

17 February 2026

Cabinet Secretary for Housing
Màiri McAllan MSP
The Scottish Government

By email: CabSecHousing@gov.scot

SPF-ARL-MHMQ Feedback on More Homes Scotland

Dear Ms McAllan,

Thank you for meeting with the ARL Roundtable on 4 February and the SPF Policy Committee on 5 February with the opportunity to feed into the new agency – More Homes Scotland.

To inform our feedback, we conducted a short survey and consultation separately for our combined members from the SPF, Association for Rental Living in Scotland and More Homes More Quickly asking for feedback, or general views, focusing on the following areas:

1. the Agency's key priorities,
2. how best to support the delivery of more homes more quickly, and
3. what should be avoided in its design and operation.

We received an overall positive response to the proposal of MHS, particularly the potential for it to help with scale, accelerating and improving coordination across Scotland's housing system.

Executive Summary

- **Restore confidence in the housing pipeline.**
Planning must be consistent and predictable. Viability pressures must be recognised. Stalled sites must be identified and actively unlocked through strategic public intervention.
- **De-risk delivery and sequence infrastructure.**
Infrastructure funding and phasing must align with housing trajectories. Brownfield and abnormal costs require structured support. Early-stage risk must be shared to lower the cost of capital.
- **The Agency act as a market-shaping delivery body.**
More Homes Scotland must not duplicate existing agencies or add further consent layers. It should operate commercially, deploy patient capital and leverage private investment at scale.

- **Champion all tenures and regeneration.**

The Agency must have a clear vision across for-sale, rental and affordable housing. It should lead on strategic sites, support mixed-tenure delivery and position Scotland as investable and open for business.

1. What are the three key priorities of MHS?

1.1. Restore Deliverability and Confidence in the Housing Pipeline

- (i) National consistency in planning interpretation (particularly around viability and deliverability evidence)
- (ii) Infrastructure-backed pipelines
- (iii) Clear, tenure-specific and realistic targets
- (iv) Integration of planning, infrastructure and phasing
- (v) Visible oversight of stalled sites

The key emphasis is not on weakening policy, but on ensuring clarity and confidence so that decision-makers feel able to approve schemes and applicants have reduced uncertainty in how their projects are considered and assessed.

With regard to infrastructure-backed pipelines, this should mean explicit infrastructure phasing and funding plans aligned to housing delivery, with clear accountability for sequencing utilities, transport, drainage and remediation so that sites can move from consent to start-on-site without repeated renegotiation.

“Stalled sites” should be clearly defined. Consented allocations not progressed within a pre-determined period would be a simple approach, with the constraint identified (planning, infrastructure, abnormal costs, tenure mix, funding) and the proposed intervention route.

This will improve confidence in not just planning decisions but also the national approach to infrastructure delivery.

1.2. Address Viability through Strategic Public Intervention

- (i) Viability is the key challenge for our industry and its investors. From this short survey of members, it was the constant theme running through the responses.
- (ii) Infrastructure-first grant funding
- (iii) Patient equity
- (iv) Gap funding
- (v) Land assembly powers
- (vi) Underwriting early phases of major schemes

- (vii) Clear viability assessment frameworks to include standardised assumptions to reduce negotiation and increase consistency and predictability.
- (viii) Recoverable abnormal-cost funding for brownfield and “below-ground” infrastructure.

Patient equity should be capable of operating on a mid-to-the-term horizon with clearly defined return parameters and the ability to recycle capital across projects. In appropriate circumstances, it should be able to sit in a subordinated position to crowd in private capital and improve scheme viability.

Inevitably perhaps the example of Homes England as an Agency was most frequently referenced by responses. Many companies responding had direct experience of working with Homes England and stated they would be happy to relate these experiences to the Scottish Government.

A core theme emerging from the responses we received is that without meaningful capital backing the new Agency would risk being regarded as symbolic rather than transformational.

1.3. Rebuild market confidence and Leverage Private Capital

Respondents to the survey recognised that public funding alone will not deliver the required supply of new homes across all-tenures. Consequently, key suggestions from our members included:

- (i) Attract institutional investment
- (ii) Support all tenures (BTR, PBSA, MMR, affordable and market housing)
- (iii) Support SME builders
- (iv) Provide long-term budget certainty (over 10 years)
- (v) Operate commercially and independently.

To leverage private capital at scale, MHS should have a toolkit that includes long-term low-cost debt (e.g. Thriving Investments, LAR, HHA), guarantees where they offer better value than grant, and cornerstone equity positions in housing funds (Thriving) to crowd in institutional investment.

Survey respondents stressed that capital is mobile. Scotland must appear predictable, investable, and open for business. An underlying theme of the survey responses is that the Agency must act as a market-shaping institution and not just a grant distributor.

2. How can MHS best support delivering new homes more quickly?

MHS should focus on de-risking the early phases of development, funding enabling infrastructure, and using clear powers to unlock and accelerate delivery on key sites. Our members have highlighted five priorities where MHS can make the greatest difference:

2.1 Funding, equity and risk sharing

MHS should provide grant funding and patient equity at scale, particularly for enabling infrastructure that unlocks large, complex sites. MHS should ensure its approach complements these with meaningful support for SMEs, who are often unable to compete for large-scale opportunities but are integral to diversifying tenure.

MHS should consider front funding sites and using a mix of debt, equity, guarantees and infrastructure funding to make early phases viable and share risk with the private sector.

MHS should also consider matched equity mechanisms for SME developers at defined milestones (e.g. consent, start-on-site) to increase delivery capacity, and ensure that equity deployed can be recycled over time to maximise impact sharing funding sites and using a mix of debt, equity, guarantees and infrastructure funding to make early phases viable and share risk with the private sector.

2.2 Unlocking infrastructure and key sites

MHS's key priorities of simplification should focus on coordination with statutory bodies, guide local authorities on infrastructure requirements and delivery plans, and align infrastructure delivery timelines with housing delivery.

MHS should select a limited number of strategic sites and put them forward with clear objectives and map infrastructure requirements, delivery and timescales. This includes providing long-term solutions for financing infrastructure, placemaking and Section 75 obligations, so these are not borne entirely by developers over short timeframes, co-ordination with statutory bodies, guidance for local authorities on infrastructure requirements and delivery plans and align infrastructure delivery timelines with housing delivery. Long-term solutions for financing infrastructure, placemaking and Section 75 obligations, so these are not borne entirely by developers over short timeframes.

2.3 Planning and land powers to speed delivery

MHS should assemble strategic land and sites, packaging them as opportunities for development. Consideration should be given to treating allocated housing sites as having "deemed" planning permission in principle and determining major applications centrally, where appropriate, to avoid delay and unlock stalled or complex sites.

Additionally, fully policy-compliant applications should be capable of determination under delegated authority to avoid unnecessary committee delay; where applications are largely compliant, committee consideration should focus only on areas of variance rather than reopening matters already resolved through policy.

2.4 Supporting mixed tenure delivery

MHS should consider demand side interventions, including a Scottish equivalent of Help to Buy, to support absorption and viability where there is temporary market weakness. It should ensure that residential for rent (BTR, co-living, PBSA, etc.) is explicitly part of the delivery toolkit and recognise mid-market rent as a quick win for delivering affordable homes at scale, including by utilising sites with existing consents and infrastructure via Section 75.

Affordable delivery frameworks should be calibrated to reflect actual construction costs across typologies, particularly for urban flatted development, so that policy ambition remains aligned with deliverability.

2.5 Capability, capacity and collaboration with industry

A core ask from industry is that MHS is designed and staffed to work closely with the private sector. MHS should utilise strong private sector expertise with development and investment experience and operate on an independent, commercial basis with clear powers and adequate resources. It should have its own branding, and send a clear, consistent signal that Scotland is 'open for business'. It should be bold and decisive, learn from but go beyond Homes England, and avoid additional bureaucracy or political micromanagement, with clear, realistic objectives and measurable targets for accelerating new homes across all tenures.

The agency should also provide a dedicated account-management function for major investors and delivery partners to ensure rapid problem-solving and coordinated engagement across government bodies.

2.6 Collect and collate data across all living sectors

MHS should establish a centralised housing delivery data platform - a single source of all aspects of housing data. Housing pipeline, tenure mix, costs, values and performance across the for sale, rental and affordable sectors

A significant and substantial base of data is critical to the application of existing legislation and to the design of future policy. Creating transparent data sets will improve clarity and consistency and investor confidence.

3. What should be avoided in MHS design and operation?

In a nutshell, MHS should avoid politicisation, duplicating or confusion with other institutions, bureaucracy and excluding private sector expertise. In our member survey, there was striking consistency in what we should be avoiding in the design and

operation of MHS. Below we identify the key themes.

1. Political Interference

Avoid:

- Central government “meddling”
- Politicised decision-making
- MHS being the default centralisation of major applications
- Unrealistic headline targets
- An agency that is too closely tied to current political cycles or sentiments

Why? Operational independence is critical for credibility and speed.

2. Avoid institutional duplication and confusion

Principles:

- National or local government bodies should not compete with each other
- Roles must be clearly defined to avoid overlap with planning authorities, SFT, SNIB, etc.
 - Example: MHS could take on grant administration while SNIB provides debt?
- MHS must have a clear, market-facing identity

Why? Ambiguity reduces market confidence; investors need clarity on who does what.

3. Becoming Bureaucratic or underpowered

Avoid:

- Creating another approval layer
- Slow decision-making structures
- Reliance on too many external parties
- A limited funding authority
- Excessive restrictions that prevent commercial action
- Short-term thinking

Principles:

- MHS needs access to direct and long-term funding
- It must be able to engage quickly with public sector and industry bodies

Why? Simplicity and speed should be core operating principles

4. Excluding Private Sector Expertise

Avoid:

- Operating in isolation from the private sector
- Siloed thinking

Principles:

- Include individuals with first-hand experience across multi-tenure housing (BTR, co-living, student accommodation, retirement housing, etc.)

Why? To attract investors, commercial credibility and awareness is essential.

Please note that these points reflect high-level feedback from our membership. We would be very happy to follow this up with a more detailed briefing paper should that be helpful.

We welcome continued engagement as the proposals develop and would be pleased to provide further detail on any of the points raised above.

Kind regards,

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