

Housing, Transport and Digital Connectivity

Summary of the Evidence

Prepared for Session 4 (7 October 2026)

This document summarises the three evidence papers prepared for Session 4 of the Shetland Partnership Plan development process. It outlines the evidence on housing, transport and digital connectivity, and links with themes explored in earlier sessions. Participants are encouraged to read the full papers ahead of the day.

The foundations of everyday life

Housing, transport and digital connectivity are closely linked in everyday life. Together, they influence whether and how people can live in Shetland, reach work and essential services, maintain social connections, and remain independent and healthy. They also affect whether businesses and public services can recruit the people they need, and whether communities can plan for the future.

All three papers identify that demand and expectations are growing faster than supply and capacity, while infrastructure is expensive to provide for a dispersed island population. The workforce needed to build, operate and maintain these systems is also under pressure. Access varies across Shetland, and many decisions affecting local provision are taken by governments, regulators or private companies based elsewhere.

Housing: more than supply

Shetland needs more homes, but also homes of the right size, in the right places and at affordable prices. Pressure is strongest in Lerwick, Central and South Mainland, while some rural and island communities have a higher proportion of vacant or underused properties. Around 65% of live social housing applications are for one-bedroom homes, but much of the existing stock comprises larger detached and semi-detached properties. This creates a mismatch between available stock and demand from smaller households, older people and those needing adapted or supported housing.

Demand has also grown as average household size has fallen from 2.9 people in 1981 to around 2.1 today. A population of 23,000 would have required around 7,900 homes in 1981 but needs almost 11,000 now. Research suggests that 1,200 to 1,500 additional homes may be needed over the next decade, including for the future workforce. In 2024/25, 44 homes were completed, although delivery numbers fluctuate as larger schemes reach completion.

Supply is further constrained by homes that are unavailable for occupation. Around 10% of Shetland's housing is classed as ineffective stock because it is empty, used as a second home or short-term let, or otherwise unavailable. The private rented sector accounts for only 5% of homes, compared with 13% across Scotland, while short-term lets reached an estimated 597 in August 2026 (5th highest levels in Scotland). Empty homes could add to supply, but many do not match the locations, condition or size required.

Affordability is another major pressure. Half of Shetland households cannot afford the average private rent, while home ownership is increasingly difficult for lower-income households. Building costs are estimated at around £4,500 per square metre, roughly double the level five years ago, making affordable delivery more difficult. New supply is also constrained by shortages of construction skills and apprentices, competition for labour, procurement requirements and the risk that national grants do not keep pace with the increased island costs.



These pressures affect the whole housing system. Limited private renting and access to home ownership reduce people's options and contribute to lower turnover in social housing. They also affect young people setting up home, families seeking suitable accommodation and employers recruiting staff.

The condition and cost of heating existing homes present a separate but related challenge. Shetland's climate, longer heating season, older housing and reliance on electric heating contribute to high energy use. Around 40% of households are estimated to be in Fuel Poverty, rising to 72% among social rented households. Energy efficiency improvements can make homes warmer and reduce demand, but local building types, shortages of skilled trades and material costs constrain delivery. Retrofit and net zero measures could deepen fuel poverty if costs fall on households.

The evidence also identifies a disconnect between Shetland's role in energy generation and the high costs many households face in keeping warm. Alongside insulation and retrofit, it highlights district heating, the proposed Shetland Tariff and other local energy approaches that could retain more value from local generation in the islands and reduce household costs.

Housing availability affects population, services and the economy. A shortage of suitable homes can prevent people moving to Shetland, returning after education, time spent living elsewhere, or taking up essential jobs, while unsuitable housing can limit independent living for older and disabled people. It can also restrict the workforce available for major economic developments.

Transport: access and opportunity

Transport connects Shetland's communities to employment, education, healthcare, shops, family and social life. It also moves the workers, visitors, freight and time-sensitive products on which the economy depends. The scale of the network is substantial: in 2025 inter-island ferries carried 762,054 passengers and 397,005 vehicles, while the 12 public bus routes carried 460,902 passengers. Around 13% of Shetland's population lives on islands served by local ferry or air services, making those links an essential part of daily life rather than an optional extra.

Travel to mainland Scotland remains more expensive for Shetland residents than for people in any other Scottish island group, even after concessions. And within Shetland, cost, capacity and reliability limit access to opportunities. The inter-island ferry fleet averages more than 30 years old, several vessels are over 40, and there is only one reserve vessel. Recruitment and retention of crew add pressure too, affecting journeys, business investment and the sustainability of island communities.

It's notable that connectivity challenges in Shetland are not just about fares: residents report difficulties securing suitable flights, vehicle spaces and sole-use cabins during busy periods, and coordinating local journeys with onward travel, particularly at Sumburgh. This can affect access to healthcare, education, sport, family visits, business travel and freight, with some inter-island residents needing to stay overnight on Mainland Shetland before travelling onwards.

Reliance on private vehicles partly reflects long distances and the concentration of jobs and services around Lerwick. Shetland has around 0.68 private and light goods vehicles per resident, compared with 0.49 across Scotland. For some households, this amounts to forced car ownership to reach work and essential services. People who cannot drive or afford a vehicle have fewer options where bus frequency, evening services or accessibility are limited, particularly young, older and disabled people, and those working outside standard hours.

There are interventions like Shetland Car Club which can help alleviate some elements of the forced car ownership issue, while providing an entry point for residents to try electric vehicles. Emerging concepts such as



rural transport hubs or mobility hubs could provide greater integration between bus services, active travel routes, car club vehicles, electric vehicle charging and other shared transport solutions

Shetland currently has 314 licensed plug-in vehicles, around 2% of vehicle stock compared with 3.4% across Scotland, and 35 public charging stations with 85 charge points. Island charging networks are difficult to finance commercially because use is relatively low and installation, maintenance and remote operation are costly. Public sector intervention will therefore continue to play a significant role in the delivery of charging infrastructure.

Work is under way to improve the entire transport network, including the Inter-Island Transport Connectivity Programme, the new Fair Isle ferry and associated infrastructure, changes following the bus network review, and active travel planning. But the investment required is considerable. Decisions about ferries, fixed links and other infrastructure are connected to population, housing, economic development and may have implications for public service reform too. Climate resilience is also a growing consideration, as heavier rainfall, flooding, coastal erosion and landslips pose risks to roads and other transport assets. Meanwhile, wider electrification of the fleet including vehicles, buses, freight and potentially ferries, will require more charging infrastructure and sufficient capacity and resilience in the electricity network too.

Digital Connectivity: opportunity and risk

Digital connectivity can reduce some disadvantages of distance - it supports business, remote working, education, public services, telehealth and social contact. Its importance will grow as health and social care increasingly use telecare, digital records and remote support to help people remain independent at home.

There has been significant progress within this area, including through Shetland Telecom, R100 investment and the North Isles Fibre Project, but Shetland continues to lag behind. Around 12.4% of premises still cannot receive 30 Mbps broadband, the speed that has been set as the principal target of UK and Scottish broadband policy. This is more than four times the Scottish average of 2.9%. Only 20% of Shetland premises can access full-fibre and gigabit-capable broadband, compared to 82% nationally. Predicted indoor 4G coverage from all four operators reaches only 58.2% of Shetland premises, compared with 88% across Scotland. Shetland's median mobile download speed of 19.4 Mbps is the lowest of any Scottish local authority and one of the weakest performing authorities in the UK.

Official coverage figures do not always reflect people's experience. Signal strength, congestion and the capacity connecting mobile masts to the wider network affect whether services are usable. Digital gaps can compound other inequalities too, as people with the poorest connections often also face the longest journeys and highest costs when accessing work, learning, healthcare or other services in person.

Project Gigabit could improve coverage, but procurement has been delayed. The expected build period runs to around 2030, and final coverage will depend on what can be delivered within budget. Previous publicly funded rollouts have often connected easier premises first, leaving the hardest-to-reach properties and communities waiting the longest.

Two prolonged subsea cable outages in 2025 severely affected nearly 3,000 broadband customers, partly depending on whether providers had alternative and resilience routing in place. Severe storms remind us how broadband, mobile and electricity networks are interdependent, so one failure can affect several forms of communication. These risks will increase as analogue telephone services are withdrawn by January 2027 and more essential services move online.



2G services are due to be withdrawn between 2029 and 2033, which will reduce signal strength in some areas as well as affect older handsets, telecare devices, alarms and other connected equipment. The evidence therefore treats resilience as an issue of community safety and service continuity, as well as convenience.

Choices for Shetland

Work is under way on developing more housing options within Shetland; on ferry and fixed-link planning, bus improvements, active travel and transport decarbonisation; and on fibre, mobile coverage and digital resilience. Locally owned infrastructure and partnership working have helped Shetland secure investment and develop local solutions, but major infrastructure takes years to plan, fund and deliver, and many important levers sit beyond Shetland. National funding decisions affect housing, transport and digital investment, while regulation and the commercial choices of privately owned airlines, internet providers and mobile operators influence levels of service. The evidence identifies an ongoing need to make Shetland's case to government, regulators and industry.

Taken together, the evidence shows that housing, transport and digital connectivity do not operate as separate issues. They shape one another – and pressure in one part of the system can quickly create problems in another. A home is of limited value if work, care and essential services cannot be reached reliably; transport options are more constrained if people cannot live near jobs and services; and digital connectivity can reduce some of the effect of distance, but only when it is reliable, resilient and affordable. This is why joined-up decisions matter: choices about one of these systems will influence what is possible in the others, and the effects are not always felt equally across Shetland.

What this session 4 is about

The purpose of Session 4 is to look at this evidence together and to understand what it means for a sustainable Shetland. To help focus discussion, some questions worth reflecting ahead of the day:

- What has surprised, concerned or encouraged you from the evidence presented?
- Where do we, collectively, have real levers to make a difference, locally, regionally or nationally?
- What must Shetland do or do differently? What must Shetland influence and where is policy change required?
- If we were sitting here in 2043 and had successfully achieved a Thriving and Resilient Shetland, what would be the single most important housing, transport or digital connectivity decision that we are glad we made back in 2026?

This summary cannot capture the full detail of all three papers. The complete housing, transport and digital connectivity evidence papers are available at shetlandpartnership.org, and participants are encouraged to read them ahead of the session.

