



SPF 2022 Snapshot

Chair's message



Stephen Lewis
SPF Chair

A warm thank you for your support over the course of a challenging and difficult 2022. We began this year constantly looking for the next COVID wave and then found a growing energy and costs crisis exacerbated by the war in Ukraine. We have seen unparalleled crisis in government at Westminster and a major change in the cost of money. The phrase of 'perma-crisis' very much came to reflect much of 2022!

We end the year with a residential rent cap across the private and public sectors that has resulted in substantial consequences for investment and refinancing. We will continue to argue for a change in policy in 2023, and I thank everyone who has provided detailed insights and evidence on the impact of the cap at very short notice. This has been crucial for our engagement with the Scottish Government over the past weeks and months.

Looking ahead, the Fourth National Planning Framework (NPF4) will begin to influence the next series of development plans, and we expect other changes to flow from the Scottish Government's proposals for a Heat in Buildings Bill and the proposed reforms - announced during the Budget - of the Land and Building Transactions Tax's Additional Dwelling Supplement. The rates revaluation and the future of local government

dictated policy on empty property rates, including for listed buildings, will also feature heavily in the early weeks of 2023.

We have devised a new and full programme of events across Scotland for 2023, spearheaded by our fifteenth SPF annual conference titled Redefining Real Estate for Scotland on Wednesday 19 April at the Scottish Events Campus in Glasgow. Then on Thursday 12 October we return to the Edinburgh International Conference Centre for our annual dinner.

It remains for me to wish you all an enjoyable festive season and to look forward with optimism to 2023. There are challenges for us as businesses and for the society we work and live in, but there are a host of great, progressive projects that we are collectively delivering. With supportive government policies for the industry there will be significant opportunities in 2023 too and this is very much a message we will be reinforcing in the new year.

I look forward to seeing as many of you as possible in 2023.

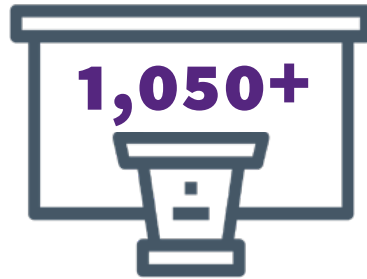
Best wishes,
Stephen

A handwritten signature in black ink, appearing to read 'Stephen', written in a cursive style.

At a glance: Our year in numbers



Events across the country



Event attendees



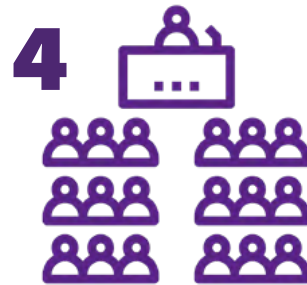
Meetings with Ministers



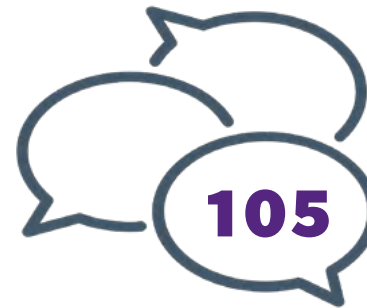
Launched for SPF members



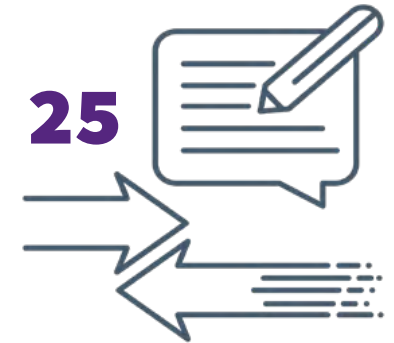
Media mentions



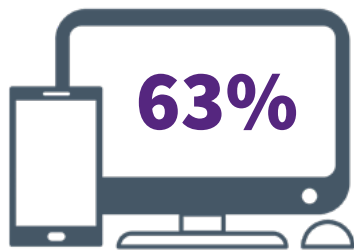
Holyrood evidence sessions



Meetings with officials



Consultation responses to government



Increase in MySPF users



Exclusive policy updates sent to members



The formal launch of BPF Futures in Scotland



Increase in LinkedIn Followers

Working for you: Key campaigns

NPF4

In November, we saw refinements made to Fourth National Planning Framework (NPF4) which will likely serve as a major update to Scotland's planning system following its adoption in the early next year. Since its publication, we have engaged our members in various committee meetings and extended an invitation for our Planning Committee to discuss NPF4 directly with the Scottish Government. While we were pleased to see that the document is more focused and includes a Delivery Programme, we reflected several concerns to the Scottish Government – namely, the expected timeline in transitioning to NPF4 as well as the limited public funding available to the planning service. In the early new year, we anticipate a further consultation on Regional Spatial Strategies.



Heat in Buildings

The New Build Heat Standard (NBHS) is the Scottish Government's latest plan for decarbonizing heat in new buildings by 2024. As part of the strategy, Zero Direct Emission Heat (ZDEH) systems must be used in all new buildings as well as when retrofitting existing properties. While we welcome this initiative as a positive step in helping to reach net zero targets, we elevated a number of concerns made by our members to the Scottish Government. The timing and transition to the new building standards, the limited capacity of electricity grids as well as greater clarity needed over the definition of 'new buildings' were key points highlighted.

To help with the transformation of green heat delivery, the Scottish Government has also launched a national public agency - 'Heat and Energy Efficiency Scotland', which aims to build greater public understanding of how people heat and use energy in their properties.

Rates

This has been a difficult year for ratepayers as the government used emergency legislation to withdraw the right to appeal ratings for COVID related reasons. We agreed with members that this retrospective legislation was simply seen as unfair by many ratepayers and their representatives. At the same time the government pressed ahead with its wider reforms of the rating system including a new two-stage process for submitting proposals to change rateable values.

The year ended with a freeze on the poundage rate for 2023-24, which we joined 18 other business organisations in Scotland to call for, and a phased approach to increases in rateable values for the revaluation next year. There is uncertainty for ratepayers in relation to vacant properties as powers to set empty property rates are to be devolved to local governments from 1 April 2023. As yet there are few details on how this change of policy will be implemented or how individual councils intend to use the powers.



Residential Rent Cap

The most controversial intervention in the residential private rented sector in decades was announced without notice by First Minister Nicola Sturgeon on 6 September when a rent freeze and evictions moratorium was announced. The reaction from investors was immediate. We have estimated that at least £717m of investment and some 4,000 new rented homes, both private and public, are on pause or have been lost altogether in Scotland.

We warned Ministers and officials of these consequences during the introduction of the emergency legislation to establish the rent cap - set currently at 0% - and related evictions moratorium. We have submitted this evidence to the government as part of its first quarterly review of the necessity and proportionality of the legislation. A decision on whether to extend the measures will be made 14 January.

Flagship events 2022

Annual Conference

As the country slowly made a return to in-person events at the start of the year, we were delighted to be able to host our 14th annual conference in May at the EICC in Edinburgh. We had an excellent selection of keynote speakers, including Dundee City Council Leader John Alexander; Ron Coghill, Captial Projects Lead from Barclays Bank; and Housing Minister Patrick Harvie MSP from the Scottish Green Party.

The conference was a chance for delegates to gain industry insights from both the private and public sectors. We held several panel discussions that explored topics related to our theme of 'Invest in Opportunity' which aimed to spark a positive case the renewal of the built environment following the pandemic and for greater investments in sustainable development to help meet climate change targets.

Annual Dinner

In October, we held our second flagship event - the annual dinner - which brought together over 330 members for an evening of networking with clients and colleagues from across the private and public sectors. The highlight of the night was a guest speech delivered by John Pienaar - political veteran commentator and former Deputy Political Editor for the BBC. We are grateful to John for his insightful and amusing comments and in particular, his summary of the recent political chaos in Westminster and key highlights from his career in journalism. Many thanks to all who attended and, of course, to our sponsors - HFD Property Group, Turley, Bank of Scotland and TFT.

SCOTTISH PROPERTY FEDERATION TEAM

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Save the Dates 2023



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