



SPF VOICE

December 2019

INSIDE THIS ISSUE

Chair's Column
At Holyrood

Research
Regional Spotlight

SPF Annual Conference 2020
Scottish Property Awards

Creating a new vision and seeking stability in 2020



Robin Blacklock
SPF Chair
Managing Director Dowbrae Property Consultancy

It's been six weeks since I assumed the role of Chair of the Scottish Property Federation. If the early interactions give any indication of the future, then it's going to be a busy tenure.

I have taken huge encouragement from the feedback to my opening address at the annual dinner. It is clear that the twin challenges of social inclusion and environmental sustainability are held high on the agenda of many in our industry.

The Planning Act, which featured so prominently in Miller's tenure, has now moved into the implementation stage. The SPF has already been involved in Scottish Government workshops to ensure the industry's interests are considered. Recently, we've taken a bit of a curveball in the shape of the Business Rates Bill, which veered back towards the control of local authorities during parliamentary debate. Early 2020 will see some work to be done on this.

Last week, the general election delivered a decisive result. In the early hours following the exit polls, financial markets reacted quickly, suggesting a government with a comfortable majority could bring stability. While it's too early to say what this means for the property market, there is hope that business in general can plan towards

a clearer horizon and perhaps remove some of the uncertainty which has lingered over us.

Looking back on 2019, a number of the indicators for our markets are likely to show it as a reasonable year. However, the anecdotal evidence suggests that the last few months have been sluggish. As the calendar flips to the third decade of the 21st century, I optimistically look forward to what lies ahead. While it would be naïve to expect benign political conditions, we perhaps can hope for a little more stability and, in turn, greater certainty to our markets.

On a personal note, I am looking forward to a busy diary that'll take me from the Moray Firth to the Cote d'Azure, all in the name of the SPF. I hope to see as many of you as possible at the annual conference on 4 March, where we will focus on Building Sustainable & Inclusive Growth. We have an impressive line-up of speakers including Scottish Government Minister Derek Mackay and Scottish Power CEO Keith Anderson.

I hope you all have a very Merry Christmas, and wish you health, prosperity and happiness for 2020.

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AT HOLYROOD

RESIDENTIAL INVESTMENT & MANAGEMENT

- The Scottish Government published its Housing to 2040 draft vision and principles in July and has now launched Housing to 2040: consultation on outline policy options. We are currently preparing an SPF response to the consultation. Please forward any views or comments to Mandy for inclusion in an SPF response by 31 January.

PROPERTY TAX

- The Non-Domestic Rates (Scotland) Bill continued to its final day of Committee consideration on 4 December in Holyrood. Our key concern with the proposed amendments on this occasion stemmed from the Scottish Government and related to a significant increase in civil penalties for failing to provide information to the Scottish Assessors. Helpfully, Graham Simpson MSP raised our concern that the new penalty regime proposed by the government was disproportionate - and indeed this was a concern echoed by Andy Wightman MSP for the Greens. Sadly, this vote was narrowly lost but there was an invitation to Mr Simpson to suggest an alternative penalty regime and SPF will follow up this suggestion.
- There is a follow-up to the controversial decision by the Scottish Parliament's Local Government & Communities Committee to vote to re-localise the business rate. The LGCC will hear an additional evidence session on this issue, albeit only with COSLA representatives on 8 January in the New Year. We will be submitting further views to the Committee in advance of this meeting on the impact of rates re-localisation before the turn of the year.

SCOTTISH GOVERNMENT

- [Extending permitted development rights](#)
Closes 28 January 2020
- [Consultation on aspects of planning obligations](#)
Closes 10:00 a.m. 3 February 2020
- [Replacement of European Structural Funds post EU-Exit](#)
Closes 12 February 2020
- [Housing to 2040: consultation on outline policy options](#)
Closes 28 February 2020

PLANNING & DEVELOPMENT

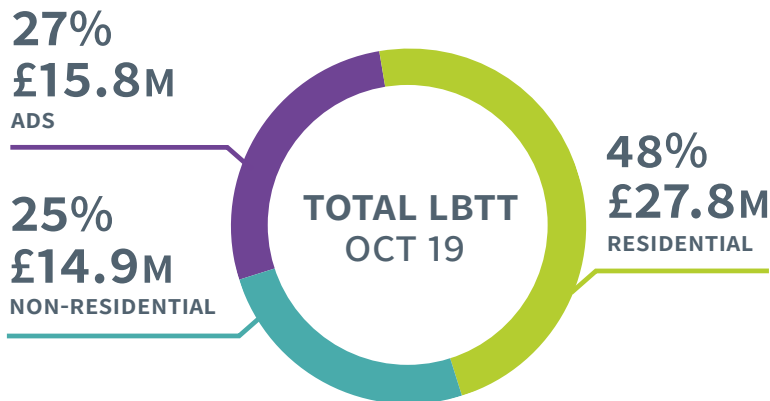
- As the Scottish Government continues to move forward with implementing the Planning (Scotland) Act and the other planning reforms, a delegation from the SPF attended a workshop to consider different aspects of the programme. The workshop considered the forward work programme and began to explore options to support the development of regulations and guidance prior to public consultation. The workshop consisted of four groups, which considered leadership skills; community engagement; development management; and development planning.
- We also attended the Scottish Government's Strategic Heritage Environment Forum (SHEF) to discuss the contribution of the heritage sector to tourism, culture and climate change mitigation. Much of the conversation focused on Historic Environment Scotland's ten-year initiative 'Our Place in Time' and how the heritage sector can engage more closely with local government. The SPF took the opportunity to highlight the positive approach taken in Glasgow's Strategic Development Framework to promote the heritage sector as an asset for potential investment.

COMMERCIAL REAL ESTATE

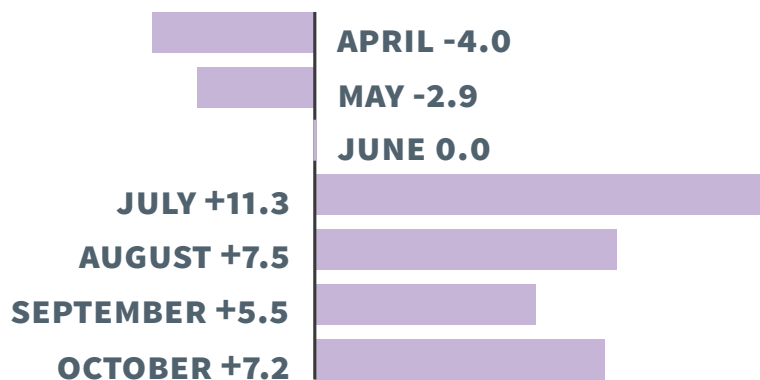
- We met with the policy officials and the lead solicitor on the forthcoming regulations for a Register of Persons Holding a Controlled Interest in Land. The meeting offered an opportunity to consider proposed changes to the regulations prior to the second laying, expected in mid-January, many of the changes address concerns previously raised by the SPF. We understand it is likely that the SPF will be called on again by the Environment, Climate Change and Land Reform committee to give evidence.

£58.5M TOTAL LBTT REVENUE
FOR OCTOBER 2019

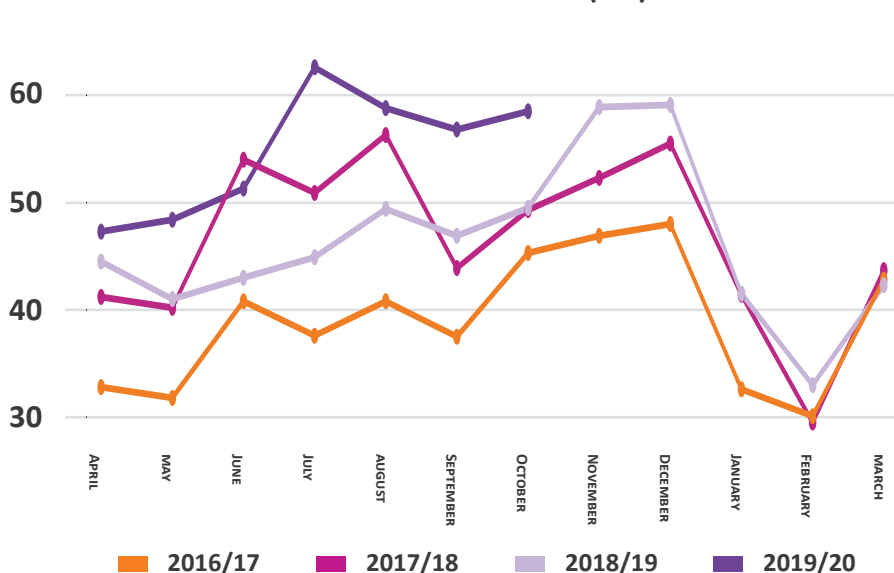
↑ **£1.2M** 2% UP FROM SEPTEMBER 2019
↑ **£9.2M** 19% UP FROM OCTOBER 2018



DIFFERENCE FROM MONTHLY AVERAGE OF 2019/20
FORECAST FOR TOTAL LBTT (£M)



70 — TOTAL MONTHLY LBTT REVENUE (£M) BY TAX YEAR —



OVERVIEW

Total Land Buildings Transaction Tax (LBTT) revenue increased in October 2019 to £58.5m, with receipts up £1.2m (2%) on September's total and £9.2m (19%) on October 2018. In the tax year to date, £383.7m has been collected, some £47.9m (14%) more than the same period in 2018/19.

FORECAST

With less than half the tax year to go, the Scottish Government appears to be on course to meet the Scottish Fiscal Commission's revenue forecast of £616m for 2019/20. Total revenue currently stands at £383.7m, which equates to 62% of the forecasted value. However, much will depend on market activity at the start of 2020, with the first few months of the year being traditionally quieter for both residential and commercial transactions.

NON-RESIDENTIAL

TOTAL OCTOBER 2019

£14.9M

↓ **£0.7M** DOWN FROM SEPTEMBER 2019
↑ **£0.9M** UP FROM OCTOBER 2018

RESIDENTIAL

TOTAL OCTOBER 2019

£27.8M

↑ **£0.2M** UP FROM SEPTEMBER 2019
↑ **£1.7M** UP FROM OCTOBER 2018

ADS

TOTAL OCTOBER 2019

£15.8M

↑ **£2.3M** UP FROM SEPTEMBER 2019
↑ **£6.6M** UP FROM OCTOBER 2018

REGIONAL SPOTLIGHT



DUNDEE

The SPF and IPF (Scotland) will be hosting an Invest Scotland 2020 event at Dundee's prestigious V&A Museum on 23 January 2020. Council Leader John Alexander will provide a keynote address together with contributions from developers, capital markets experts, and institutional investors.

EDINBURGH

The Council's Main Issues Report for its next LDP - Choices for City Plan 2030 will be considered at Committee on Wednesday 22 January 2020. A consultation will then begin on Friday 31 January 2020 and will run for 8 weeks. The full schedule of public engagement events will be available online from early January 2020.

GLASGOW

The City Council's Strategic Draft Framework encompassing a vision for the city up to 2050 is out for consultation until mid-January. The vision includes a commitment to re-populate the city centre, to support Grade A office development towards the IFSD and M8 Western corridor and using the city's heritage assets as a core investment proposition.

SPF ANNUAL CONFERENCE 2020

Building Sustainable & Inclusive Growth

BOOK YOUR
PLACE HERE

4 MARCH 2020

**EDINBURGH INTERNATIONAL
CONFERENCE CENTRE**

The Scottish Property Federation conference is a half day event that explores key challenges and opportunities for the Scottish property industry. This year we will focus on building sustainable and inclusive growth, with an emphasis on the positive contribution that the real estate sector can play in delivering on these objectives. This year, we are happy to include **Derek Mackay MSP** and **Keith Anderson CEO Scottish Power** among our distinguished speakers.

Should your organisation be interested in sponsorship opportunities, please contact Gail Hume on 07788 416703 or ghume@bpf.org.uk



Keynote speaker

Derek Mackay MSP



2020 Sponsor





SCOTTISH
PROPERTY
AWARDS **2020**
Commercial and Public Property

BOOK YOUR TABLE

Thursday 20th February 2020
EICC, Morrison Street, Edinburgh

To book visit:

www.scottishpropertyawards.co.uk

 Scottish Property Awards

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