

Outcomes 2024/25

Unlocking affordable housing in Edinburgh through innovative funding

Challenge

The City of Edinburgh Council (CEC) faced a growing demand for affordable, high-quality homes amid increasing pressure on Edinburgh's housing market. Traditional funding routes were limiting the speed and scale at which mid-market rent (MMR) homes could be delivered. CEC needed a new approach to expand its housing stock while maintaining long-term affordability for residents, particularly those experiencing 'working homelessness', families who are employed but cannot secure stable housing.

Solution

To overcome these challenges, the **Scottish Futures Trust's (SFT)** housing team partnered with **CEC** and **Scottish Government** to develop an innovative funding model. This approach enabled CEC to purchase MMR homes using funds 'on-lent' from the Public Works Loan Board, supplemented by a grant from Scottish Government.

PRIMARY OUTCOME

3

Infrastructure investment is affordable with increased financing innovation



CORPORATE PRIORITIES



NET
ZERO



SUSTAINABLE
PLACES



INCLUSIVE
GROWTH

SFT played a central role in shaping the model, leveraging:

- Advanced **financial modelling** skills
- Extensive experience with **mid-market rent vehicles**
- Strong **commercial and delivery expertise**

Through this collaborative effort, a new delivery mechanism - **Edinburgh Living** - was established to provide high-quality, affordable homes across the city.

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The impact

Since its launch, **Edinburgh Living** has delivered:

- **715 homes** for mid-market rent currently owned and managed
- **99 homes are scheduled for purchase in 2025**
- An additional **145 homes** are onsite and planned for delivery in **2026**

What sets this initiative apart is its **targeted social impact**. CEC uses these homes to address *working homelessness*, giving families in this category **first refusal** on available properties. This has drastically reduced wait times for social housing and allowed many families to move into secure, affordable homes much faster than through traditional social housing routes. At least 282 households have been successfully housed through this route since 2019.

With an initial target of 728 mid-market homes nearly achieved and plans in development to expand to 1500, the success of this model demonstrates how cross-sector collaboration and smart financing can drive **real change in housing delivery**.

