamics of the housing market and the experiences of people living on the Island and people who have moved from the Island. The purpose of the research is to understand the barriers to housing in rural communities and the ways to alleviate constrained rural housing markets nationally. While Mull has been chosen as a case study, the research is examining rural housing on a broader scale.

I would like to invite you to take part in an interview to understand your views on rural housing. Your views on this subject area would be very beneficial for the research and greatly appreciated.

All data collected for the research will be kept securely and confidential. You have the option of being kept anonymous in the research and the option of being audio-recorded. You can also request a copy of the transcription.

Participation is completely voluntary and you are not obliged to participate in the research. If you do agree to an interview you have the right to withdraw at any time without reason. If you would like to withdraw please do so by March 2016 as beyond this date the research will be prepared for submission to the University of Stirling. It is anticipated that the PhD research will be completed by November 2016 and thereafter the research will be available at [twitter/ Facebook].

If you have any question's please contact me on [research mobile number] or email me at [email address]. Alternatively, my PhD supervisor is Dr Madhu Satsangi and he is contactable on [telephone number] or [email address].