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SPF VOICE

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Welcome from the Chair

Jonathan Guthrie
Robertson Group

My recollection of the last few weeks is trains! Lots of them... SPF have been on tour, bringing together members with local authorities, committees and politicians.

From all of these engagements and many, many meetings, key themes have been emerging.

1 Viability continues to be a major issue for projects in both the public sector pipeline and everywhere else.

2 Uncertainty around inward investment, development and project pipelines. This includes projects either being delayed or postponed indefinitely.

3 There is a clear need for housing of all tenures across Scotland.

4 There is also a need for industrial space, tech facilities, data centres and much more.

SPF Regional meetings have explored all of the above. Some exemplar regions are creating new ways of working together, dealing with viability gaps, creating certainty and delivering projects. This is managed through close collaboration, both within and across public and private sectors. It feels a bit like we have recently given ourselves permission to find new ways of working together?

Recent meetings with groups like the Construction Leadership Forum highlighted the potential scale of a pipeline of projects, all across Scotland. Similar discussions with sector groups in housing, industrial space and life sciences have also highlighted pent up demand. Is it possible that we can find a way of unlocking these pipelines? The more certainty we have as a sector, the more we can plan, invest, recruit and put in place the infrastructure required for delivery.

It was highlighted to me at a recent meeting convened by Public Health Scotland, where Sir Micheal Marmot passionately demonstrated the links between the physical health of our employees and communities, with the health of the economy. Could unlocking the project pipeline also make us a healthier nation?

As ever, please [get in touch](#) with ideas around making this a reality, either spreading good practice or finding new ways to collaborate and deliver.

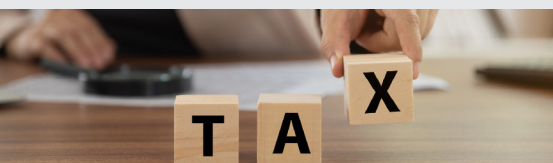
The SPF team have also been tracking policy development and critical amendments through consultation with members. Thank you all for your input to these. The more evidence we have, the stronger our voice.

Finally, our Mentoring programme kicked off on the 23 September with an amazing breakfast at Duck and Waffle in Edinburgh kindly sponsored by TFT! It was great to meet so many mentors and mentees, all excited to start a 12 month period of learning together. If you are not enrolled... get ready for next year!

Thank you all for your time and reading this far.

- Jonathan

Featured Industry Insight



LBTT Update

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Industry Insight



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In a welcome development for property investment funds, the Scottish Government has now consulted on the introduction of LBTT reliefs for Co-ownership Authorised Contractual Schemes (COASCs), Property Authorised Investment Funds (PAIFs) and Reserved Investor Funds (RIFs), the new UK property fund which was introduced in March 2025. Currently these types of funds cannot hold Scottish property because of the LBTT which would arise on the issue/transfer/redemption of fund units. In addition there is no “seeding relief” for the transfer of properties into new COASCs, PAIFs or RIFs.

The consultation which closed on 5 September 2025 included draft legislation to treat COASCs like companies and the units in COASCs like shares for LBTT purposes, which is in line with their treatment for SDLT, and would mean no LBTT would be payable on the transfer of units. This would open the door to Scottish property being included in these types of funds for the first time. The consultation also considered extending that treatment to PAIFs and RIFs, as well as introducing an LBTT “seeding relief” for the seeding of properties into new COASCs, PAIFs

and RIFs. There was widespread support for the proposed new LBTT reliefs, as well as a call for these LBTT changes to be introduced as quickly as possible, to allow Scottish properties to be included in existing funds, and to be seeded into new funds.

The Land and Buildings Transaction Tax (LBTT) replaced SDLT on transactions involving land in Scotland just over ten years ago, on 1 April 2015, and the Scottish Government is currently carrying out a review of LBTT. A number of LBTT reliefs are being considered to establish whether they still meet the original policy intent. These include first time buyer's relief, multiple dwellings relief (which has already been abolished for SDLT), the 6+ rule (which treats the purchase of 6 or more dwellings in a single transaction as non-residential property) and the treatment of

purchases which include any element of non-residential property, however small, as being subject to the non-residential rates.

The LBTT three year lease review regime and penalties for late submission of lease review returns is also under consideration. Tenants of commercial property in Scotland have to submit LBTT returns every three years and on assignment or termination of a lease. The aim of the review system is for the LBTT payable to be recalculated based on actual rents paid rather than estimated rents. If additional LBTT is payable this has to be paid to Revenue Scotland, and if LBTT has been overpaid a repayment can be claimed. Review returns have to be submitted even if no additional tax is due. The three yearly review system is considered by many to be onerous, and a considerable number of lease review returns are not submitted on time, leading to penalties for tenants. Changes which would reduce the administrative burden for tenants would be widely welcomed.

Although there could be some announcements about the outcome of the review later this year, changes to the legislation will not take place for some time. The LBTT review is intended to lead to recommendations for change to be considered by the next Scottish Parliament following the Scottish Parliament elections which are expected to take place in May 2026.

“
This [LBTT reliefs for PAIFs, COASCs and RIFs] would open the door to Scottish property being included in these types of funds for the first time.

Housing (Scotland) Bill Stage 3 Update

The Housing (Scotland) Bill reached Stage 3 on Tuesday 23rd September with the commencement of the final debate in the Chamber. Befitting of a Bill that has taken two years since initial consultation - and subjected to more amendments that almost any other bill in the history of The Scottish Parliament - it endured over 11 hours of debate across the first two sessions, with the final session is expected to conclude today (Tuesday 30th September.)

The content to date has been largely as predicted without any shocks. Provisions have been made for exemptions, with specific reference made to Build to Rent and Mid Market Rent, and similarly for properties subject to upgrades or previously under-rented. PBSA has been excluded from rent control, with a mechanism put in place to permit 28-day notice periods in this sector in 'very specific circumstances'.

The Bill is expected to conclude this week, with the important detail brought forward in secondary legislation before the end of the year.

Our Response to Draft Guidance on Planning Obligations

This week (29 September), we submitted our response to the consultation on the Scottish Government's draft guidance on planning obligations. Following last year's announcement to halt work on the infrastructure levy due to a fast approaching sunset clause in 2026, the government is now focusing on reforming existing tools, such as Circular 3/2012, which provides guidance on Section 75 agreements. These developer contributions play a crucial role in ensuring developments support and contribute toward the delivery of local infrastructure.

In our response, we highlight the urgent need for clear transitional arrangements where Local Development Plan (LDP) replacements are delayed beyond the statutory 2028 deadline. Clear guidance will help avoid confusion, maintain certainty, and ensure infrastructure funding continues smoothly during interim periods. We also recommend promoting consistency and timeliness in drafting and finalising obligations. Better coordination within planning authorities, alongside early engagement with consultees, can significantly reduce delays that hinder housing delivery.

We have strongly urged the guidance to clarify viability assessments, including recognition and understanding of appropriate developer profit benchmarks and the proper start dates for indexation, to protect project viability while meeting infrastructure funding needs. Additionally, our members support adoption model obligations or standard clauses to enhance transparency, reduce legal costs, and promote consistency across all planning authorities in Scotland.

Scottish Building Safety Levy Update

The Scottish Government is continuing to develop the policy details of the forthcoming Scottish Building Safety Levy, which will apply to all new residential developments from 1 April 2027. The Levy is intended to fund the Government's Cladding Remediation Programme, raising up to £30m annually.

Over the past month, we have participated in several stakeholder meetings with government officials to discuss key aspects of the Levy, including the calculation methodology and the definition of affordable housing types that may be excluded from paying the levy.

The current proposal is for the Levy to be calculated on a per-square-metre basis, based on floorspace. We raised concerns about the disproportionate impact this could have on certain types of developments particularly for Build-to-Rent (BTR) and Purpose-Built Student Accommodation (PBSA) where communal areas account for a significant proportion of total floorspace. A flat rate per square metre risks penalising these schemes unfairly.

We also highlighted concerns around the proposed affordable housing exemption, which currently appears to apply only to developments that receive direct government funding. This approach overlooks the increasingly vital role that private capital plays in the delivery of affordable housing. We strongly argued that, in the context of a national housing emergency, the focus should be on enabling - not taxing - the delivery of affordable homes, regardless of the funding source.

Until the Government publishes indicative rates for the Levy, it remains unclear what the full financial impact on the sector will be. However, we will continue to engage with officials to ensure the final policy recognises the complexities of modern residential development and supports, rather than hinders, the delivery of much-needed housing across Scotland.

Scottish Equivalent to Passivhaus: Progress and Key Considerations

The Scottish Government is advancing plans to introduce a Scottish Passivhaus standard. An expert working group formed last year has been reviewing energy standards with a focus on improving energy performance targets and ensuring practical compliance in construction. A first consultation of this review took place in July 2024, with responses published at the end of last year.

Key concerns raised by us in our response included the proposed focus on absolute energy targets, which may not suit diverse building types such as offices, hospitals, or data centres that require tailored targets and overheating considerations.

Ahead of this second consultation on detailed performance targets and compliance processes, we met with officials, and our concerns are reflected in the now proposed 'dual' approach for building standards. Additionally, these standards would set a target range allowing some fluctuation in delivered energy demand depending on factors such as heating technology, location, orientation, and building type.

SPF Snapshot: Our work at a glance

SPF road trip

Inverness Dinner

At an evening dinner hosted by our Chair Jonathan Guthrie at the Kingsmills in Inverness, we heard how the city is outperforming expectations, with strong demand in housing, hospitality, and green infrastructure. While confidence is high, planning, viability, and infrastructure delivery remain key challenges. The Green Freeport and upcoming energy projects present major opportunities but collaboration will be vital to realising these.

Glasgow Dinner

Our Chair, Jonathan Guthrie hosted an evening discussion at the Ivy with Ivan McKee MSP, the Chief Planner, Glasgow City Council officials, and industry representatives. The conversation followed the Scottish Government's new housing measures, including rent control exemptions for BTR and MMR. Topics included viability, planning, infrastructure, and local initiatives like the Avenues project and city centre repopulation.

Aberdeen Lunch

In a lunchtime meeting we organised at Burness Paull, we met with members and representatives from Aberdeen City and Aberdeenshire Councils. Development viability was a core focus, alongside the need to promote success stories to attract further investment. Events like the recent Tall Ships were a great example of showcasing the city's potential.

Edinburgh Lunch

We met with City of Edinburgh Council and members to explore key development and investment updates. Our Vice Chair Cameron Stott provided a market overview before discussions turned to affordable housing funding models and the growing viability challenges facing the capital. Thank you to Dentons for hosting!

Key Engagements

A round-up of our key engagements and topics we discussed with the Scottish Government and local authority officials this month to support our members in driving a diverse, successful and sustainable real estate industry in Scotland.

Meeting with LibDem's Willie Rennie MSP

On Tuesday, 9 September we met Mr. Rennie to discuss the Housing Bill ahead of stage 3 debate in the Parliament.

ScotGov PRS Stakeholder meeting

On 11 September, the SPF joined the PRS Stakeholder meeting with officials leading on the Housing (Scotland) Bill.

Building Standards - Energy Review Meeting

On Wednesday, 17 September we joined the SG officials with other stakeholder for an interim update on Passivhaus Standards.

Trade Association Scotland (TAS) Roundtable

On 16 September we joined the TAS roundtable with LibDem's Alex Cole-Hamilton MSP hosted at the Scottish Parliament.

Meeting with the Scottish Conservatives

On Thursday, 11 September we met Meghan Gallacher MSP ahead of Stage 3 of the Housing Bill to relay member concerns on the amendments on the face the Bill.

Cross Sector Building Safety Forum

On Thursday, 11 September our Sustainability committee chair, Alan Stark participated in the SG's Cross Sector Building Safety Forum.

Meeting with the Scottish Labour

On 16 September we held a meeting with Daniel Johnson MSP to discuss the Housing Bill and wider policy impacting the industry.

Building Safety Levy Engagements

On 17 September, we took part in a discussion hosted by Revenue Scotland and on 22 September, we joined the Scottish Building Safety Levy Expert Advisory Group.

SPF Annual Dinner 2025

EICC | Edinburgh | 2 October

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After Dinner Speaker:
Sarah Smith
BBC News, North America
Editor

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Excitement is building!

This Thursday, 2 October, we'll welcome over 500 guests to our biggest flagship social event at the EICC in Edinburgh – where we'll also launch our manifesto, highlighting the industry's priorities for the next Government ahead of the 2026 Scottish Elections.



Building a Better Scotland

The SPF 2025-2026
Election Manifesto