

- NET ZERO
- SUSTAINABLE PLACES
- INCLUSIVE GROWTH

Infrastructure investment is affordable with increased financing innovation



## Ensuring more NHT homes remain as affordable rent

**T**HE National Housing Trust (NHT) programme was one of the very first innovative infrastructure programmes we launched when we started operating and was aimed at supporting Scotland's local authorities increase the supply of mid-market rent homes to meet rapidly growing demand.

The principle behind the award-winning NHT programme was that local authorities would appoint housing developers to build a specified number of homes for affordable rent on land they already owned. Once built, a company in the form of a limited liability partnership (LLP) would be established that would comprise the developer, the participating local authority together with our investment company, Scottish Futures Trust investments.

The LLP would then buy the homes and let the properties to tenants at affordable rent for at least five and up to ten years, after which time the properties were to be sold.

In total 1,731 NHT homes were built in 12 local authority areas across Scotland.

Ahead of the five year milestone approaching, our Housing team engages with the developer, the local authority and other public sector stakeholders (including the Scottish Government) to devise innovative commercial solutions. The team provides commercial, legal and public sector support to prepare exit strategies that work for all the partners and most importantly the tenants. Our goal is to provide the best possible outcomes to tenants during the sale process.

Over the past few years our Housing team has managed to retain 1,123 of the 1,731 homes for long-term affordable rent after exiting the NHT programme, including a further 51 homes during 2023/24.

The 2023/24 total was achieved by Create Homes Aberdeenshire LLP repurposing so that it was no longer part of the NHT initiative but was able to continue renting its homes at mid-market rent.

In helping reach this point, the Housing team recognises the work of partners in the LLPs (developers and local authorities) in helping reach arrangements which worked for them and their tenants. The team also recognise the work of Scottish Government and Scottish Ministers in their vital role in providing financial support to purchasers (both grant and finance) and providing policy support in securing positive outcomes for all the tenants.