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SPF Consultation Response

CEC's Non-Statutory Planning Guidance on Student Accommodation

Submitted on 23 May 2025

SCOTTISH PROPERTY FEDERATION

The Scottish Property Federation (SPF) is the voice for the real estate industry in Scotland. As a part of the wider British Property Federation, we include among our members: property investors, including major institutional pension and life funds; developers; landlords of commercial and residential property; and professional property consultants and advisers. Our members build Scotland's workplaces, homes, shops, schools and other facilities and the infrastructure that serves them. Our industry is therefore a core component of the Scottish economy.

CONSULTATION SUMMARY

We would like to thank the City of Edinburgh Council for providing us the opportunity to respond to this consultation. This response is formed on the basis of multiple round tables with our members and stakeholders who work in the Edinburgh region in PBSA sector. This also includes input from our PBSA working group and a drop-in session open to all members conducted on 7 May.

Our response focuses on following main topics that emerged from discussions with our members:

1. Viability Concerns
2. Site Allocation and Design Requirements including ground floor activation
3. Quantifiable standards 'Living Locally' Guidance
4. Emphasis on flexibility and interpretation rather than rigid application.
5. Clarity and justification for housing standards and room sizes
6. Design choices to be based on student demand
7. Infrastructure Contributions
8. General Tone and Application of Guidance

If you have any questions about our response or would like to discuss any of the points, please contact us at spf@bpf.org.uk.

OUR RESPONSE

Introduction

6 Do you have any comments or suggestions on this section of the draft guidance?

Do you have any comments or suggestions on this section of the draft guidance?

This section is necessary to guide planners and developers in conjunction with City Plan 2030 and NPF4 to bring forward much needed accommodation for students. In the guidance it is mentioned that this will be 'considered as a material consideration' where applicable in determining applications but we would like to highlight that this guidance is non-statutory, so we would request decision makers to take a flexible approach and be aware that the guidance is not strictly binding for every application, and divergence may still be acceptable depending on the specific context.

This guidance also considers PBSA as a commercial development. We have given our detailed view in question no. 7, but we would like to reiterate that PBSA is a key and growing sector with a pipeline of 7,734 PBSA beds in Edinburgh. Not only does PBSA have the potential to bring forward a large volume of quality housing, but its distinct tenure helps to ease pressure off the wider private rented sector, particularly important for our efforts in tackling the national housing emergency. Last year there were multiple reports on the student housing shortage and one of them was by CaCHE reporting a deficit of 13,852 beds in Edinburgh.

As mentioned in this section of the guidance, there is a significant need for additional Purpose-Built Student Accommodation (PBSA) in Edinburgh where only 35% of full-time students (22,310 out of 63,640) have access to PBSA or university-managed halls. This is a notably lower proportion compared to other university cities such as Oxford, Cambridge, Aberdeen, Sheffield, Coventry, Nottingham, and Liverpool, where 50% to 70% of students are accommodated in such housing. Failure to address the student housing shortage will only contribute to the wider housing shortage, as students will rent non-student accommodation and further restrict supply in the wider PRS.

PBSA is regarded as complementary to other stock types and a partner to other residential providers, rather than a competitor stock type. PBSA provides well-managed, regulated and high-quality housing to students over less regulated housing options like HMOs. Additionally, there is a growing trend of second year and older students choosing PBSA due to its quality, convenient locations, and predictable costs. With Universities already under economic pressure, PBSA can help lift the burden by offering a variety of choice and addition to accommodation supply. In addition to its social value, PBSA also contributes significantly to the wider economy. According to CoStar, PBSA transactions last year totalled £200 million, accounting for approximately 10% of all investment activity in Scotland. There is a need to utilise this guidance positively to deliver more student housing and facilitate development.

Policy Context

7 Do you have any comments or suggestions on this section of the draft guidance?

Do you have any comments or suggestions on this section of the draft guidance?:

PBSA has only been around since the 1990s in the UK and very recently, it is being recognised as a mature asset class. Principally, for this reason, it is often misunderstood by local authorities in some regards, but we do appreciate the council giving PBSA recognition in local development plans and developing bespoke guidance for this asset class.

As alluded to in the above answer, we have concerns about PBSA being classified as 'commercial' in the City Plan 2030 in reference to recent cases on council's stance and the interpretation of NPF4 policies. We are aware of three such cases challenging the council's position on defining PBSA as commercial and not including Hou Policy 1 of City Plan 2030 whereas legal opinions and the decision by DPEA reporter clearly challenging this position on the basis of various reasons including Policy Hou 1 does not restrict housing for any type and tenure. The reason mentioned by the Council on restriction over allocated sites for housing but to not exceed the MATHLR (minimum all tenure housing land requirement) is calculated to include housing for 'all tenures' and the formula accounts for 'non-permanent housing' as well which includes student housing. City Plan 2030 Policy Hou 5 supports student accommodation and guides on location but does not exclude it from 'housing'. We request the council to clarify these inconsistencies in this guidance as developers face obstacles in securing permission for PBSA on housing-allocated sites. We believe it is important that approaches to PBSA are articulated so that providers have the necessary clarity for developers to navigate these challenges and make investment decisions.

This also puts PBSA into the mix of other commercial developments competing for limited central locations. Proximity to university and location has proven to be a key factor for students making accommodation choice. This can lead to increased land prices resulting in either making the project unviable or putting PBSA on competitive disadvantage that can lead to costs unnecessarily passed on to students as part of overall administrative costs.

Requirement for Housing on Larger Sites

8 When a planning application is submitted it is accompanied by a location plan which identifies the entire application site with a red line. This will be used to identify sites over 0.25 Ha. Do you agree that this is clearly set out?

No

Comment:

Our members have raised concerns regarding the proposed approach of using the total area within an application's red line boundary to determine whether a site meets the 0.25-hectare threshold that would trigger a requirement to deliver mainstream housing as part of a mixed development.

Our members have highlighted that the red line boundary often includes land not within the applicant's ownership or intended for development—such as adopted highways, pavements, or access roads required to enable the scheme or facilitate off-site works. This can result in an inflated site area that does not accurately represent the developable land available. It is also common practice to extend the red line boundary beyond the immediate site extent to provide flexibility for necessary infrastructure and servicing improvements. As such, the red line boundary does not reliably reflect the gross developable area of the site.

Relying on this boundary as the basis for policy triggers could unintentionally capture smaller-scale schemes that are not genuinely capable of viably delivering a mix of PBSA and mainstream housing. This may deter appropriate development and lead to inconsistencies in policy application.

We therefore strongly recommend that the guidance adopt a more pragmatic and accurate approach by basing the 0.25-hectare threshold on the gross developable area—defined as the land within the applicant's ownership and intended for development. This method provides a more consistent and fair assessment of a site's capacity and ensures that only those sites genuinely capable of accommodating a mixed housing offer are required to do so. It also aligns better with the broader objectives of supporting well-integrated, and mixed communities.

9 To establish 50% of floorspace as housing do you agree that gross floor area should be used?

Yes

Please comment:

Our members have expressed concern over the requirement to split sites between PBSA and 50% as mainstream housing. The current approach fails to recognise the fundamental differences between PBSA and mainstream housing, particularly in terms of development form. These differences are especially apparent in their respective space requirements and typical development densities, which significantly influence site design and layout considerations.

If this approach is taken forward, it could substantially constrain the efficient design of sites and limit the ability to optimise site potential in delivering appropriate density. This would appear to conflict with the wider objectives set out in City Plan 2030 because of:

- **Buildability:** 0.25ha in itself is not enough area to provide the split quantum specified in the City Plan 2030.
- **Space efficiency:** Suggestion to use to base the split on site area rather than floor area as a preferred measure.
- **Insurance and funding constraints:** a reference to consider development viability in the guidance is requested to allow rational, proportional judgment in planning. There is a call for acknowledging market realities and allow flexibility in application.

10 Do you have any comments or suggestions on this section of the draft guidance?

Do you have any comments or suggestions on this section of the draft guidance?:

Our members support the principle of incorporating active ground floor uses—such as retail, services, or community spaces—into PBSA schemes, recognising their potential to enhance placemaking and community integration. However, there are concerns around the viability of delivering these uses, particularly in areas where similar amenities already exist or where demand is limited. There is a risk of creating underused or vacant commercial spaces, as has been observed in parts of the city such as Leith.

Crucially, there is a lack of flexibility in how these uses are accounted for within the broader residential mix requirements. Where active ground floor uses are proposed and deliver clear

community benefits, they should be acknowledged in the overall assessment of a scheme's value. In certain cases, this should justify greater flexibility in the PBSA/mainstream housing split, especially where strict adherence to a 50/50 mix could compromise scheme viability. The inclusion of these positive placemaking elements should not become a barrier to development but rather be recognised as contributing to policy objectives in their own right. The quantum has to be clearly re-considered as there is a requirement of providing other public and civic facilities. This is especially the case for brown field development which are already subject to significant viability challenges.

Integration With Existing Community

11 To what extent do you agree or disagree with the following statement - "Sufficient guidance is provided to encourage development that integrates positively with existing communities."

Disagree

12 Do you have any comments or suggestions on this section of the draft guidance?

Do you have any comments or suggestions on this section of the draft guidance?:

Our members have also raised concerns about being required to provide active ground floor uses (e.g., shops) without corresponding flexibility on the residential/PBSA split. This is especially relevant where sites are required to deliver a 50/50 split between PBSA and mainstream residential units. In certain cases, the inclusion of such uses should warrant greater flexibility or a reduction in other rigid policy requirements, such as the percentage of mainstream housing, particularly where these requirements may affect the overall viability of the development.

Our members do appreciate the idea and thought behind integrating publicly accessible uses (shops, services, open space, community uses etc), however, the context of areas where there are such amenities already present should be considered. Also, in some cases there can be a significant risk of unused or unviable ground floor commercial space, as seen in some parts of the city (e.g., Leith). We would urge where viability challenges related to delivering active ground floor uses are present, this should not be used as a justification to stop or block the entire development.

Living Well Locally

13 To what extent do you agree that this section provides sufficient information to help to guide student accommodation to potentially suitable locations?

Don't know

14 Do you agree with the key facilities set out?

There is ambiguity in the guidance. For example, a reference to some quantifiable criteria for PBSA assessments would be useful. While, proposals will of course comply with the 20-minute neighbourhood concept, practical factors should be considered such as location, proximity to other amenities, services, active travel routes and the character of the area. Therefore, we suggest the council to add clear and quantifiable standards (e.g., walkability scores, proximity to amenities) to align with NPF4.

15 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Do you have any suggestions for changes or improvement to this section of the draft guidance?:

None.

Design

16 To what extent do you agree that this section provides sufficient information on how we expect student accommodation to address design?

Agree

17 To what extent do you agree the guidance is sufficiently clear on how to make development suitably accessible?

Agree

18 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Do you have any suggestions for changes or improvement to this section of the draft guidance?:

None.

LDP Hou 5 a) Accessibility to universities/colleges

19 To what extent do you agree that this section provides sufficient information on expectations for accessibility to universities/colleges?

Disagree

20 The maps below identify the university/college main academic buildings. Do you agree?

Yes

Please comment:

21 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Do you have any suggestions for changes or improvement to this section of the draft guidance?:

In the context of Edinburgh, 30-minute travel time in the guidance is broadly accepted as achievable but again we would like to emphasise the need for flexibility and interpretation rather than rigid application depending on active travel routes available and proposed in the area in line with the development cycle.

LDP Hou 5 b) Healthy Living Environment

22 To what extent do you agree that this section provides clear guidance on the amenity standards we require to deliver a healthy living environment?

Agree

23 Do you agree that study bedrooms should exceed minimum HMO standards?

Yes

Please comment :

Members have concerns about the minimum bedroom standards being too vague, HMO standards are too small and do not accommodate all the amenities required by a mixed range of student demands.

24 Do you agree that cluster flats should be provided in clusters of 3-8 bedrooms?

No

Please comment :

Our members are concerned that restricting the number of bedrooms within cluster flats could negatively affect both affordability and the ability of operators to offer a range of price points, which is essential for supporting a diverse resident mix. The rationale behind imposing a fixed cluster size range (e.g. 3–8 beds) is unclear, particularly as the appropriate size will vary depending on the specific context and design of each scheme. In conversion projects, such restrictions may also pose significant challenges to scheme viability, limiting the flexibility needed to deliver successful and financially sustainable developments.

25 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Free text box:

None

LDP Hou 5 c) Studio Provision

26 Do you agree?

No

Please comment :

Similar to our response in Question 24, we are concerned with viability and the limit on studios (10%) despite high demand from students which does not seem justified to some of our members. This can risk limiting affordable provision and innovation in design or flexibility for developer. There is a suggestion to let the market demand dictate design choices. Our members do not support this rigid approach proposed in this section which sets an absolute limit on the proportion of studios. Some flexibility should be applied, allowing the applicant to justify why more than 10% of rooms should be provided as studios and why this would be beneficial. Otherwise, this may risk reducing the delivery of much needed PBSA in Edinburgh. There are many justifiable and important reasons to allow more than 10% studios within a scheme. These include but are not limited to:

- Makes a more efficient use of the site (e.g. within building conversions or irregularly shaped sites).
- For viability reasons (e.g. when converting a listed building, to ensure that a development progresses which is otherwise acceptable).
- Where a need for increased studios has been demonstrated.

LDP Hou 5 d) Established Character of the Area

27 Do you agree that sufficient information is provided to allow assessment of impact on character?

No

Please comment :

Our members have relayed significant concern over subjectivity in assessing whether proposals align with the local character. There is a risk that such language may allow local committees to block proposals without clear justification.

28 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Do you have any suggestions for changes or improvement to this section of the draft guidance?:

We will repeat as mentioned in previous answers for a more objective criterion to be applied to local character.

Provision of Infrastructure

29 Do you have any suggestions for changes or improvement to this section of the draft guidance?

Do you have any suggestions for changes or improvement to this section of the draft guidance?:

Our members have raised strong concerns regarding the expectations placed on PBSA providers to deliver developer contributions. It is not deemed appropriate to require such contributions while considerable uncertainty remains around the status and applicability of the Infrastructure Delivery and Developer Contributions guidance. We would reiterate our members' recommendation that development viability should be clearly recognised as a key factor in the assessment of planning applications within this guidance.

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