Fife Council Affordability Study October 2024



Contents

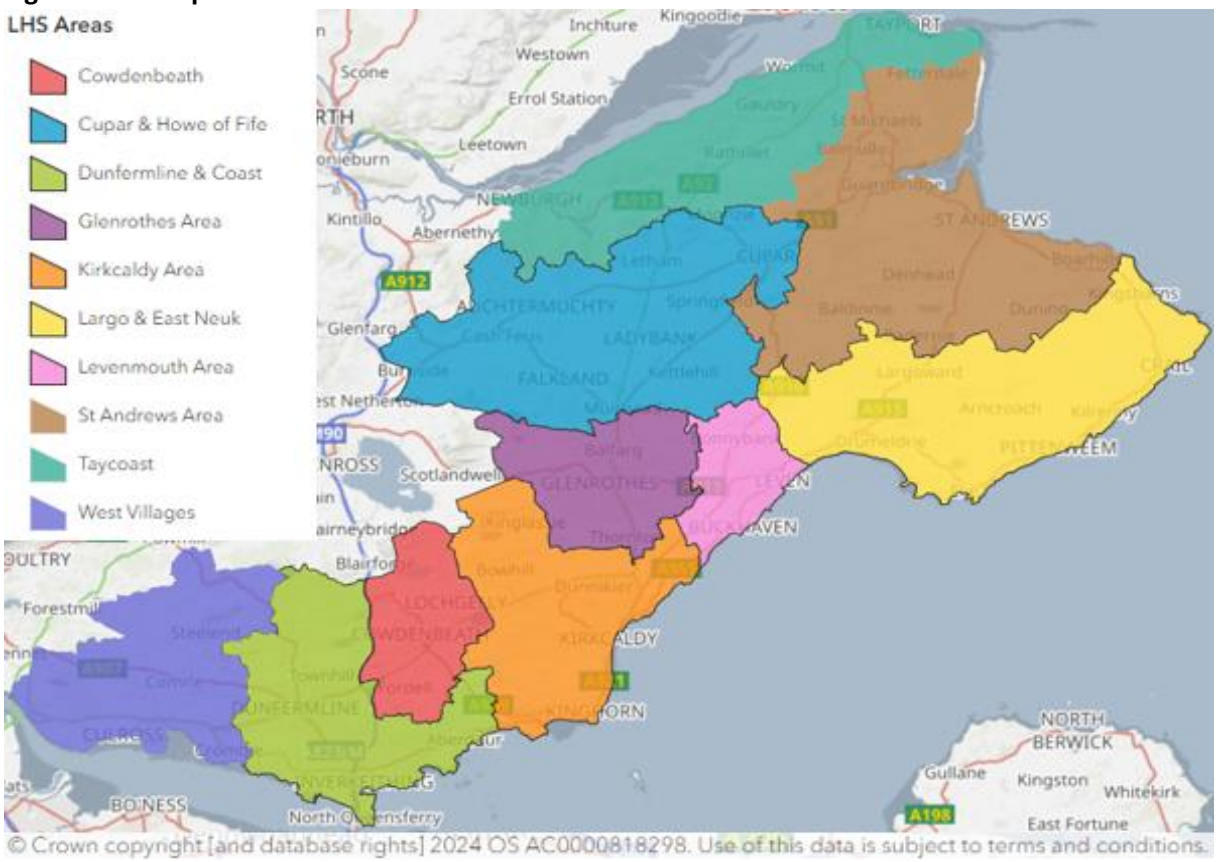
1. Introduction 3
2. House Prices 4
3. Volume of House Sales & Containment Analysis 6
4. Mortgages 9
5. Private Rented Sector 10
6. Below Market Rents 14
7. Social Rented Sector 15
8. Housing Tenure & Dwelling Pressures 17
9. Income & Affordability 19
10. Key Findings & Conclusion 24

1. Introduction

This affordability study considers the operation of housing markets at a Local Housing Strategy (LHS) area level, as well as the settlements in Fife where there is a higher concentration of licensed short-term lets. It considers house prices, volume of sales, rents, incomes and various other factors to determine affordability for different tenures of housing across various parts of Fife. Where possible, data has been reported at a pre-pandemic period (2018-19) and compared against the most recent data available. As with most datasets, greater confidence levels are reported for larger areas rather than smaller areas, where local factors may influence statistics. For this reason, some data, particularly at settlement level, should be treated with caution due to the lower level of evidence available.

Figure 1.1 below identifies the ten LHS areas in Fife and presents the location of these within a map context. These are the geographies used for strategic housing planning purposes in Fife.

Figure 1.1 – Map of Fife LHS areas



In addition to the LHS areas, the settlements analysed within the study are as follows. These all sit within the Largo & East Neuk or St Andrews LHS area:

Anstruther & Cellardyke	**Crail**	**Elie & Earlsferry**
Kilrenny	**Kingsbarns**	**Peat Inn**
Pittenweem	**St Andrews**	**St Monans**

2. House Prices

House price data is provided to each local authority by the Scottish Government which is purchased from the Registers of Scotland (RoS). The data contains all house sales with a monetary value between £20,000 and £999,999. When analysing house prices, it is common practice to identify three price points: lower quartile (25th percentile), median (50th percentile) and upper quartile (75th percentile). Quartiles are used as they are not impacted by outliers; they show the exact price. It is assumed that first time buyers will enter the market at the lower quartile house price. For this reason, this affordability assessment is based on the lower quartile house price.

Table 2.1 presents the lower quartile, median and upper quartile house prices for all house sales by LHS area across Fife during 2018-19 and 2022-23. During both periods, the lower quartile price was highest in St Andrews, followed by Largo & East Neuk and Taycoast. The lowest prices recorded were in Levenmouth, Kirkcaldy and Cowdenbeath. There was a £157,000 difference between the least and greatest lower quartile house price across the Fife LHS areas in 2022-23. This provides an indication of the disparity across different areas. At Fife level, the lower quartile price of £110,000 is below Scotland at £120,000.

Table 2.1 - House Prices by LHS area – 2018-19 & 2022-23

LHS Area	2018-19			2022-23		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Cowdenbeath	£76,250	£107,408	£161,998	£91,028	£126,000	£185,000
Cupar & Howe	£103,125	£158,875	£220,000	£124,000	£181,000	£273,968
Dunfermline	£100,000	£151,000	£219,000	£125,000	£171,375	£270,000
Glenrothes	£80,000	£101,000	£160,000	£93,100	£122,500	£205,000
Kirkcaldy	£78,000	£115,000	£176,375	£89,250	£134,000	£210,000
Largo & East Neuk	£145,000	£191,250	£255,000	£194,996	£280,000	£359,999
Levenmouth	£60,000	£90,000	£162,000	£74,000	£105,000	£174,775
St Andrews	£180,250	£245,000	£365,000	£231,000	£327,000	£475,000
Taycoast	£105,575	£161,911	£240,000	£150,000	£215,275	£317,225
West Fife Villages	£83,000	£123,750	£198,500	£108,000	£175,000	£262,778
Fife	£87,000	£135,000	£204,995	£110,000	£168,750	£260,313

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23)

At settlement level, the areas recording a particularly high lower quartile house price in 2022-23 were Elie & Earlsferry, Peat Inn and Kingsbarns and with £328,500, £325,450 and £309,000 respectively. The lowest prices were recorded in and Anstruther & Cellardyke (£190,000) and St Monans (£194,995). Both were below the Largo & East Neuk lower quartile of £194,996, however, all settlements are above the Fife lower quartile of £110,000 in 2022-23. House price variations between settlements were similar in 2018-19, however the most notable lower quartile price difference was in Peat Inn where there was an increase of over £198,000.

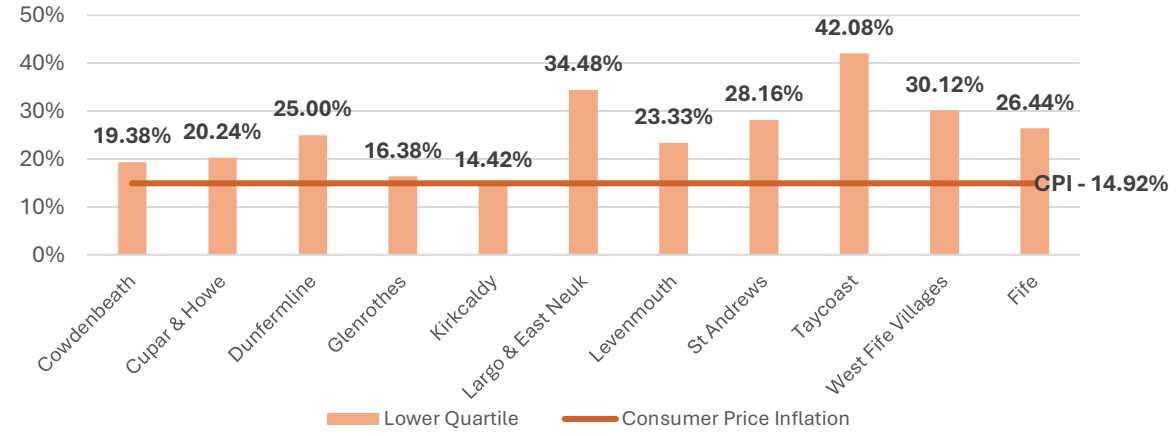
Table 2.2 - House Prices by settlement – 2018-19 & 2022-23

Settlement	2018-19			2022-23		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Anstruther & Cellardyke	£141,500	£164,000	£220,625	£190,000	£250,000	£340,000
Crail	£166,000	£200,000	£259,000	£213,750	£279,000	£357,500
Elie & Earlsferry	£233,750	£305,000	£429,500	£328,500	£525,000	£654,167
Kilrenny	£221,875	£256,250	£290,625	£247,000	£395,000	£457,500
Kingsbarns	£232,500	£260,000	£315,000	£309,000	£355,500	£370,000
Peat Inn	£126,500	£128,000	£194,500	£325,450	£400,300	£485,663
Pittenweem	£130,250	£175,500	£235,750	£229,375	£290,000	£344,000
St Andrews	£195,000	£276,250	£393,500	£255,000	£381,000	£520,000
St Monans	£110,000	£132,500	£181,250	£194,995	£219,995	£299,995

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23)

Figure 2.1 presents growth in Consumer Price Inflation (CPI) over the 4-year period from 2018-2022 as 14.92%. Lower quartile house price growth in Taycoast (42.08%), Largo & East Neuk (34.48%), West Fife Villages (30.12%) and St Andrews (28.16%) was substantially above CPI and above the average Fife growth of 26.44%. These growth rates indicate strong demand within these areas. Kirkcaldy (14.42%) was the only LHS area to report a growth rate below CPI during the 4-year period.

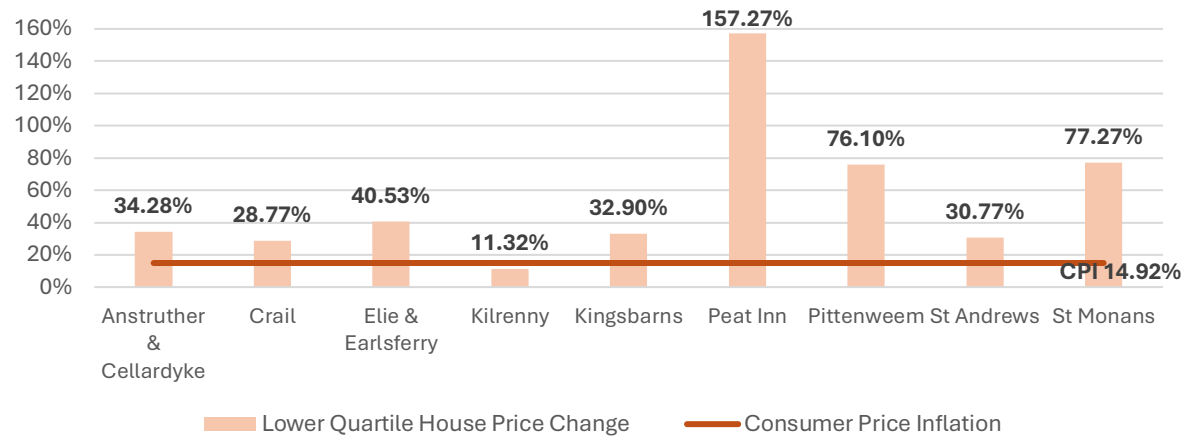
Figure 2.1 - Lower quartile house price growth by LHS area vs. CPI (2018-2022)



Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23) and Office for National Statistics, Consumer Price Inflation (2018-22)

When observing at settlement level, it is evident growth was strongest in the Peat Inn area (157.27%), followed by St Monans (77.27%) and Pittenweem (76.10%). Although growth has been significantly high in St Monans, the lower quartile house price for this area remains one of the lowest from the settlements reported on. With the exception of Kilrenny, all areas have experienced growth beyond CPI at 14.92% as well as the Fife average of 26.44% which could be attributed to higher demands for houses in rural areas following the Covid-19 pandemic, where remote working and spacious, outdoor living became desirable for many.

Figure 2.2 - Lower quartile house price growth by Settlement vs. CPI (2018-2022)



Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23) and Office for National Statistics, Consumer Price Inflation (2018-22)

3. Volume of House Sales & Containment Analysis

Table 3.1 shows the total number of house sales in Fife by LHS area at 2018-19 and 2022-23 including the percentage change during this period and the proportion of new builds sales in 2022-23. There were 6,520 sales in Fife in 2022-23, a 5.89% decrease in the sales recorded during 2018-19. The highest proportion of sales were in Dunfermline, Kirkcaldy and Glenrothes respectively during both periods. The largest growth in sales was in the West Fife Villages area with the greatest decline recorded in Cowdenbeath. Sales in Levenmouth remained fairly static at 502 (505 in 2018/19).

9.45% of sales in Fife were new builds in 2022-23. Taycoast recorded the highest volume of new build sales against all sales in the area (26.64%) with West Fife Villages recording the lowest at 0.78%. It is evident the sales growth in West Fife Villages is not linked to new builds.

Table 3.1 - Volume of sales 2018-19 & 2022-23 by LHS area and proportion of new build sales

LHS Area	2018-19	2022-23	2022-23 % new build sales	Change between 2018-19 & 2022-23
Cowdenbeath	747	546	7.69%	-26.91%
Cupar & Howe	398	362	1.01%	-9.05%
Dunfermline	2,114	1,866	12.49%	-11.73%
Glenrothes	758	769	6.11%	1.45%
Kirkcaldy	1,254	1,325	9.66%	5.66%
Largo & East Neuk	343	306	11.11%	-10.79%
Levenmouth	505	502	3.19%	-0.59%
St Andrews	377	345	13.04%	-8.49%
Taycoast	222	244	26.64%	9.91%
West Fife Villages	210	255	0.78%	21.43%
Fife	6,928	6,520	9.45%	-5.89%

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23)

Table 3.2 displays 440 sales across the settlements reported on during 2022-23. Almost 47% of these sales were in the St Andrews settlement. Sales in St Monans increased by 154.17% which has been heavily influenced by a high proportion of new build sales (52.46%), while sales in Pittenweem reduced by 35.29%. Sales in Elie & Earlsferry, Kilrenny, Kingsbarns and

Peat Inn remain low which make it difficult to analyse trends, particularly when studying house prices.

Table 3.2 - Volume of sales 2018-19 & 2022-23 by settlement and proportion of new build sales

Settlement	2018-19	2022-23	2022-23 % new build sales	Change between 2018-19 & 2022-23
Anstruther & Cellardyke	99	73	n/a	-26.26%
Crail	45	44	n/a	-2.22%
Elie & Earlsferry	19	15	n/a	-21.05%
Kilrenny	2	7	n/a	250.00%
Kingsbarns	8	9	n/a	12.50%
Peat Inn	3	4	n/a	33.33%
Pittenweem	34	22	n/a	-35.29%
St Andrews	240	205	2.93%	-14.58%
St Monans	24	61	52.46%	154.17%

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2018-19 & 2022-23)

House sales data from the Registers of Scotland can be examined to determine where the purchaser originated from or by the purchaser destination. This information can be used to assess consumer demands and provide an understanding of house purchaser migration. Table 3.3 has been prepared by house purchaser area of origin.

The following observations have been made at LHS area level:

- Kirkcaldy (52.1%) and Glenrothes (51.4%) have very high levels of self-containment.
- The lowest level of self-containment is West Fife Villages (20%), followed by Largo & East Neuk (26.1%).
- In migration at Fife level is 32%. Dunfermline, Largo & East Neuk, St Andrews, Taycoast and West Fife Villages all have in migration levels above the Fife average.
- Over 50% of house sales in West Fife Villages, Largo & East Neuk and St Andrews are to a purchaser where the area of origin was outwith Fife or outwith Scotland.
- A high proportion (29.5%) of purchasers in the St Andrews LHS area are from outwith Scotland. This correlates with students migrating to the area to attend the University of St Andrews and the towns golfing history and facilities, attracting enthusiasts globally.
- West Fife Villages (45.1%) has the highest proportion of purchases from outwith Fife but within Scotland. This can be attributed to a strong relationship with Edinburgh and the Lothians, with a large proportion migrating from this area.
- Largo & East Neuk have a higher-than-average level of purchases from outwith Fife and outwith Scotland. This may be linked to the number of short-term lets and second homes in the area.
- A high level of purchases in the Taycoast area, by those outwith Fife but within Scotland, are by purchasers from the Dundee area.

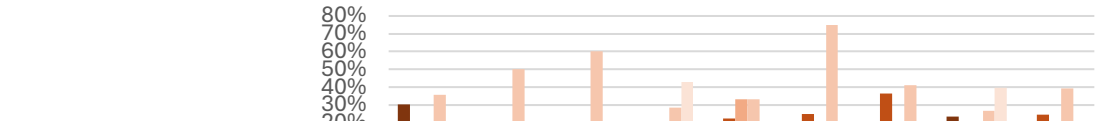
Table 3.3 – House sale containment by LHS area of origin and LHS destination area (2022-23)

Destination LHS Area	Area of Origin					
	Cowdenbeath	Cupar & Howe	Dunfermline	Glenrothes	Kirkcaldy	Largo & East Neuk
Cowdenbeath	42.3%	0.9%	19.0%	4.0%	6.4%	0.2%
Cupar & Howe	0.8%	39.2%	2.5%	6.1%	1.7%	2.2%
Dunfermline	3.2%	0.5%	49.8%	1.8%	2.9%	0.1%
Glenrothes	3.0%	4.4%	3.0%	51.4%	13.4%	0.9%
Kirkcaldy	5.9%	1.4%	4.0%	6.9%	52.1%	0.2%
Largo & East Neuk	0.3%	2.9%	0.7%	0.7%	1.6%	26.1%
Levenmouth	1.6%	1.8%	2.2%	8.2%	13.1%	2.8%
St Andrews	0.0%	4.6%	0.3%	1.2%	0.3%	3.8%
Taycoast	0.0%	10.7%	1.2%	0.8%	1.2%	1.2%
West Fife Villages	1.6%	0.0%	25.5%	0.8%	1.2%	0.0%
Fife	6.2%	4.1%	18.4%	9.4%	14.8%	2.0%
Destination LHS Area	**Area of Origin**					
	Levenmouth	**St Andrews**	**Taycoast**	**West Fife Villages**	**Scotland (outwith Fife)**	**Outwith Scotland**
Cowdenbeath	0.7%	0.4%	0.0%	1.5%	21.8%	2.8%
Cupar & Howe	4.1%	9.7%	2.8%	0.3%	23.8%	6.9%
Dunfermline	0.6%	0.1%	0.1%	5.0%	30.7%	5.0%
Glenrothes	4.3%	0.7%	0.4%	0.1%	12.1%	6.4%
Kirkcaldy	3.3%	0.4%	0.1%	0.3%	19.2%	6.3%
Largo & East Neuk	10.1%	4.9%	0.0%	0.3%	39.2%	12.8%
Levenmouth	47.8%	1.0%	0.2%	0.4%	13.3%	7.6%
St Andrews	1.4%	29.3%	0.6%	0.3%	28.7%	29.5%
Taycoast	0.8%	8.6%	33.2%	0.0%	36.5%	5.3%
West Fife Villages	0.4%	0.0%	0.0%	20.0%	45.1%	5.1%
Fife	5.9%	2.9%	1.5%	2.5%	24.8%	7.2%

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2022-23). Percentages may not total to 100% due to a proportion of purchases with unknown origins.

When looking at the house purchaser area of origin for settlement house purchases within figure 3.1, it is evident a large concentration of settlement sales are to a purchaser either outwith Fife or outwith Scotland. This applies to over 70% of house sales in Elie & Earlsferry, Kilrenny and Peat Inn which determines a high level of in migration. Anstruther & Cellardyke, Pittenweem and St Monans all demonstrate a reasonable proportion of sales to purchasers from the same settlement or from within the Largo & East Neuk LHS area. The low volume of sales within table 3.2 should be considered when observing this data at settlement level.

Figure 3.1 - House sale containment by area of origin and settlement destination (2022-23)



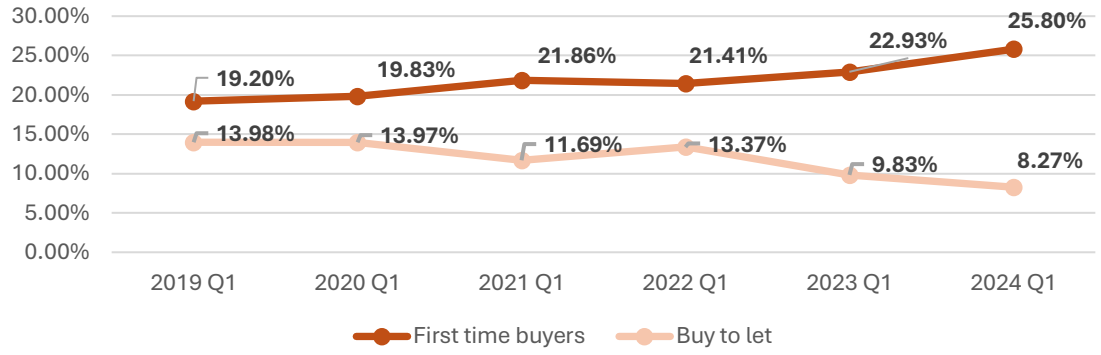
Area of Origin	Anstruther & Cellardyke	Crail	Elie & Earlsferry	Kilrenny	Kingsbarns	Peat Inn	Pittenweem	St Andrews	St Monans
Same settlement	30.1%	13.6%	13.3%	14.3%	0.0%	0.0%	9.1%	23.4%	13.1%
Within LHS area (outwith settlement)	15.1%	4.5%	0.0%	14.3%	22.2%	25.0%	36.4%	2.9%	24.6%
Fife (outwith LHS area)	8.2%	15.9%	6.7%	0.0%	33.3%	0.0%	4.6%	7.3%	9.8%
Scotland (outwith Fife)	35.6%	50.0%	60.0%	28.6%	33.3%	75.0%	40.9%	26.8%	39.3%
Outwith Scotland	9.6%	15.9%	20.0%	42.9%	11.1%	0.0%	9.1%	39.5%	13.1%

Source: Registers of Scotland House Price Time Series provided through the Scottish Government (2022-23). Percentages may not total to 100% due to a proportion of purchases with unknown origins.

4. Mortgages

Figure 4.1 presents the percentage of first-time buyer and buy-to-let mortgages over a 5-year period from 2019 to 2024. The percentage of mortgages for first-time buyers increased by 2.87% between 2023 and 2024. A downward trend is noted for buy to let mortgages since 2022 (13.37% to 8.27%). Several factors are likely to have contributed towards this decrease including rising costs, increased taxation and stricter regulations for private landlords.

Figure 4.1 – Residential mortgages to individuals by purpose



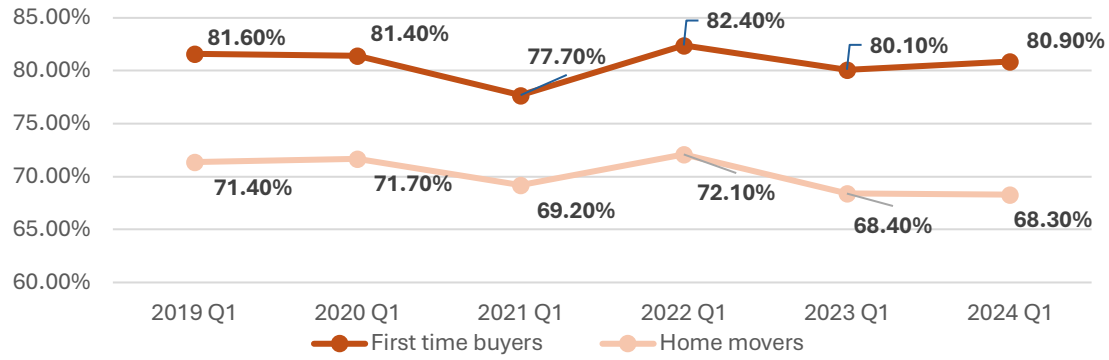
Source: Bank of England, regulated residential loans to individuals provided through the Financial Conduct Authority

Figure 4.2 highlights the mean loan-to-value (LTV) for first time buyers and home movers from Q1 2019 to Q1 2024. It is evident that LTV is substantially lower for home movers. For first time buyers, the LTV declined from 81.40 in Q1 2020 to 77.70% in Q1 2021. The subsequent year documented the largest increase (+4.70%) to 82.40%. The rate for home movers followed a similar trend with the highest LTV also recorded in Q1 2022 at 72.10%. The affordability assessment criteria applied throughout this study follows the default setting in the Housing Need and Demand Assessment (HNDA) Tool Guidance[1] which assumes a household is suitable for home ownership providing they can afford to purchase at the lower quartile house price.

[1] CHMA+-+HNDA+Refresh+-+2019+-+Guidance+-+Publish+-+Tool+Instructions+2020.pdf

The test for affordability is no more than 3.9 times household income which has been calculated through a loan-to-income (LTI) ratio at 3.2 divided by the mean LTV ratio for a first-time buyer mortgage at 82% (both LTI & LTV were obtained from UK Finance).

Figure 4.2 Mean LTV for first-time buyers and home movers



Source: Scottish Housing Market Review provided through the Scottish Government, Q1 2019 – Q1 2024

According to the Scottish Government, Scottish Housing Market Reviews, the average LTV across 2019-2024 is 80.68% for first time buyers, which provides no convincing case for changing the default LTV from 82%. During the same timeframe, the average LTV for home movers is 70.68%.

Table 4.1 presents the change in mortgage interest rates for households from April 2019 to April 2024 for 2-year fixed and variable rates at both 75% and 90% LTVs. A sharp increase in all mortgage rates was evident in 2023, with all rates around double the previous year. This is linked to the UK Government efforts to slow inflation following the cost-of-living crisis which was heavily impacted by the Covid-19 pandemic and the war in Ukraine. Higher interest rates result in higher mortgage payments and can cause difficulties for potential borrowers, particularly those entering the market for the first time in areas with expensive house prices.

Table 4.1 - Mortgage interest rates

Fife	2 year (75% LTV) fixed rate	2 year (90% LTV) fixed rate	2 year (75% LTV) variable rate	2 year (90% LTV) variable rate
30 Apr 2019	1.66%	2.15%	1.62%	2.21%
30 Apr 2020	1.38%	1.89%	1.87%	3.11%
30 Apr 2021	1.49%	3.38%	2.14%	2.91%
30 Apr 2022	2.35%	2.58%	2.32%	2.35%
30 Apr 2023	4.60%	5.07%	4.55%	5.13%
30 Apr 2024	4.98%	5.47%	5.71%	6.18%

Source: Bank of England quoted mortgage interest rates

5. Private Rented Sector

Local Housing Allowance (LHA) rates were introduced in 2008 and are used to calculate Housing Benefit for tenants renting from private landlords. They can help provide an indication of how affordable the private rented sector is. LHA rates are usually set at the lower of either the 30th percentile on a list of rents in the Broad Rental Market Area (BRMA) or the existing LHA. During 2023-24 rates were frozen at the LHA rate determined in March 2020 which was the 30th percentile. Therefore, the LHA rate has not increased in line with rents

since 2020 which has made the sector unaffordable for many private renters who are unable to make up the shortfall. Table 5.1 indicates the LHA in 2018-19 and 2023-24 as well as the 30th percentile market rent in September 2023. The shortfall between the LHA and 30th percentile rent increases in line with the property size. It is also worth noting, tenants aged under 35 who are single, with no dependents are only eligible for the shared accommodation rate when renting from a private landlord, unless in exceptional circumstances.

Table 5.1 – Fife weekly LHA rate 2018-19, 2023-24 & 30th percentile market rent

Bedroom Size	LHA rate 2018-19	LHA rate 2023-24	30th percentile market rent (Sept 2023)	Difference between LHA 2023-24 & 30th percentile rent
Shared Acc.	£59.95	£70.19	£86.30	£16.11
1-bed	£81.58	£86.30	£103.56	£17.26
2-bed	£102.56	£109.32	£135.78	£26.46
3-bed	£120.29	£132.33	£164.55	£32.22
4-bed	£174.81	£195.62	£287.68	£92.06

Source: Local Housing Allowance Rates provided through the Scottish Government.

Fife Council collect local data on private lets advertised through Zoopla which allows data to be examined at a more granular level than the Private Sector Rent Statistics from the Scottish Government, which are available at Broad Rental Market Area (BRMA) level. When comparing the data in table 5.2 to the LHA rate, the average rent for a 4-bed in Glenrothes is the only rent during 2023-24 which may be covered in full by the LHA rate. All other areas and property sizes in Fife would require a tenant contribution. There is a high degree of variation across rents for different property sizes, as well as average private rents across the LHS areas in Fife. In 2023-24, the average monthly private rent is highest in St Andrews (£1,624) followed by Largo & East Neuk (£1,107). The lowest rents are recorded in Levenmouth and Glenrothes with £584 and £687 respectively. Around 30% of private lets captured were in the St Andrews LHS area, which will have likely influenced the average rent figure for Fife in 2023-24. Internal data collected prior to 2020 was arranged by calendar year rather than financial, hence the timeframe difference between the reporting years in tables 5.2 and 5.3. It is worth noting private rental data does not include short-term lets.

Table 5.2 - Mean monthly private rent by LHS area and LHA rate (2019 & 2023-24)

Area	2019					2023-24				
	1-bed	2-bed	3-bed	4-bed	Av.	1-bed	2-bed	3-bed	4-bed	Av.
Cowdenbeath	£405	£457	£637	£1,033	£582	£508	£668	£765	£1,250	£704
Cupar & Howe	£475	£524	£678	£990	£595	£650	£739	£995	-	£753
Dunfermline	£428	£553	£716	£1,007	£592	£593	£753	£1,019	£1,775	£981
Glenrothes	£404	£493	£580	£918	£563	£477	£711	£745	£750	£687
Kirkcaldy	£402	£496	£588	£592	£488	£544	£714	£949	£1,550	£826
Largo & East Neuk	£385	£568	£793	£1,225	£680	£710	£778	£1,250	£1,600	£1,107
Levenmouth	£325	£464	£475	£550	£444	£406	£560	£675	£1,075	£584
St Andrews	£774	£961	£1,131	£1,477	£1,119	£1,013	£1,525	£1,718	£1,916	£1,624
Taycoast	£413	£647	£760	£750	£656	£475	£701	£1,149	-	£977
West Fife Villages	£375	£795	£619	-	£702	-	£825	£750	-	£800
Fife	£437	£595	£699	£1,060	£638	£660	£907	£1,227	£1,684	£1,083

Source: Local rent analysis collected through Zoopla

The average monthly rents can be drilled down to settlement level although these should be treated with caution due to the low level of data available. No private rental data was obtained for Kilrenny or Peat Inn during 2023-24. For this reason, 2022-23 has been added as a comparator where available. The 2023-24 data for Crail and Pittenweem are both based on one advertised property. Great variance is recorded between the settlements listed with average rents ranging from £695 to £1,863 in 2023-24.

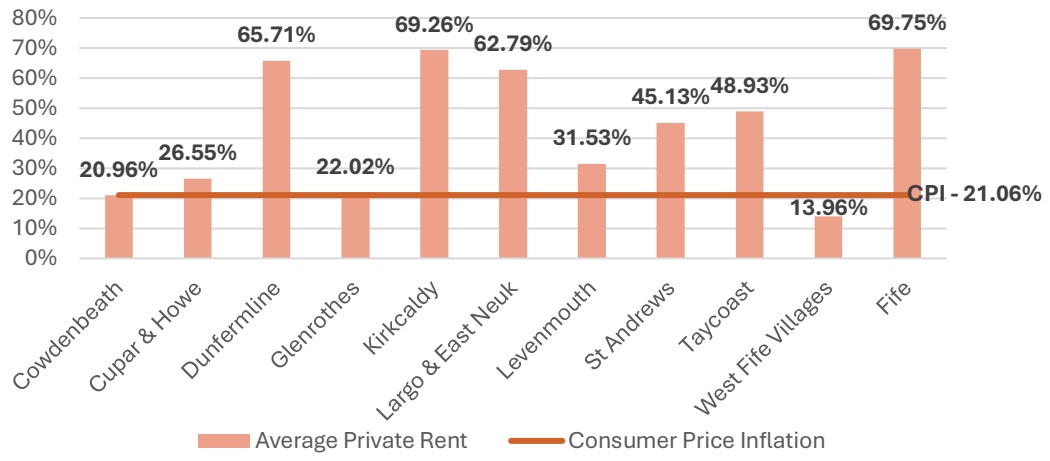
Table 5.3 - Mean monthly private rent by settlement (2019, 2022-23 & 2023-24)

Settlement	2019	2022-23	2023-24
Anstruther & Cellardyke	£734	£920	£860
Crail	£596	n/a	£800
Elie & Earlsferry	£552	£1,500	£1,863
Kilrenny	£1,150	n/a	n/a
Kingsbarns	n/a	n/a	£975
Peat Inn	n/a	£700	n/a
Pittenweem	£385	£750	£1,100
St Andrews	£1,278	£1,293	£1,689
St Monans	n/a	n/a	£695

Source: Local rent analysis collected through Zoopla

Growth in private rental charges at LHS area have been strongest in Kirkcaldy (69.26%), Dunfermline (65.71%) and Largo & East Neuk (62.79%) between 2019 and 2023-24. The average rent for Fife has increased substantially at 69.75% which is significantly above CPI at 21.06%. As mentioned previously, this is likely to be the result of a high level of private lets advertised in St Andrews during 2023-24 (30%). In 2019, the predominant areas advertising a private let were Kirkcaldy (24%) and Dunfermline (21%), with a lower proportion recorded in St Andrews at 16%. During 2023-24 the average rental growth in Cowdenbeath was slightly below CPI at 20.96% with West Fife Villages recording much lower growth at 13.96%.

Figure 5.1 - Average private rent growth by LHS area vs. CPI (2019 - 2023-24)

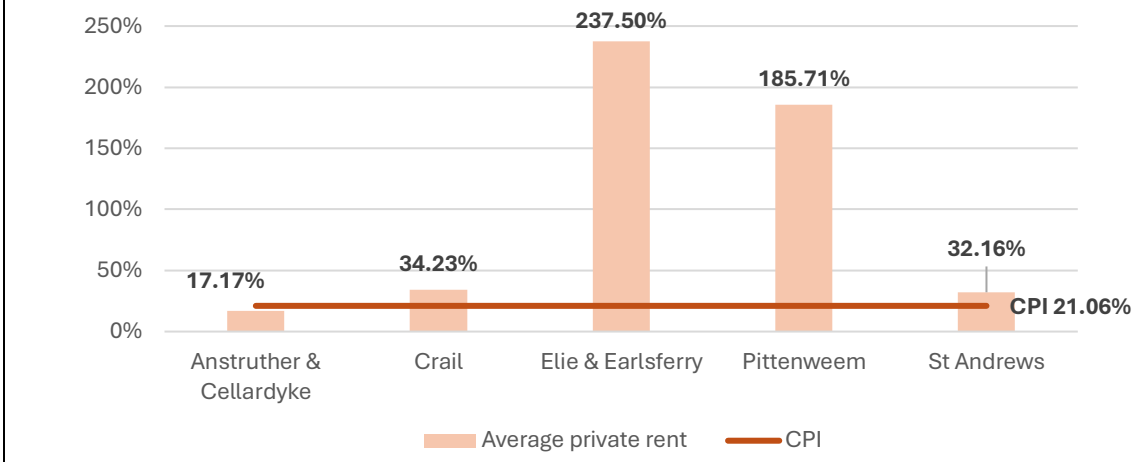


Source: Local rent analysis collected through Zoopla (2019-2023-24) and Consumer Price Inflation (2019-2023)

Settlement growth has varied significantly. Growth in Anstruther & Cellardyke was below CPI of 21.06% at 17.17%. Extortionate growth was recorded in both Pittenweem (185.71%) and Elie & Earlsferry (237.50%). Factors such as property type, size, amenities, quality and whether

a property is furnished or not, can all influence rental prices which should be considered when drawing comparisons from small datasets.

Figure 5.2 - Average private rent growth by settlement vs. CPI (2019 - 2023-24)



Source: Local rent analysis collected through Zoopla and Consumer Price Inflation (2019-2023)

The number of private rented properties in Fife remained fairly static between 2019 and 2024, with a 0.80% reduction during this timeframe. However, the number of properties advertised for let appears to be reducing. The largest change in private rented sector properties was recorded in St Andrews with a 21.93% increase. This coincides with the high level of properties advertised in this area during 2023-24. The largest reduction was recorded in West Fife Villages (-10.55%) and Dunfermline (-8.00%) LHA areas.

Table 5.4 – Number of private rented sector properties by LHS area, 2019 & 2024

LHS Area	2019	2024	Change between 2019 & 2024
Cowdenbeath	1,357	1,342	-1.11%
Cupar & Howe	1,145	1,115	-2.62%
Dunfermline	5,039	4,636	-8.00%
Glenrothes	2,596	2,462	-5.16%
Kirkcaldy	3,954	3,925	-0.73%
Largo & East Neuk	853	870	1.99%
Levenmouth	1,926	1,867	-3.06%
St Andrews	2,576	3,141	21.93%
Taycoast	695	681	-2.01%
West Fife Villages	616	551	-10.55%
Fife	20,757	20,590	-0.80%

Source: Fife Council tenure data 2019 & 2024

At settlement level there has been a great variation in the change in the number of private rented properties with a 100% reduction in Peat Inn and a 109.09% increase in Elie & Earlsferry. St Monans has remained static with no change recorded. Across all settlements reported on, there has been a 456 (17.61%) increase in private rented sector properties between 2019 and 2024. St Andrews LHS area has been a key contributor in this with an increase of 451 (21.46%) properties.

Table 5.5 – Number of private rented sector properties by settlement, 2019 & 2024

Settlement	2019	2024	Change between 2019 & 2024
Anstruther & Cellardyke	185	233	25.95%
Crail	151	92	-39.07%
Elie & Earlsferry	11	23	109.09%
Kilrenny	3	6	100.00%
Kingsbarns	30	34	13.33%
Peat Inn	1	0	-100.00%
Pittenweem	60	58	-3.33%
St Andrews	2,102	2,553	21.46%
St Monans	46	46	0.00%

Source: Fife Council tenure data 2019 & 2024

Often the private rented sector is a tenure of last resort for households who are not eligible for social housing and who cannot afford to enter home ownership. Private rent affordability is a key indicator of housing market pressure, with increasing rents and a decline in availability, placing increased pressure on the social housing sector to fill the gap.

6. Below Market Rents

Below Market Rent (BMR) (also known as Mid-market Rent (MMR)) is an affordable alternative to the private rented sector, with rents generally lower than market levels but higher than social rent. Properties are aimed at households on moderate incomes who have difficulty accessing the social rented sector but would also struggle to purchase their own home or afford private rents. Rental charges tend to sit between 20% above social rents and 80% of the LHA or 80% of local median private rent but should never exceed the LHA**.** Table 6.1 outlines an example of the average BMR rents for 2018-19 and 2023-24, calculated at 80% of the LHA rate. When comparing table 6.1 with average social rents in table 7.1, it is evident this method can produce average weekly rents which are lower than social rents which will have been intensified by the LHA rate freeze. If using this methodology, it is important to consider 20% above social rents to ensure these remain relevant.

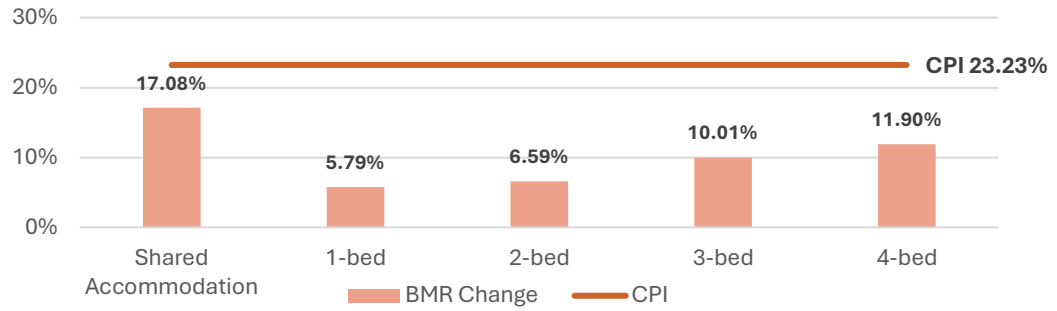
Table 6.1 - Average weekly Below Market Rent (BMR) by bedroom size

Fife	Shared Accommodation	1-bed	2-bed	3-bed	4-bed
2018-19	£47.96	£65.26	£82.05	£96.23	£139.85
2023-24	£56.15	£69.04	£87.46	£105.86	£156.50

Source: Calculated at 80% of the Scottish Government, Local Housing Allowance Rates 2018-19 & 2023-24.

Figure 6.1 considers how average BMR rents (based on 80% of the LHA) for each bedroom size have changed in line with CPI over a 5-year period. All rents have increased well below CPI of 23.23% which is a result of the freeze on the LHA rate between 2020 and 2024.

Figure 6.1 - BMR rental growth by bedroom size vs. CPI (2018-2023)



Source: Scottish Government, LHA Rates 2018-19 & 2023-24 and ONS Consumer Price Inflation 2018-2023.

7. Social Rented Sector

The Scottish Housing Regulator publishes data on the average weekly rent charged by each local authority and Registered Social Landlord (RSL) in Scotland. Table 7.1 presents the average weekly Fife Council and Fife RSL rent by bedroom size for 2018-19 and 2023-24. Across all bedroom sizes, the average RSL rent is higher than the weekly council rate. The difference across bedroom sizes is fairly minimal for both Fife Council and RSLs, particularly when comparing against the difference in private rents in table 5.2. Social rents are set at a standard charge across the full local authority area and are not influenced locally.

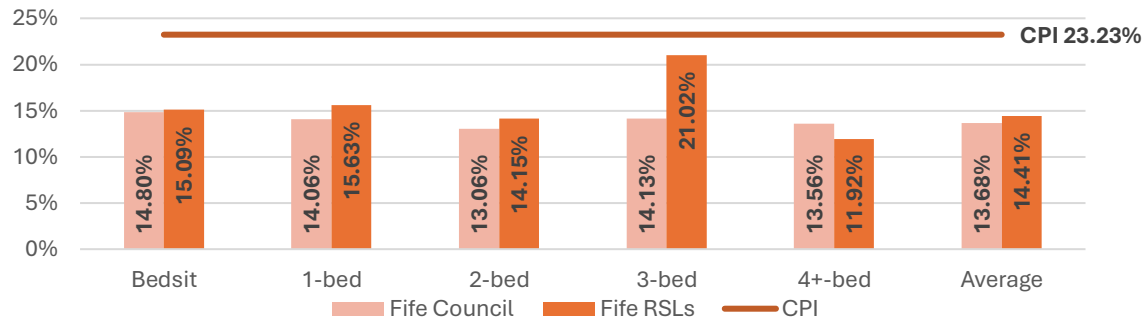
Table 7.1 - Average weekly Fife Council and Fife RSL rent by bedroom size

Fife	Bedsit	1-bed	2-bed	3-bed	4+-bed	Average
2018-19						
Fife Council	£67.14	£69.89	£73.28	£75.68	£79.78	£73.22
Fife RSLs	£92.56	£92.09	£99.93	£102.68	£107.86	£98.41
2023-24						
Fife Council	£77.08	£79.72	£82.85	£86.37	£90.60	£83.24
Fife RSLs	£106.53	£106.48	£114.07	£124.26	£120.72	£112.59

Source: Scottish Housing Regulator, 2018-19 & 2023-24

The figure below establishes the percentage change in Fife Council and Fife RSL rents between 2018-19 and 2023-24. The average rent has risen at a similar rate across both RSLs and Fife Council. With the exception of 4+bed properties, rental growth for Fife Council has been behind RSL growth across all bedroom sizes. All rents have experienced growth below CPI of 23.23% during this period and are substantially lower than private rent charges in Fife.

Figure 7.1 - Fife Council rental growth by bedroom size vs. CPI (2018-19 – 2023-24)



Source: Scottish Housing Regulator, 2018-19 & 2023-24 and ONS Consumer Price Inflation 2018-2023.

Fife Housing Register (FHR) is the common housing register operating in Fife, in partnership with local RSLs. As of August 2024, 11,847 applicants were on the housing list in Fife. The predominant demand is in the Dunfermline LHS area (2,978), followed by Kirkcaldy (2,561) and Glenrothes (1,797). Lower waiting list demand is recorded in Taycoast (263), Largo & East Neuk (300) and West Fife Villages (365). The waiting list data presented is based on first area of choice and excludes applicants with zero points as these are seen to have an aspiration for social housing, rather than a need.

Table 7.2 - FHR applicants by bedroom size / LHS Area – 1st choice

LHS Area	1-bed	2-bed	3-bed	4-bed	5+-bed	Total applicants
Cowdenbeath	637	423	183	111	34	1,388
Cupar & Howe	255	141	76	29	8	509
Dunfermline	1,527	861	393	145	52	2,978
Glenrothes	878	507	266	100	46	1,797
Kirkcaldy	1,301	701	354	159	46	2,561
Largo & East Neuk	159	81	37	14	9	300
Levenmouth	625	353	165	74	18	1,235
St Andrews	238	129	60	15	9	451
Taycoast	148	67	32	12	4	263
West Fife Villages	172	118	50	18	7	365
Fife	5,940	3,381	1,616	677	233	11,847

Source: FHR Waiting List – Aug 2024 (excludes applicants with zero points)

The waiting list data is based on areas of choice which is town based. For the purpose of this study, the towns have been arranged into the closest settlements and presented in table 7.3. Demand is highest in the St Andrews area (297 applicants) followed by Anstruther & Cellardyke (139). There is no waiting list for Peat Inn or Kilrenny which reflects a lack or low level of stock in these areas. Demand is highest for 1-bed properties which mirrors demand at an LHS area level.

Table 7.3 - FHR applicants by bedroom size / settlement – 1st choice

Settlement	1-bed	2-bed	3-bed	4-bed	5+-bed	Total applicants
Anstruther & Cellardyke	76	31	21	8	3	139
Crail	13	7	5	2	0	27
Elie & Earlsferry	10	2	2	0	0	14
Kilrenny	n/a	n/a	n/a	n/a	n/a	n/a
Kingsbarns	0	1	0	0	0	1
Peat Inn	n/a	n/a	n/a	n/a	n/a	n/a
Pittenweem	13	7	3	2	2	27
St Andrews	167	82	38	3	7	297
St Monans	16	12	2	1	0	31

Source: FHR Waiting List – Aug 2024 (excludes applicants with zero points).

Fife Council housing stock data can be examined at both LHS area and by town. As with the FHR data, towns have been sorted into the closest settlements. Kirkcaldy LHS area contains the largest proportion of stock. With regards to bedroom size, 2-bed properties are the most common across Fife Council stock. When comparing waiting list demand to Fife Council stock only, the highest pressure is placed on the Dunfermline area.

Table 7.4 - Fife Council stock by bedroom size / LHS area

LHS Area	Bedsit	1-bed	2-bed	3-bed	4-bed	5+-bed	Total
Cowdenbeath	31	898	2,208	1,476	168	29	4,810
Cupar & Howe	26	379	704	310	26	5	1,450
Dunfermline	52	1,227	2,023	1,123	154	34	4,613
Glenrothes	51	1,359	1,831	1,121	208	35	4,605
Kirkcaldy	72	1,826	4,153	1,683	215	26	7,975
Largo & East Neuk	9	245	369	121	18	6	768
Levenmouth	0	863	2,257	1,107	166	13	4,406
St Andrews	8	322	520	180	40	14	1,084
Taycoast	7	205	270	121	6	2	611
West Fife Villages	0	98	352	284	56	0	790
Fife	256	7,422	14,687	7,526	1,057	164	31,112

Source: Scot Exec Stock list – Sept 2024

Table 7.5 demonstrates at settlement level, Fife Council stock levels are highest in St Andrews (731), followed by Anstruther & Cellardyke (194). This reflects the higher waiting list demand for these settlements. When comparing waiting list demand to Fife Council stock levels, the highest pressure is in Anstruther & Cellardyke and Elie & Earlsferry.

Table 7.5 - Fife Council stock by bedroom size / settlement

Settlement	Bedsit	1-bed	2-bed	3-bed	4-bed	5+-bed	Total
Anstruther & Cellardyke	4	72	90	22	5	1	194
Crail	0	19	38	6	1	0	64
Elie & Earlsferry	0	5	11	5	0	0	21
Kilrenny	0	0	1	0	0	0	1
Kingsbarns	0	5	9	5	0	0	19
Peat Inn	0	0	0	0	0	0	0
Pittenweem	0	44	47	19	6	0	116
St Andrews	8	233	375	100	12	3	731
St Monans	3	59	73	15	3	3	156

Source: Scot Exec Stock list – Sept 2024

Stock levels for RSLs can be obtained from the Scottish Housing Regulator, however, these cannot be drilled down to LHS or settlement area. Table 7.6 presents the RSL stock levels by bedroom size in Fife at March 2024. It is evident 2-bed properties are dominant across RSL stock, similar to Fife Council. Some Fife RSLs are a partner of FHR, which means housing list applicants can also opt to be housed in an RSL property.

Table 7.6 – Fife RSL stock by bedroom size (2023-24)

Fife RSLs	Bedsit	1-bed	2-bed	3-bed	4+-bed	Total
2023-24	87	2,381	5,398	2,909	338	11,113

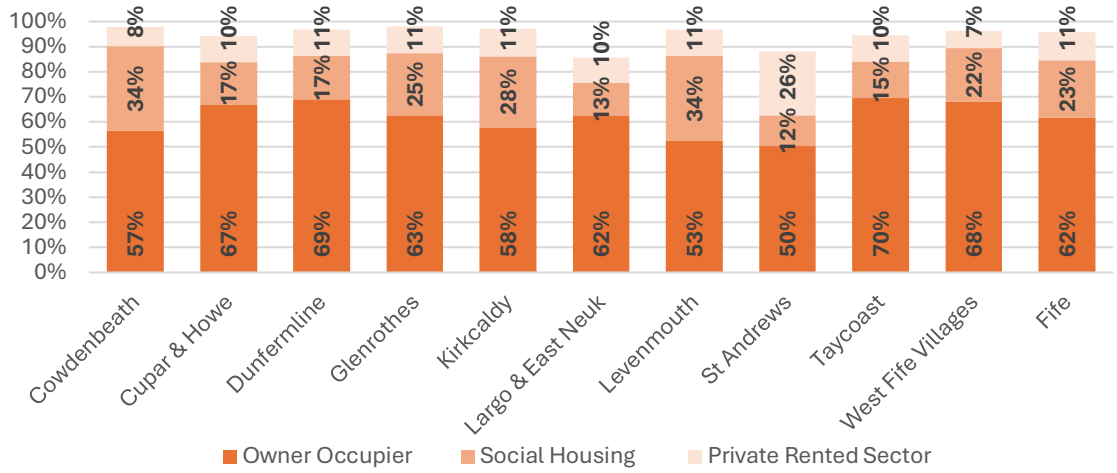
Source: Scottish Housing Regulator 2023-24

8. Housing Tenure & Dwelling Pressures

Fife Council tenure data, obtained from Council Tax has been reviewed to establish the tenure breakdown. As of September 2024, there were 184,062 dwellings across Fife. Figure 8.1 demonstrates that owner occupation dominates the tenure profile across all LHS areas in Fife (ranging from 50% in St Andrews to 70% in Taycoast area). With the exception of St Andrews, the private rented sector provides the smallest proportion of housing options. Social housing

is more dominant in Levenmouth and Cowdenbeath which correlates with the lower income profiles in these areas, as reported in table 9.2.

Figure 8.1 – Housing tenure by LHS area



Source: Fife Council tenure data, Sept 2024

Fife Council housing data has been analysed to provide an indication of the second homes, long-term empty dwellings and short-term lets. There are a high proportion of second homes (8.87%) and short-term lets (8.13%) in the Largo & East Neuk area, as well as a higher than Fife average proportion of long-term empty homes (2.67%). St Andrews also contains a high share of short-term lets (5.41%) and long-term empty homes (1.92%), with empty homes also high in the Taycoast area (1.88%). All other areas have relatively low levels of short-term lets, second homes and long-term empty homes.

Table 8.1 – Dwellings, short-term lets, second homes & long-term empty homes by LHS area

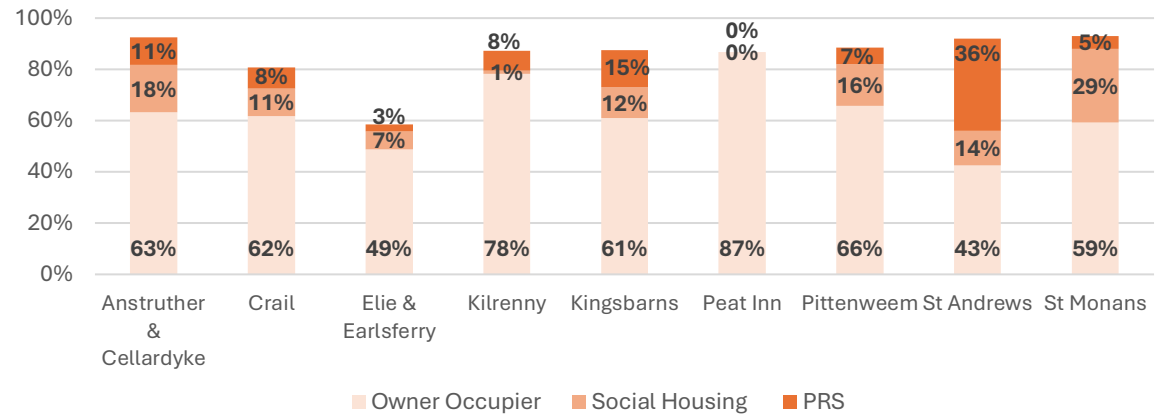
LHS Area	Total dwellings	Short-term let	Second homes	Long-term empty
Cowdenbeath	17,246	0.13%	0.28%	0.78%
Cupar & Howe	10,707	1.04%	0.79%	1.49%
Dunfermline	44,069	0.54%	0.42%	0.95%
Glenrothes	23,137	0.16%	0.29%	0.87%
Kirkcaldy	35,561	0.33%	0.48%	1.25%
Largo & East Neuk	8,848	8.13%	8.87%	2.67%
Levenmouth	17,557	0.16%	0.51%	1.34%
St Andrews	12,249	5.41%	1.65%	1.92%
Taycoast	6,528	0.90%	1.21%	1.88%
West Fife Villages	8,160	0.40%	0.51%	1.15%
Fife	184,062	1.10%	0.96%	1.24%

Source: Fife Council tenure data and housing services data, Sept 2024. Short-term let data includes all short-term let properties and not just secondary lets.

Figure 8.2 presents the tenure over the settlement areas. Although owner occupation dominates the tenure profile, the proportion varies by settlement from 43% in St Andrews to 87% in Peat Inn. The private rented sector provides the smallest proportion of housing options in Anstruther & Cellardyke (11%), Crail (8%), Elie & Earlsferry (3%), Pittenweem (7%) and St Monans (5%). At 29%, St Monans has a higher proportion of social housing than the Fife

average (23%). There are no social housing or private rented sector properties recorded in the Peat Inn settlement.

Figure 8.2 – Housing tenure by settlement



Source: Fife Council tenure data, Sept 2024

Detailed analysis was undertaken at settlement level to determine the second homes, long-term empty homes and short-term lets locally. As a proportion of total dwellings, second homes are most prevalent in Elie & Earlsferry (37.53%), followed by Crail (10.64%). Crail, Kingsbarns and Peat Inn are the only settlements to contain a level of empty homes below the Fife average. Short-term lets are popular across all settlements, with a particular emphasis on Elie & Earlsferry (19.02%).

Table 8.2 – Dwellings, short-term lets, second homes & long-term empty homes by settlement

Settlement	Total dwellings	Short-term Let	Second homes	Long-term empty
Anstruther & Cellardyke	2,145	7.37%	3.92%	2.24%
Crail	1,118	7.69%	10.64%	1.16%
Elie & Earlsferry	778	19.02%	37.53%	4.88%
Kilrenny	78	8.97%	5.13%	3.85%
Kingsbarns	233	9.01%	8.15%	0.86%
Peat Inn	38	7.89%	7.89%	0.00%
Pittenweem	881	8.29%	7.49%	2.50%
St Andrews	7,124	7.45%	1.95%	1.91%
St Monans	818	7.46%	6.36%	1.83%

Source: Fife Council tenure data and housing services data, Sept 2024. Short-term let data includes all short-term let properties and not just secondary lets.

9. Income & Affordability

Income data is provided through CACI Paycheck Directory for 2024 with the lower quartile, median and mean annual income shown in the following table for Fife and Scotland. All income measurements are higher than Scotland which indicates incomes in Fife are greater than the national average. Since 2018, lower quartile incomes have risen by 34.91% in Fife which is much higher than the growth for Scotland at 26.58%. It is not possible to extract robust income data at LHS or settlement level from this dataset, however analysis of CACI Paycheck data was performed to profile the value and distribution of local incomes across a banded income profile, at LHS area and datazone level, which can be viewed in tables 9.2 and

9.3. The household lower quartile income to lower quartile house price ratio at Fife level is 4.90. This provides an indication of relative affordability of owner occupation at entry level.

Table 9.1 – Annual Household Income (2024)

LHS Area	2024		
	Lower Quartile	Median	Mean
Fife	£22,449	£40,312	£49,242
Scotland	£21,721	£39,386	£48,657

Source: CACI Paycheck Directory, 2024

Table 9.2 provides the proportion of households within different income bands ranging from £0-£15,000, up to £100,000+. Incomes are lowest in the Levenmouth area, with over 48% of households with an income below £30,000 per annum and a low proportion of households (12.5%) with an income above £75,000. The highest incomes are recorded in St Andrews with a high proportion of households (27%) recorded above £75,000 and a lower proportion of households (26.4%) with an income below £30,000. Across all areas, the largest proportion of households sit within the £15,000 - £30,000 band, however this fluctuates from 19.1% in St Andrews to 29% in Levenmouth, which demonstrates clear evidence of income inequality across the LHS areas in Fife.

Table 9.2 – Household banded income profile by LHS area (2024)

LHS Area	£0-£15k	£15k - £30k	£30k - £45k	£45k - £60k	£60k - £75k	£75k - £100k	£100k+
Cowdenbeath	17.0%	28.0%	19.4%	13.2%	8.3%	8.2%	5.9%
Cupar & Howe	9.7%	21.4%	18.7%	15.2%	11.0%	12.6%	11.4%
Dunfermline	9.8%	20.8%	18.1%	14.9%	11.0%	12.9%	12.6%
Glenrothes	14.9%	26.2%	19.3%	13.8%	9.1%	9.4%	7.3%
Kirkcaldy	15.1%	26.0%	19.0%	13.6%	9.0%	9.5%	7.8%
Largo & East Neuk	8.1%	20.2%	18.8%	15.8%	11.7%	13.4%	12.0%
Levenmouth	19.1%	29.0%	19.1%	12.6%	7.7%	7.4%	5.1%
St Andrews	7.3%	19.1%	18.6%	16.0%	12.0%	14.0%	13.0%
Taycoast	9.1%	20.1%	18.0%	15.1%	11.3%	13.3%	13.1%
West Fife Villages	12.0%	23.5%	18.9%	14.6%	10.1%	11.2%	9.7%
Fife	12.8%	23.9%	18.8%	14.3%	9.9%	10.9%	9.5%

Source: CACI Paycheck Directory, 2024. Due to rounding in calculations, some areas may exceed 100% when adding bands.

As mentioned previously, income data is available by datazone rather than settlement. The datazones have been grouped into the relevant settlements, however, there may be some slight variances in the geographies which should be taken into consideration when reviewing affordability outputs at settlement level. St Monans contains the largest proportion of households with an income below £30,000 per annum at 32.9%, closely followed by Pittenweem at 31.3%. Higher incomes are more prevalent in Elie & Earlsferry and Peat Inn. The largest proportion of households in the Peat Inn area fall within the £100,000+ income band which suggests this area contains more affluent households. Across all reported settlements, the percentage of households in the lower income bands is below the proportion at Fife level.

Table 9.3 – Household banded income profile by settlement (2024)

LHS Area	£0-£15k	£15k - £30k	£30k - £45k	£45k - £60k	£60k - £75k	£75k - £100k	£100k+
Anstruther & Cellardyke	8.1%	20.1%	18.8%	15.8%	11.7%	13.5%	12.0%
Crail	7.9%	20.1%	19.0%	16.1%	11.7%	13.5%	11.7%
Elie & Earlsferry	5.7%	17.3%	18.3%	16.5%	12.8%	15.3%	14.1%
Kilrenny	7.8%	19.4%	18.4%	15.9%	11.7%	13.8%	13.1%
Kingsbarns	6.9%	19.3%	19.0%	16.4%	12.1%	14.1%	12.4%
Peat Inn	4.7%	14.6%	16.3%	15.6%	12.9%	16.9%	19.0%
Pittenweem	9.6%	21.7%	19.1%	15.4%	11.0%	12.3%	10.8%
St Andrews	7.3%	20.0%	18.7%	15.9%	11.8%	13.7%	12.6%
St Monans	10.1%	22.8%	19.7%	15.6%	10.9%	11.7%	9.2%

Source: CACI Paycheck Directory, 2024. Datazones have been grouped into settlements which may impact geographies reported on. Due to rounding in calculations, some areas may exceed 100% when adding bands.

Table 5.2 shows the mean monthly rents by bedroom size for a private let across the LHS areas in Fife. The 2023-24, average data has been used as a base to populate the annual income required for private renting, below market rent and social rent. The income bands in table 9.4 were derived by taking the mean monthly rent for each LHS area and calculating the income required for the proportion of rent to fall between the following thresholds:

- 25% of household income spent on rent would indicate suitability for a private rented property.
- Spending between 25% and 35% of household income on a private rent can be determined as suitable for BMR.
- A household who spends more than 35% of household income on a private rent is deemed to be suitable for social rent.

The minimum income requirement varies across the different areas in Fife due to the variation in private rental charges. For example, in the St Andrews LHS area, a household would require an income of £77,952 per annum to afford a private rented property, £55,680 - £77,952 to be suitable for BMR and below £55,680 to be considered suitable for social rent. In the Levenmouth area, this reduces to an income of £28,032 to afford a private let, £20,023 - £28,032 for BMR and below £20,023 to be suitable for social rent.

For home ownership, income requirements are based on 2022-23 lower quartile house price data as this is the most recent available. To calculate the annual income required for home ownership to be affordable, the LTV has been based on 82% of the mean lower quartile purchase price for each area, assuming an 18% deposit. This has then been divided by an LTI ratio of 3.2 to provide the minimum incomes required as outlined below. House prices follow a similar trend to private rents where the highest income is required in St Andrews (£59,194) and lowest requirement is in the Levenmouth area (£18,963).

Table 9.4 - Income affordability levels by LHS area and tenure

LHS Area	2023-2024			2022-23
	Social Rent maximum income	Below Market Rent income range	Private Rent minimum income required	Home Ownership minimum income required
Cowdenbeath	£24,137	£24,137 - £33,792	£33,792	£23,326
Cupar & Howe	£25,817	£25,817 - £36,144	£36,144	£31,775
Dunfermline	£33,634	£33,634 - £47,088	£47,088	£32,031
Glenrothes	£23,554	£23,554 - £32,976	£32,976	£23,857
Kirkcaldy	£28,320	£28,320 - £39,648	£39,648	£22,870
Largo & East Neuk	£37,954	£37,954 - £53,136	£53,136	£49,968
Levenmouth	£20,023	£20,023 - £28,032	£28,032	£18,963
St Andrews	£55,680	£55,680 - £77,952	£77,952	£59,194
Taycoast	£33,497	£33,497 - £46,896	£46,896	£38,438
West Fife Villages	£27,429	£27,429 - £38,400	£38,400	£27,675
Fife	£37,131	£37,131 - £51,984	£51,984	£28,188

Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) and analysis of 2022-23 lower quartile house prices provided from the Registers of Scotland (RoS) to provide estimated incomes required for affordability

This methodology can be applied at settlement level to view income requirements locally. St Monans has the lowest income requirements for a private rent at £33,360 with the highest income required in Elie & Earlsferry at £89,424. For home ownership, Anstruther & Cellardyke require the lowest income of £48,688 with Elie & Earlsferry requiring the greatest at £84,178.

Table 9.5 – Households income affordability levels by settlement

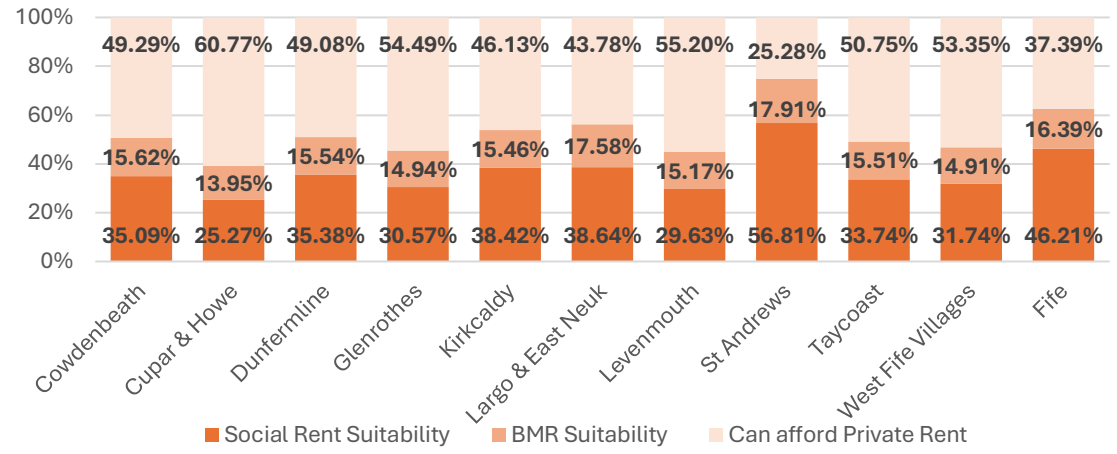
Settlement	2023-2024			2022-23
	Social Rent maximum income	Below Market Rent income range	Private Rent minimum income required	Home Ownership minimum income required
Anstruther & Cellardyke	£29,486	£29,486 - £41,280	£41,280	£48,688
Crail	£27,429	£27,429 - £38,400	£38,400	£54,773
Elie & Earlsferry	£63,874	£63,874 - £89,424	£89,424	£84,178
Kilrenny	n/a	n/a	n/a	£63,294
Kingsbarns	£33,429	£33,429 - £46,800	£46,800	£79,181
Peat Inn	£24,000	£24,000 - £33,600	£33,600	£83,397
Pittenweem	£37,714	£37,714 - £52,800	£52,800	£58,777
St Andrews	£57,909	£57,909 - £81,072	£81,072	£65,344
St Monans	£23,829	£23,829 - £33,360	£33,360	£49,967

Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) (Peat Inn based on 2022-23) and analysis of 2022-23 lower quartile house prices provided from the Registers of Scotland (RoS) to provide estimated incomes required for affordability.

Figure 9.1 shows the percentage of households suitable for a social rent, BMR or private rent in Fife LHS areas. This has been calculated through analysis of average private rents (2023-24) collected through Zoopla, CACI Paycheck Directory income data (2024) and applying the thresholds set out on page 21 for the different tenures of housing. The results show a high level of suitability for social rent in St Andrews (56.81%) which has been impacted by the amplified private rent charges within this area, making private rent an unaffordable option for many households. Suitability for BMR ranges from 13.95% in Cupar & Howe to 17.91% in St Andrews. A larger proportion of households in Cupar & Howe (60.77%), Levenmouth (55.20%), Glenrothes (54.49%), and West Fife Villages (53.35%) can afford a private let which reduces pressure on the social rented sector. Results demonstrate how the affordability in the

private rented sector has a direct impact on the levels of social housing required within each area.

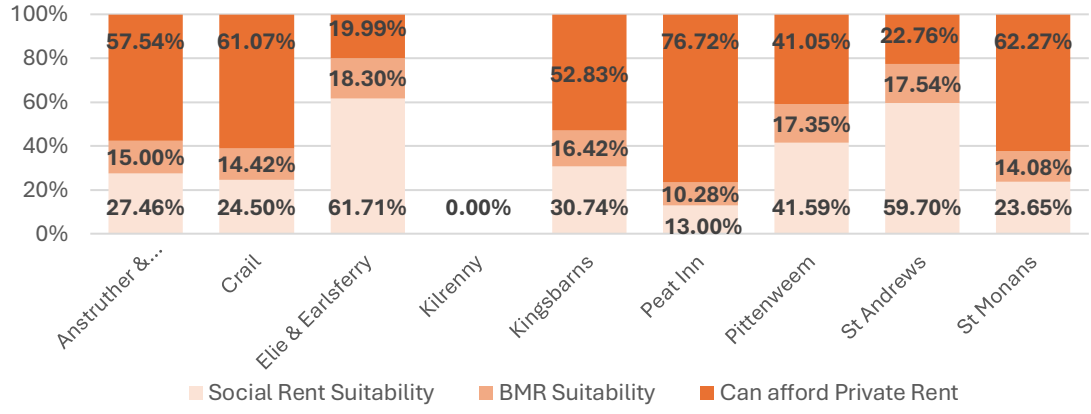
Figure 9.1 – Households suitable for social rent, BMR and private rent (%)



Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) and CACI Paycheck Directory (2024)

The settlement data demonstrates the private rented sector is only affordable for a small proportion of households in Elie & Earlsferry (19.99%) and St Andrews (22.76%). Private rented sector affordability is less of an issue in Crail, Peat Inn and St Monans which has a positive impact on the households suited to the social rented sector. BMR suitability fluctuates from 10.28% in Peat Inn to 18.30% in Elie & Earlsferry. No private rental data was available for Kilrenny hence why results are absent from the figure below.

Figure 9.2 – Households suitable for social rent, BMR and private rent (%)

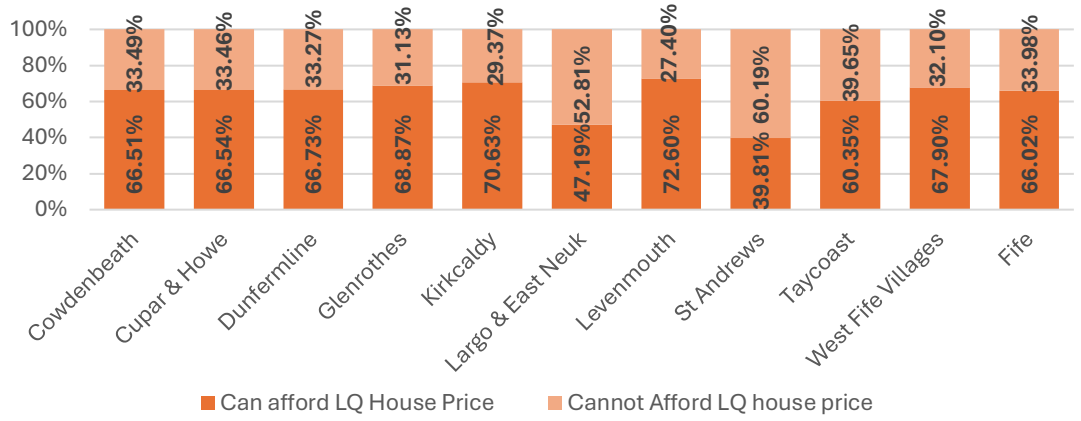


Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) and CACI Paycheck Directory (2024). Peat Inn based on 2022-23 rent due to lack of 2023-24 data.

Figure 9.3 presents the percentage of households who can and cannot afford a lower quartile house price by LHS area. This has been calculated through analysis of 2022-23 lower quartile house prices from Registers of Scotland, CACI Paycheck Directory income data (2024) and assuming an 18% deposit and loan-to-income ratio of 3.2 is available. It is worth noting the timescale difference for the available data, as this may have slightly impacted affordability results in a positive manner. Results follow a similar trend to private rent affordability with St

Andrews and Largo & East Neuk being the least affordable areas to enter home ownership, where 39.81% and 47.19% of households can afford a lower quartile price in turn. Levenmouth and Kirkcaldy are most affordable at 72.60%, 70.63% respectively. Affordability for home ownership sits between 60%-70% for all other areas, not previously mentioned.

Figure 9.3 – Household affordability for lower quartile house prices by LHS area (%)

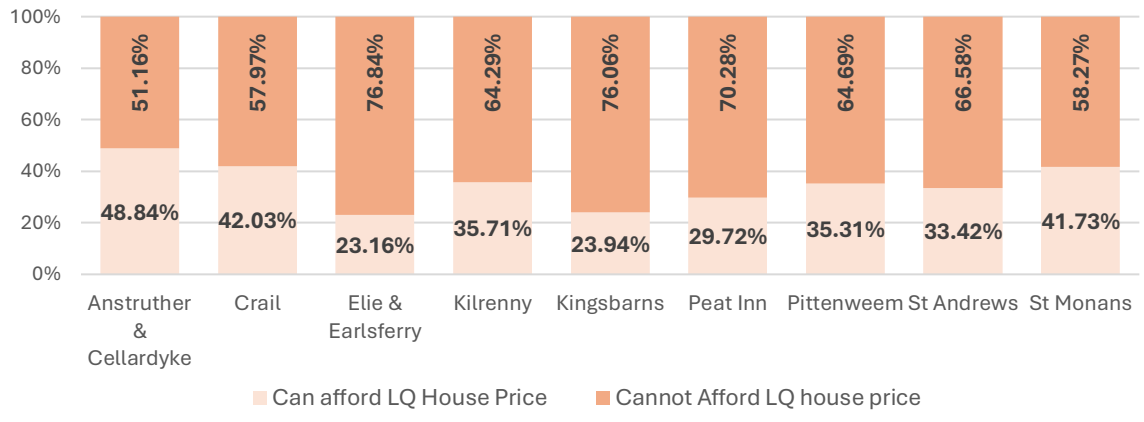


Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) and CACI Paycheck Directory (2024)

Across all areas a larger proportion of households can afford a lower quartile house price than a private rented property. This is however, assuming a household can afford an 18% deposit along with the costs associated with home ownership, such as repairs and maintenance.

At settlement level, the ability to afford home ownership fluctuates from 23.16% in Elie & Earlsferry to 48.84% in Anstruther & Cellardyke. Lower quartile house prices are unaffordable to more than 70% of households in Elie & Earlsferry, Kingsbarns and Peat Inn.

Figure 9.4 – Household affordability for lower quartile house prices by settlement (%)



Source: Analysis of 2023-24 local rents collected through Zoopla (mean based) and CACI Paycheck Directory (2024)

10. Key Findings & Conclusion

The key findings emerging through the assessment of affordability across Fife conclude:

House Sales & Prices

- The lower quartile house price in St Andrews LHS area is higher than the median house price in many other LHS areas. A high proportion of purchasers in this area originate from outwith Scotland which is influenced by the University of St Andrews student population and golfing enthusiasts finding the area an attractive place to live.
- House prices in Elie & Earlsferry, Peat Inn and Kingsbarns settlements are particularly high and deemed unaffordable for over 70% of households in the area.
- House sale self-containment levels are lowest in West Fife Villages at 20%. A strong relationship is demonstrated with Edinburgh and the Lothians, with a high proportion of purchasers originating here.
- Largo & East Neuk have a relatively high level of purchases from outwith Fife and outwith Scotland. This can be linked to the high proportion of second homes and short-term lets in the area.
- Over 50% of house sales in West Fife Villages, Largo & East Neuk and St Andrews are to a purchaser where the area of origin is outwith Fife or outwith Scotland, demonstrating high levels of in migration in these areas.

Private Rented Sector

- A 4-bed property in Glenrothes is the only rent during 2023-24 which may be covered in full by the LHA rate. All other LHS areas and property sizes require a tenant contribution to make up the shortfall.
- Private rents are significantly high in St Andrews and Largo & East Neuk. The largest growth in rents between 2019 and 2023-24 were recorded across Kirkcaldy, Dunfermline and Largo & East Neuk.
- Cupar & Howe LHS area is most affordable for a private let which suggests private rental charges are more in line with incomes in this area.

Social Rented Sector

- Across all bedroom sizes, Fife Council and Fife RSL rents have experienced growth below CPI of 23.23% between 2018-19 and 2023-24.
- Demand for social housing is highest in the Dunfermline and Kirkcaldy LHS areas. The lowest demand levels are recorded in Taycoast and Largo & East Neuk.
- St Andrews and Anstruther & Cellardyke have the highest proportion of FHR applicants at town level.

Income & Affordability

- Household income inequality is evident across the different LHS areas in Fife, with almost 50% of households in Levenmouth having an income below £30,000 and only 26% below this threshold in St Andrews.
- Income requirements follow a similar trend for both home ownership and a private let with the highest incomes required in St Andrews and Largo & East Neuk. The lowest income requirements are in Levenmouth.

- St Andrews LHS area contains the highest percentage of households unable to afford to home ownership (60.19%) and unable to afford a private rent (74.72%). Due to this, more households are suited to social rent at 56.81%.
- Households unable to afford home ownership (52.81%) in Largo & East Neuk is also high in comparison with other LHS areas, however there is less disparity in the affordability of a private let in this area when comparing results with the St Andrews LHS area.
- Across the settlements, levels of unaffordability for both home ownership and private lets are high in Elie & Earlsferry, Pittenweem and St Andrews areas.

Through this study, it is evident a range of factors have influenced some of the higher house prices and private rental charges across the St Andrews and Largo & East Neuk LHS areas and it is not possible to identify a primary reason for this. The data available is limited and there is no robust data to tie affordability issues to short-term lets; a range of factors should be considered when looking at non-residential stock.

Across all LHS areas, finding suggest that a larger proportion of households can afford to purchase a property at a lower quartile house price than those that can afford to rent privately. This is providing that purchasers can afford the initial deposit. This reinforces the affordability challenges within the private rented sector, which has a direct impact on the requirements for social housing. It is apparent, high private rental charges place more pressure on the social rented sector, which can lead to demands for more affordable housing across the local authority area to address housing need.