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# Draft Infrastructure Strategy 2027 – 2037

## SPF Consultation Response

Submitted on 5 May 2026

## SCOTTISH PROPERTY FEDERATION

The Scottish Property Federation is the voice of the real estate industry in Scotland. We work closely with our members to support the **growth of the real estate industry and to improve Scotland's built environment** - key pillars that underpin a productive, thriving society.

Our industry-wide membership enables us to provide government and regulators with **expert insight and informed guidance**, helping shape effective policy and regulation. Our members reflect the **diversity of the real estate sector** - ranging from property owners and developers to funders, agents, and professional advisers.

From June 2026, SPF will transition to **Real Estate:Scotland** following the merger with BPF/SPF, IPF and AREF.

## CONSULTATION SUMMARY

### Infrastructure Strategy 2027-37

The consultation sought views on a proposed 10-year framework to guide public infrastructure investment across Scotland. It sets out a long-term approach linking a 30-year Needs Assessment, the 10-year Strategy, Spending Reviews, and annual Budgets to deliver three core outcomes: enabling net zero and environmental sustainability, driving economic growth, and building resilient places. It focuses on whether the right priorities, governance structures, funding mechanisms, and place-based approaches are in place to support effective infrastructure planning and delivery over the next decade.

## GENERAL COMMENTS

### SPF Response

We broadly welcome the Draft Infrastructure Strategy as a framework for signalling government priorities and supporting long-term planning and investor confidence. It is very timely and essential to have a strategic infrastructure plan for Scotland. In our response we have highlighted a few significant gaps and have made recommendations across governance, funding, housing, and digital infrastructure to better reflect the market and member priorities.

**Housing as Core Infrastructure:** Housing has been conspicuously absent as a recognised infrastructure category, despite its fundamental role in economic growth and labour mobility. The document needs to

better reflect the demand and demographic changes in the country, and we have called for explicit recognition of later-living housing options as a means of relieving pressure on health and social care systems.

**Digital Infrastructure & AI:** The consultation paper mentions digital infrastructure but there is a lack of reference to data centres, which we consider a serious gap given their role as critical digital infrastructure underpinning AI adoption and public service delivery. We recommend that data centre provision be explicitly included in the 10-year plan.

**Economic Growth:** We agree with the three strategic outcomes - net zero, economic growth, and resilient places - but we are concerned that economic growth is currently underweighted. Private capital is essential to net zero delivery, and it is therefore essential to maintain a balanced and pragmatic approach that treats economic and environmental objectives as complementary and mutually reinforcing.

**Multi-Year Funding Certainty:** We strongly support the proposed planning framework linking the 30-year Needs Assessment, 10-year Strategy, and annual budgets, but we have stressed in our response that short annual budget cycles continue to undermine long-term investment decisions. Multi-year capital certainty, particularly for enabling infrastructure (transport, utilities, grid), is essential to unlocking private investment.

**Strategic Alignment & Governance:** We believe there is significant misalignment between national infrastructure investment and local development plans, which acts as a key barrier to delivery. We have called for stronger collaboration across public bodies, utilities providers, local authorities, and the private sector, with greater Scottish Government intervention on nationally significant sites.

**QUESTION 1****Question 1****Do you agree with the scope and role of the Infrastructure Strategy?** **Yes** **No** **Partly****Please give reasons for your answer.**

It is recognised that the Infrastructure Strategy is a high-level, framework document and that further detail will follow in subsequent iterations. However, in terms of its role, its effectiveness will ultimately depend on how clearly it translates strategic intent into delivery-relevant signals for the market.

For our members, the key value of infrastructure planning lies in the certainty it provides around what is being delivered, when and where, as well as how this aligns with wider infrastructure systems such as transport, utilities and grid capacity. Relatedly, considerations of viability, infrastructure alignment, planning clarity and speed of delivery are central to whether the Strategy can meaningfully support investment and delivery decisions.

We broadly support the Infrastructure Strategy as a way to signal the Government's main priorities and major types of infrastructure needed to support the economy and wider society. This will be important for influencing long-term planning and funding goals as well as building investor confidence.

That said, there are some important gaps in how the scope is currently framed. In particular, housing is not treated as core infrastructure despite its fundamental role in supporting economic growth and labour mobility. Given the Strategy's focus on ageing population demographics, there is a strong case for more explicit recognition of later-living housing options and their potential to reduce pressure on health and social care infrastructure, as well as improve the efficiency of the wider housing system.

We also note the absence of reference to data centres, which are increasingly recognised internationally as critical digital infrastructure as underpinning the rollout of AI and the impact this will have on economic activity and delivery for public services. It is unclear how strategic thinking on data centres is integrated between Scottish and UK public infrastructure. This fragmentation risks underplaying the importance of this kind of infrastructure within a modern, digital economy.

**QUESTION 2****Question 2**

**Do you think the proposed framework, linking the 30-year Needs Assessment, 10-year Infrastructure Strategy, Spending Reviews and annual Budgets will support improved strategic planning and delivery?**

- Strongly agree**
- Agree**
- Neither Agree or Disagree**
- Disagree**
- Strongly disagree**

**Are there any other improvement you want to suggest – please specify?**

Yes. The linkage between the 30-year Needs Assessment, 10-year Strategy, and annual budgets is welcome, but multi-year capital certainty must follow. Short annual budget cycles continue to undermine the long-term investment decisions that private developers and institutional investors need. It is important that investment decisions are informed by long-term priorities but there is some flexibility for it to be reviewed and updated. However, this must be matched by clear information on what will be delivered, when and where, and how this aligns with planning policy and land supply

**QUESTION 3**

**Do any elements of the Infrastructure lifecycle need to be strengthened to promote more effective infrastructure planning and delivery?**

- Yes**
- No**

**If yes, please provide further details**

In general, the lifecycle provides a clear and logical framework of what is required at different stages on infrastructure projects. The main challenge is not the structure of the lifecycle but often strategic ambition at the point of delivery so ensuring each stage can transition effectively to the next phase.

**QUESTION 4** In what areas could changes to governance or planning processes across the public sector improve the impact of the investment hierarchy?

- Strategic Alignment**
- Collaboration**
- Business Case Development**
- Funding and Deliverability**
- Procurement and Oversight**
- Evaluation and Learning**
- Lifecycle Planning**
- Other**
- None**

**Please provide details?**

Greater strategic alignment is needed between national infrastructure, planning and housing delivery. At present, there is often significant misalignment between infrastructure investment decisions and local development plans that can delay or stall sites. There needs to be a clearer pipeline of infrastructure that can be funded which could provide the market with confidence to invest and support earlier site development.

Stronger collaboration across public bodies, utilities providers, local authorities and the private sector is necessary. Infrastructure delivery is often hindered by inconsistent engagement with the private sector. Better collaboration at the pre-planning stage would help identify challenges and unlock sites more efficiently. Whilst respecting the role of local authorities in infrastructure planning, funding and delivery, greater Scottish Government intervention will be necessary for large-scale or nationally significant sites. Stronger avenues to bring all parties together is needed.

A key barrier to delivery is uncertainty around infrastructure funding and timing. Greater clarity on when and how infrastructure will be funded particularly for enabling works such as transport and utilities like water and grid connectivity are essential to unlocking private investment. Consideration should also be given to forward-funding mechanisms to ensure that cumulative costs associated with s75s do not undermine scheme viability.

**QUESTION 5 Do you agree that enabling net zero and environmental sustainability, driving economic growth, and building resilient places continue to be the right outcomes to guide infrastructure investment over the next decade?**

- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

We support the three long-term outcomes: net zero and environmental sustainability, inclusive economic growth, and resilient and sustainable places, which also aligns with the overarching ambition for Scotland to reach net zero by 2045. However, we are concerned that as currently framed, the strategy underweights economic growth relative to the other two outcomes, and this has direct and measurable consequences for investor confidence.

Net zero transition itself cannot be delivered without sustained private capital. The infrastructure required to decarbonise Scotland's economy - renewable energy, heat networks, EV charging, retrofit of the built environment, green logistics. It requires institutional investors, developers, and long-term capital owners to commit at scale and over decades. If the policy and regulatory environment signals that economic growth is secondary, that capital goes elsewhere. We support a pragmatic approach in which economic and environmental benefits are treated as complementary and mutually reinforcing throughout the strategy.

**QUESTION 6 Are the three proposed enablers, public assets, place-making, and private investment, sufficient to deliver the Strategy's outcomes?**

- Yes
- No

**Are there other enablers we should consider instead/additionally - please specify?**

We agree that enabling net zero and environmental sustainability, driving economic growth and building resilient places are broadly the right outcomes. However, these outcomes may not always be in alignment with each other in relation to infrastructure investment and there may be a question of priority at given points in time for these enablers. For example, driving economic growth will be needed to deliver resilient places as well as to build investment for the transition to a net zero economy. While specific infrastructure investment will be assessed case by case, it will be important to be clear where

there is a need to prioritise one of these objectives ahead of other criteria (i.e. economic growth and environmental sustainability). It is also important that where appropriate a holistic approach is taken to government regulation of particular products and industries. For example, while the move towards electricity-based transport and heating, there is likely to be an enduring requirement for products requiring oil or other fossil fuel extracted materials. This will be necessary to ensure the durability of supply chains including for the real estate sector.

The proposed enablers of public assets, place-making and private investment are welcome but on their own will not be sufficient to enable the Strategy's outcomes. Skills and leadership will also be required, not least in terms of public policy priorities and construction sector capacity.

**QUESTION 7** **What mechanisms or approaches should the Infrastructure Strategy adopt to ensure that cross-cutting priorities, such as housing delivery, regional economic development, and natural infrastructure are systematically embedded in investment planning and decision making?**

It will be vital to ensure public policies at each level of government and Agency is aligned with the need to deliver housing and regional economic development. Natural infrastructure is a part of this consideration. New approaches should include making economic development a core policy priority rather than an optional issue for public sector bodies.

We have written to the Housing directorate to highlight the need for the proposed More Homes Scotland Agency to work closely and more commercially with the private sector. This should include a willingness by the public sector to embrace risk-sharing with the private sector in order to unlock development sites and deliver infrastructure.

**QUESTION 8** **Are there any findings from the Scottish Futures Trust Needs Assessment (perhaps from drivers of change, cross-cutting themes, or enablers) that we should more fully integrate into this 10-year Infrastructure Strategy?**

**Yes**

**No**

**Don't know**

The impact of AI has the potential to both disrupt and transform infrastructure and economic growth. The power of AI could clearly support private, public and public sector to deliver services and growth - but it may also reduce the need for employment in finance, industry and the public sector. AI will also need infrastructure support in the form of data centres and reliable utility support. The rapid growth of demand and take-up from the economy and public infrastructure delivers suggests the link to and provision of data centres should be identified within the 10-year plan.



**QUESTION 9 Do you support the proposal that infrastructure investment is more directly driven by the priorities of places across Scotland?**

**Yes**

**No**

Yes, we support driving infrastructure investment more directly by place priorities across Scotland. This aligns with NPF4 and the Place Principle, enabling coordinated infrastructure for local needs like housing, commercial spaces, and utilities, breaking sectoral silos to maximize community, economic, and environmental benefits through infrastructure-first planning and compact growth.

For property developers, it ensures investments match real demands, such as transport and digital connectivity for urban regeneration, reducing delays and unlocking private-led projects. Holistic place-making thrives here, as in Edinburgh's Granton Waterfront, where aligned funding delivers neighbourhoods via public-private partnerships. We welcome using Local Development Plans for infrastructure phasing to support timely housing and commercial delivery amid growth goals. To strengthen this, we recommend formal industry inclusion in place partnerships, clear multi-year funding models for certainty, and success metrics like accelerated housing pipelines tied to infrastructure.

**QUESTION 10 Are the proposed principles, national spatial priorities and place partnerships, the right ones to guide a place-based approach?**

**Yes**

**No**

**Don't know**

**Are there other principles we should consider - please specify?**

Yes, the proposed principles, national spatial priorities (e.g., infrastructure-first, compact growth), and place partnerships are the right basis and mechanism, aligning outcomes like net zero and resilient places with NPF4 for holistic benefits. They need to adapt focus on market-responsive delivery but require stronger public leadership. English MDCs demonstrate success via accountable coordination (e.g., pooled funds), adaptable to shifts, Scotland can emulate without mayors by statutorily empowering City Deals with strategic directors, industry mandates, and KPIs (e.g., housing acceleration). We would like to see enhanced private roles in partnerships; flexible reviews; regional equity funding; pilots for 'place-leadership' entities. We can better utilise existing mechanisms from Planning Act 2019 - Regional Spatial Strategies to identify potential regional scale infrastructure priorities to within a national investment framework and join up investment so that private and public sector contributions are brought together to deliver at scale. We can build on piloted success of

Masterplan Consent Area model for Highland housing around the Freeport sites – that can be scaled nationally for a faster, place based consenting route for housing as well as mixed use development.

**QUESTION 11 Do you agree with the Scottish Government's proposal to empower communities to play a more active role in infrastructure decision making?**

**Yes**

**No**

**What mechanisms would best support meaningful community involvement and help maximise local social benefits - please specify?**

No comments.

**QUESTION 12 Do you believe the current landscape of local and regional partnerships (e.g. Community Planning Partnerships, Regional Economic Partnerships, Regional Adaptation Partnerships) provides an effective framework for delivering place-based infrastructure investment?**

**Yes**

**No**

**Don't know**

We have little feedback from members on these networks, but we would have to say that what feedback there is raises concerns at complexity and inconsistent levels of support, action and engagement. Good examples suggested to us by our members of business-local authority collaboration would include Glasgow's City Centre Task force led by the GCC.

**QUESTION 13 Are there additional sectors or opportunities that should be considered for strategic investment to support economic growth and maximise opportunities for longer-term growth?**

Data Centres would certainly be one sector where a strategic requirement based on the need to maximise future opportunities for economic growth could be contemplated. Housing too will need to be identified and prioritised in specific areas to support economic growth - for example the Inverness and Cromarty freeport. The government should also consider the need for supply chain resilience, including in terms of distribution and logistics. The impact of Covid-19 illustrated an over-reliance on 'just-in time' supply chains, and the increased global insecurity of the past 10-15 years suggests that localised forms of supply and distribution will support improved national resilience.

**QUESTION 14** **To make the most of the strategic opportunities in renewables, housing, and natural capital , what will the economy need from our infrastructure to grow and thrive up to 2037?**

**Please specify?**

Development viability remains the key obstacle to the delivery of new homes of all tenures. This is in part fuelled by significant capacity constraints in terms of skills and supply chains which drive significant construction sector cost pressures. One measure that can support improving this situation is to provide confidence in future projects workstreams.

This tangible commitment to a pipeline of future development projects can help to support investment in skills and supply chains. However, with significant risk aversion evident throughout the market then we believe there will be a need to address this issue in collaboration with the public and private sectors. More Homes Scotland could play a significant role in this, including consideration of risk-sharing with partners in order to bring forward a pipeline of projects.

-End of questions-