

Industry Insight	P2
SPF Annual Dinner 2024 recap	P3
SPF Policy insights	P4
<ul style="list-style-type: none"> <li>Housing (Scotland) Bill update</li> <li>Building Safety Levy overview</li> <li>PAIFs and CoACS update</li> <li>Business rates revaluation</li> <li>PBSA : notice to leave tenancy consultation</li> </ul>	
BPF Futures update & our recent engagements	P7

## Featured Industry Insight

By Jessica Hardman

BPF President & Founder, Aboria Capital



### SCOTTISH PROPERTY FEDERATION TEAM

#### David Melhuish

SPF Director

[dmelhuish@bpf.org.uk](mailto:dmelhuish@bpf.org.uk)

#### Anamika Dwivedi

Policy Officer

[adwivedi@bpf.org.uk](mailto:adwivedi@bpf.org.uk)

#### Josie Sclater

Policy Officer

[jsclater@bpf.org.uk](mailto:jsclater@bpf.org.uk)

10 South St Andrews  
Street  
Edinburgh  
EH2 2AZ

[spf@bpf.org.uk](mailto:spf@bpf.org.uk)  
T: 0131 220 6353



# SPF VOICE

October 2024

Volume 16 Issue 9



## Stuart Oag

Director, Drum Property Group

First of all, I would like to say thank you to those who supported our annual dinner this month. We were delighted to be joined by the Secretary of State for Scotland, the Rt Hon Ian Murray MP – a first for the SPF to be addressed by a serving Cabinet Secretary. We also heard from the Rt Hon Michael Gove who provided us with a candid and insightful speech covering his career highlights over the last two decades in Westminster, an analysis of the global political landscape and helpful tips on engagement with politicians.

On policy matters, we have been working closely with many of you to respond to the consultation on determining an equivalent of the Passivhaus Standard for Scotland. The proposals include amendments to building standards for all new domestic and non-domestic buildings from as early as 2028. Whilst we cautiously welcome the ambition to improve energy efficiency in buildings, we did raise concerns about the industry's readiness and the onerous costs and practicalities of implementing the standard, particularly for non-domestic buildings.

This month we also responded to the PBSA provider survey that was seeking views on the impact of implementing a notice to quit period for student accommodation. We outlined the unintended consequences of the policy and urged the government to retain the existing tenancy regime to avoid a loss of investor confidence in this sector.

Looking ahead, we will concentrate our efforts on drafting our response to the consultation on the Building Safety Levy – a new tax on residential development to help cover the costs of the Scottish Government's Cladding Remediation Programme. We also await to hear the Minister's announcement on the proposed amendments to the Housing

Bill as committed to in the Programme for Government earlier in September as well as the Committee's Stage 1 Report should be published soon. By the end of next month, we should have a clearer picture of the Government's proposals for long-term rent controls in Scotland.

As highlighted in my speech at the annual dinner, we feel that public policy and leadership must be aligned to encouraging and facilitating investment. While the delivery of the UK's Budget this month set out Labour's spending intentions, with an encouraging pivot towards infrastructure delivery, the real focus for our sector in Scotland will be the Scottish Budget announcement on 4 December. This will clarify how devolved policies will be prioritised and how they will complement the decisions of the new Labour Government.

Your continued support and engagement on these vital policy areas has never been more important. I look forward to engaging with as many of you as possible on these issues in the next round of committee meetings and regional events.

*Stuart*



## Jessica Hardman

BPF President & Founder, Aboria Capital

# Industry Insight

At my first SPF annual dinner, it was a great privilege to address such a diverse range of industry and public sector guests, many of whom are the driving force behind major investments and development in Scotland. I mentioned on the night that 'working together is success' and events like the SPF Annual Dinner are key to making this happen.

I was particularly delighted to see the sizable BPF Futures contingent on the night. Speaking to the junior professionals from our BPF Futures network always inspires me, and it was great to see the passion and energy of those there!

In our collective pursuit of building a stronger economy, regulations and policy must provide the necessary framework for creating new jobs, delivering more homes and enhancing commercial infrastructure. Our industry also has a crucial role in achieving these objectives, and so we must advocate for policies which support investment and economic growth.

“

With over 25 years of experience working with some of the world's largest international investors, I can attest to the impact of government policies, especially the impact of long-term rent controls on investment decisions.

”

As the Government goes forward with its Housing Bill, it's crucial that we can highlight these concerns candidly while there is still time to influence the legislation. I know the SPF is working extremely hard to get this message across, through regular engagement with Ministers and officials to help restore investor confidence back to Scotland's Build-to-Rent sector.

Combining private innovation and public leadership is the best way to deliver great places and support our economy. The urgency of doing so has never been greater with the Scottish Government having recently announced a national housing emergency in May. We need substantial actions to build more homes, revitalise our older and heritage buildings, and create dynamic work and social spaces that meet the demands of our communities.

The progress we wish to achieve cannot be realised without your support and contributions. I would like to thank all those who dedicate their time and lend their expertise to addressing key issues facing our industry and wider society.



(L-R) SPF Chair, Stuart Oag; The Rt Hon Ian Murray MP and BPF President, Jessica Hardman



Jessica Hardman explaining how government policies such as rent controls can have major impacts on investment decisions.



# SPF Annual Dinner 2024 Recap

Kindly sponsored by



Address by  
The Rt Hon Ian Murray MP  
Secretary of State for Scotland



After dinner speaker  
The Rt Hon Michael Gove  
Former Secretary of State for Levelling Up, Housing  
and Communities



SPF Lifetime Honorary Award



Ken Ross OBE DL



Miller Matthieson

Our charity partner



Frances Sim



On the night we  
celebrated the work  
of SPIFOX.

**We raised  
more than  
£5000!**

Our leadership



Stuart Oag  
SPF Chair



Jonathan  
Guthrie  
SPF Vice Chair



# CBRE Scotland



Mark Little  
Executive Director  
Head of Scotland PM and BC  
+44 7967 302 129



Chris Dougray  
Executive Director  
Head of Scotland  
Development  
+44 7808 479 215



David Smith  
Executive Director  
+44 7718 805 922



Steven Hendry  
Director  
+44 7950 926 129



Angela Lowe  
Senior Director  
+44 7793 808 458



Andrew Shiells  
Senior Director  
+44 7921 499 860



Steven Newlands  
Executive Director  
Head of Scotland Capital  
Markets  
+44 7887 795 501



Matt Willcock  
Executive Director  
Head of National Office  
Leasing  
+44 7920 117 257



Derren Macrae  
Senior Director  
+44 7515 069 600



Eilidh Macvcar  
Senior Surveyor  
+44 7884 756 247



Hannah Munro  
Senior Surveyor  
TBC



# SPF

## Policy Insights

### Housing (Scotland) Bill amendments announcement expected today

Earlier this month, we saw the Housing Minister, Paul McLennan MSP survive a narrow vote at the Scottish Parliament on the response to housing emergency declared in May, by just 59 votes to 55. The vote took place following a Scottish Labour motion criticising the government on the lack of action. Scottish Conservative MSP, Graham Simpson cited SPF's concern as well as Rettie's report commission by us early last year on the impact on investment.

As we print this, the Housing Minister is due to make a statement on Housing Bill Stage 1. We are anticipating announcements on amendments of the Bill which could include an index related rent cap and also exemptions for Built-to-Rent. We await to see further clarity on the operational specifics of these amends, however, we do believe this is a step towards creating a more viable and "investable" framework for rent regulation.

Watch it [here](#).

### The Scottish Building Safety Levy: an overview

The Scottish Government has plans to introduce a new levy to help cover the costs of the Cladding Remediation Programme, with the levy applying to all new residential developments. The new tax is expected to raise up to £30m annually to address some 1,000 high rise and 5,000 medium rise buildings that are included within the scope of the programme currently.

Below we have outlined the key issues related to the consultation.

#### Key Issues:

##### Calculation Methodology

The formula is complex but is to be based on a development's gross internal with the rate varying according to house prices in the local authority. Since BtR and PBSA developments often do not have an immediate onward sale, the upfront cost of the levy could significantly affect cash flow.

##### Key Differences to the English BSL

Whilst the proposals largely mirror that of the English BSL, the Scottish Government is considering several variations to the English model, namely the timing of payment and types of exemptions. The Scottish Government recognises cash flow issues with upfront payment upon the issuance of the building warrant and also if payments are to be made

upon completion.

##### How long will the levy last?

There is no proposed end date for the levy, but it is likely to be in place for the next 10-15 years. The government has committed to ringfencing the funds for building safety expenditure and whilst cladding is the focus for now, it could also be spent on other building defects such as RAAC in the future. We have raised the possibility of including a sunset clause to ensure the levy remains proportionate and relevant in the future.

##### Possible exemptions

The government proposes a number of developments that would be exempt from the levy such as hospitals and hotels. Also excluded are for developments delivered through the Affordable Housing Scheme and for smaller developers. There is concern that some mid-market rent providers who are not funded through the programme may not be exempt. The definition of what constitutes 'smaller developers' has been initially proposed at 10 developments or less, or to consider setting a cap based on how many houses have been built in a year.

##### Next Steps

A report will be published early 2025, following the consultation deadline on 18 November. Please send in your comments to us as soon as possible so we can formulate an industry-wide response.



### LBTT PAIFs and CoACS relief on the agenda

At the SPF meeting with Kate Forbes MSP in September, members had raised an investment anomaly that had arisen between the tax treatment under SDLT and LBTT of Property Authorised Investment Funds (PAIFs) and Co-ownership Authorised Contractual Schemes (CoACS). In essence, there is relief under SDLT for these schemes designed to support investment and under LBTT there is not. The consequence is the funds are now being established which explicitly exclude the inclusion of Scottish real estate assets because of this anomaly.

Before the pandemic, the government had been working with the industry to address this anomaly. This was however dropped but with the examples of Scottish assets now being excluded, we have followed up our meeting with Kate Forbes, to outline the issue to Ivan McKee MSP and held a further meeting (as did ICAS and the Law Society of Scotland) to seek government action. It is now understood we may see a consultation shortly with the possibility of subsequent secondary legislation to address this anomaly.

### Business rates: starting gun fired on revaluation 2026

The Scottish Government and the Scottish Assessors' Association have outlined the timeline for the next non domestic rates revaluation process. The tone date for revaluation 2026 is 1 April 2025, less than six months away. From this moment until 20 February 2026, ratepayers or their representatives may seek to pre-agree rateable values with the Assessors. In the meantime, Assessors will be issuing Assessor Information Notices seeking rental information from ratepayers in order to inform their rateable value assessments. It is a civil offence not to reply to the AIN and may result in a penalty fine. But also, if the Assessors did not receive sufficient information to inform their valuations, then the subsequent rateable values applied could be significantly greater than the reality of commercial property market rents in a given location for a given form of business premise or sector.



#### PBSA : notice to leave tenancy

Today, 31 October, we submitted our response to a survey by the government looking to introduce a 28 day notice period for PBSA residents. Given the uniqueness of the PBSA tenure, we highlighted the practical and financial challenges associated with this proposal. We also urged the government to consider the potential impact on future investment and supply of student housing. Read the full response [here](#).

**"We are delighted to support the Scottish Property Federation once again with this eleventh annual dinner. The SPF is crucial in helping shape our shared ambitions for the whole real estate industry. Working together helps us create a future where our planet is cared for, people feel safe, included, individuals have access to quality housing and businesses and communities can thrive."**

**Graeme Steel**  
**Director, Real Estate & Housing**



**BANK OF  
SCOTLAND**  
By the side of business

**By the side of  
real estate  
and housing**



**BANK OF  
SCOTLAND**  
By the side of business





# BPF Futures October Highlights

## SPF Annual Dinner

This was the first year we introduced individual tickets for our junior professional network - BPF Futures and we had three tables booked!

It was a great chance to connect the network with more senior industry professionals and an opportunity to meet new peers.



## Moda Holland Park Site Visit



BPF Futures had a fantastic opportunity to visit Moda's brand new Build-to-Rent development - Holland Park. It is located in the heart of Glasgow, with panoramic views over the city.

The General Manager Susan McGovan, provided us with an overview of this new project, covering details on who lives there and how the building interacts with the community. Her team then led us on a guided tour, offering further insights.



The tour was followed by an insightful chat from Moda's Planning & Engagement Director, James Blakey. Attendees learned through a Q&A session about the project's challenges and its alignment with broader government policies.



## Key Engagements

Topics we discussed with Scottish Government and local authority officials this month

### 1 Town Centre Forum

On 8 October, we attended town centre forum at the Scottish Government's St Andrew's House.

### 2 Building Safety Levy consultation drop in

SPF Senior Policy Officer, Josie Sclater attended the drop in session and relayed member's initial concerns on the new proposed levy.

### 3 New Build Heat Standard - Technical Handbook Review

Anamika Dwivedi, our Senior Policy Officer attended the Scottish Government's New Build Heat Standard group as they review the technical handbook.

### 4 ScotGov short life working group on the Housing

Our Vice Chair, Jonathan Guthrie of Robertson Group is part of a short life working group on the housing emergency along with the Scottish Government, Heads of Planning, Homes for Scotland and Scottish Federation of Housing Associations.

### October Consultation Submissions

✓ Scottish equivalent of Passivhaus standard

✓ PBSA : notice to leave survey



## Would you like to raise an issue?

We are keen to showcase a variety of industry topics. If you would like to write for our next Voice, please get in touch with us at [spf@bpf.org.uk](mailto:spf@bpf.org.uk).



## Championing a thriving real estate industry

We work with our members to help the real estate industry grow and thrive. Our membership is industry-wide, so we can provide government and regulators with the knowledge they need to make informed decisions.

Organisations join the SPF because they want their voices to be heard and recognise our influence benefits the whole industry.

## The BPF Group

As part of the **British Property Federation**, our 400 strong membership includes major UK and overseas investors in Scottish real estate, as well as leading professional expert advisors from across the industry.



### BPF Futures

We are building an inclusive property industry. BPF Futures is our young-in-career network, that supports the next generation of property leaders looking to enhance their learning, influencing and networking.

### UK PropTech Association

We have now merged with the UK PropTech Association, bringing together PropTech and real estate. As part of this merger, we have launched a joint tech & innovation programme of events for both UKPA and BPF/SPF members.



BPF Net Zero Pledge

### Net Zero Pledge

We are committed to championing a sustainable built environment. The BPF Net Zero Pledge calls on BPF members to be net zero carbon by 2050 at the very latest.

## We inform & influence policy & regulation

- To champion and lead the creation of a thriving new residential rental sector.
- To achieve a planning and tax system that is an effective platform for investment.
- To guide our transition to a net zero built environment.
- To support the successful and sustainable regeneration of our high streets.

## Our Work so far this year



**50**

meetings, regional & flagship events



**25**

consultation responses



**1,041**

attendees at our events



**105**

mentions in local trade and national media, including BBC, Times & The Financial Times



**250+**

BPF Futures members in Scotland



**87**

public sector engagements

**21**

ministerial engagements





# Creating more valuable, sustainable and resilient buildings

Dilapidations  
MEP Consultancy  
Project Management  
Project Monitoring  
Refurbishment  
Technical Due Diligence  
Sustainability



Find out more about our services



Development  
Built Assets  
Engineering  
Sustainability



SPF Annual Conference

**02** April  
2025  
TIC, Glasgow

**Save the date**

SPF Annual Dinner

**02** October  
2025  
EICC, Edinburgh

Want to sponsor our next event?  
Scan here for more info







# SCOTTISH PROPERTY AWARDS 2025™

Commercial and Public Property

Thursday 20th February 2025

DoubleTree by Hilton Hotel,  
Cambridge Street, Glasgow.



ENTER  
NOW

**SHOWCASE YOUR ACHIEVEMENTS  
AND GAIN RECOGNITION AT THE 2025  
SCOTTISH PROPERTY AWARDS!**

**CELEBRATE EXCELLENCE IN  
SCOTLAND'S PROPERTY INDUSTRY**

**ENTER NOW**



[www.scottishpropertyawards.co.uk](http://www.scottishpropertyawards.co.uk)



[Louise@kdmedia.co.uk](mailto:Louise@kdmedia.co.uk)

