



SPF



ANNUAL REVIEW

2024





CHAIR'S MESSAGE

Stuart Oag
Director

Drum Property Group

Welcome to this December edition of SPF Voice which is a review of our work and activities on your behalf this past year. This has certainly been a year of change – with political leaders in London, Edinburgh and Cardiff all leaving or being removed from office in the past twelve months.

In Scotland there continues to be a heavy political focus on our sector, and this is set to continue as we move towards line-by-line scrutiny and amendment to the Housing (Scotland) Bill, with its rent control provisions starting at the end of next month. The announcement of an amendment of CPI + 1%, with a 6% maximum rent cap, was welcome. But the retention of rent controls for 'in-between' tenancies was also a red line for many investors and we have yet to see the detail of proposals for exemptions from rent controls for purpose built rental accommodation, mid-market rent or improvements. We will continue to work with government, like minded organisations and other political parties on these key issues.

Beyond the Housing Bill, we expect to see in Spring the introduction of the Scottish Government's Building Safety Levy which is set to apply to all new forms of residential development. This levy is intended to contribute towards the cost of cladding remediation and it is clearly a priority to make buildings safe in the light of the terrible experiences of Grenfell. However, many developers who have never developed high rise buildings, or applied cladding to their buildings, will be required to pay the levy, and this is at a time of severe pressure on viability and in the context of a national housing emergency.

We will continue to seek constructive improvements not just on grounds of fairness to companies who have never applied residential cladding, but to support critical future residential investment. We must as well strive for not just policies but the leadership needed for our economy to grow. I am delighted we have secured the Deputy First Minister and Cabinet Secretary for the Economy and Gaelic, Kate Forbes MSP, as our headline speaker for our 2025 SPF Annual Conference to be held in Glasgow on 2 April. Our meeting in September with the DFM was both robust and productive and we look forward to her engagement with us at our annual conference.

It remains to me to thank the members of SPF for your strong support this year and in particular to my predecessor as SPF Chair, Maria Francké, and my vice-chair, Jonathan Guthrie, and to wish you all a great festive season and every success for 2025.

Best wishes,
Stuart

Our Work in 2024



58

meetings, regional & flagship events



29

consultation responses



1230 attendees at our events



115

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



285+ BPF Futures members in Scotland



112
29

public sector engagements

ministerial engagements



50%

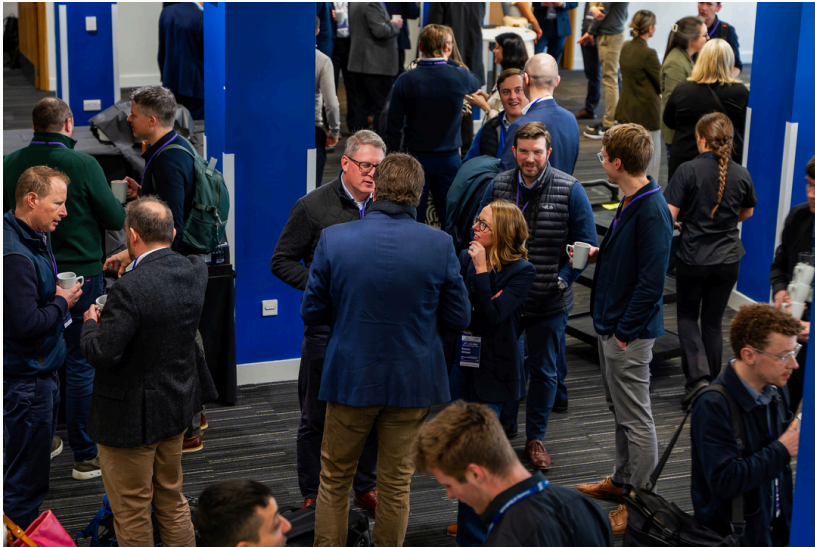
increase in LinkedIn followers



2

Holyrood evidence sessions

SPF Annual Conference 2024



SPF Engagements & Events



SPF Annual Dinner 2024



BPF Futures Events



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SPF Policy Insights



Housing Bill Passes first Hurdle

So, in the end the Scottish Government secured a comfortable first vote on the principles of the Housing (Scotland) Bill. The margin was 83 in favour and 31 against, with 4 (Liberal democrats) abstaining. Yet despite the wide margin of support for the Bill's principles, the Minister and his officials will be looking carefully at the statements made during the debate. First and foremost, there was clear displeasure from the key Local Government, Housing and Planning Committee members on the lateness of the amendment to the rent control mechanism which is a fundamental component of the Bill.

The Minister will be mindful of ensuring the Committee, which will now vote line-by-line on the detail of the Bill, has more opportunity to consider the amendment ahead of the Stage 2 meetings. The Minister is also working on a consultation to enable exemptions from rent control provisions and this could include purpose built rental accommodation (build to rent), mid-market rent and improved properties. The government clearly sees the retention of rent controls for in-between tenancies as politically important in terms of securing parliamentary support for the Bill (the 'parliamentary arithmetic'). However, the industry sees this as rent setting and the issue was flagged as a red line by investors during the October 2023 consultation.

The Bill is expected to be considered for Stage 3 (final consideration) in summer 2025, after which we anticipate further engagement on the detail of regulations to be proposed and which will often contain the 'devil' of the processes and procedures that suppliers of rental homes will need to implement.

Planning update

This past month has seen a number of planning reforms brought into force.

In the statement on 12 November, Ivan McKee MSP announced the work on infrastructure levy being halted, you can read the full consultation responses [here](#).

This announcement came as a relief to many members, it was a result of direct engagements with officials and Ministers so a key win for SPF.

The main three regulations that were consulted on earlier this year came into force on 6 December-

1 The Masterplan Consent Areas (MCAs) new regulations will cover the process of preparing schemes including EIA requirements where once the MCA scheme is adopted then developments can be brought forward without the need of a full application provided it's in line with the scheme. The guidance for this will be published soon and the government's early adopter support will be fully underway in January 2025.

2 On the same day the regulations for amendments to **Local Development Plans and National Planning Framework 4** between review cycles of 10 years also came into force.

3 To encourage more future planners and address **resourcing in planning** issues, in 2025/26 bursaries available will be tripled to 30 students. These will be available for post-graduate study at the Planning Schools in Heriot-Watt, Dundee or Glasgow Universities.

Also, the Scottish Government is calling for views on how Permitted Development Rights can help address the housing emergency. Read the full blog [here](#).



Passivhaus

The regulations amending The Building (Procedure) (Scotland) Regulations 2004 were laid in the Parliament on 12 December 2024. These regulations will enable Passivhaus to be used as an alternative compliance method under Scottish building standards

The changes introduced include requiring the developers to provide an "energy and environmental design statement" with building warrant applications and an "energy and environmental construction statement" with each completion certificate.

To support the construction sector to prepare for the changes, an implementation date of 31 March 2028 will be associated with the regulatory amendments. This timescale has been adopted from the consultation responses, you can read the published responses [here](#).

The Scottish Government will prepare a Stage 2 consultation in early 2025 which is likely to be open for stakeholder feedback in Summer 2025.



Building Safety Levy

The Scottish Building Safety Levy consultation closed on 18 November – through a government working group we have already heard some initial quantitative feedback on the responses to that consultation. We understand a detailed analysis is to be published by the government in Spring. However, it is clear that the government intends to press ahead with this Levy which will apply to all new residential development with exemptions anticipated for affordable and social housing. To implement the Levy the Scottish Government will require a Bill to be approved by the Scottish Parliament. Time is short to implement this measure and we understand that the Bill is expected to be introduced to the Scottish Parliament by Ministers in Spring.

The government are seeking to understand how the levy would work in areas such as Built to Rent and PBSA, where there is less of an obvious trigger event such as sale to a private owner. Officials have reached out to SPF for further insights on these two sectors and we are keen to hear from members who may be interested in contributing their perspectives on how a levy might be applied and at what point in their investment/ development/ occupation cycle such a levy might be enacted.

Policy Tracker 2025

Looking Ahead

Here are the top policy issues to look out for in 2025!

Tone date (rates revaluation)

The tone date to assess rateables values will be on 1 April 2025 and will apply to all rates bills from 1 April 2026.

Housing (Scotland) Bill

Current Status: The Housing (Scotland) Bill is now in Stage 2 of the Parliamentary Process which is when it is scrutinised 'line-by-line'. MSPs are currently able to submit amendments to the Bill which will then be decided on by members of the Local Government, Housing and Planning Committee.

Looking Ahead:

- By March 2025 a consultation on the possible exemptions to the Bill is likely to be published
- By summer recess, usually end June 2025, we expect the Bill is likely to receive its final parliamentary consideration at Stage 3.

Leases (Automatic Continuation etc.) (Scotland) Bill

Current Status: This Bill was introduced to the Scottish Parliament on 11 December and seeks to reform the automatic continuation of certain commercial leases.

Looking Ahead: A briefing paper will be published in the new year before it progresses through the parliamentary process to Stage 1.

NPF4 Policy 22

Current Status: the Scottish Government is reviewing its statutory guidance to support public bodies in performing their climate change duties. The implementation of Policy 22 which addresses flooding projections for land has been identified as a concern for the industry due to its impact on insurance eligibility for buildings.

Looking Ahead: A public consultation is expected to be published in early 2025.

New update to the Building Standards Technical Handbook

Current Status: Proposed changes were made to the NBHS to enable bioenergy heating systems to be installed.

Looking Ahead: An updated version of the domestic and non-domestic building standards technical handbook will apply from 1 January.

Heat in Buildings Bill

Expected next year but no date as yet set.

Scottish Building Safety Levy

Current Status: The Scottish Building Safety Levy was proposed earlier this year. The consultation which closed in November is currently being analysed by the government.

Looking ahead: the Bill will come forward in Spring and is likely to be considered throughout 2025 – it is expected to come into force from 1 April 2026.

Compulsory Purchase Order reform

CPO reform has been mooted for many years and has been considered by the Scottish Law Commission. We expect consultation and proposals to be brought forward by the Scottish Government during 2025.

LBTT Review and consultation

The recent Scottish Government Budget confirmed there will be a consultation early in the new year on PAIF and CoACS relief. However, the budget also announced a fundamental review of LBTT as a whole would take place during 2025.

....preparation for Scottish Parliament elections May 2026

On the political front the main Scottish political parties will be firming up their policy proposals to go before the Scottish electorate ahead of the May 2026 Scottish elections. We will be engaging closely with political parties as they develop their policy agenda during 2025.



Annual Conference 2025

Growing Scotland's Economy

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live
now!**

Headline Speaker

Kate Forbes MSP

Deputy First Minister & Cabinet Secretary for
Economy & Gaelic

TIC, Glasgow
2 April 2025

Save the date

02 October 2025

EICC, Edinburgh

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Season's
Greetings



from
TEAM SPF, BPF & UKPA



UKPropTech
ASSOCIATION