**4 June 2021**

**SCOTTISH PROPERTY FEDERATION POSITION STATEMENT: NATIONAL PLANNING FRAMEWORK 4 - INITIAL DEFAULT MINIMUM ALL-TENURE HOUSING LAND REQUIREMENT**

**Introduction**

1. The Scottish Property Federation (SPF) is the voice for the property industry in Scotland. 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.
2. We have not commented on the detail of the initial default estimates of housing need and demand, and the corresponding minimum housing land requirements. However, we share the concerns expressed by colleagues at Homes for Scotland about the Scottish Government’s approach to this work and the limited time allocated to the exercise. Our concerns are set out in more detail below.

**Key Issue**

* **Scotland is still in the grip of a housing crisis, and therefore more housing requires to be delivered across all tenures. The extenuating circumstances of the COVID-19 pandemic has had a continuing negative impact on the whole housing delivery cycle. If we are truly committed to** **the six statutory outcomes set out in the Planning (Scotland) Act 2019, it is vital that consideration is given to an upwards adjustment of housing need and demand, and corresponding minimum Housing Land Requirements, in whatever overall figure is provided in NPF4.**

**General Overview**

1. The level of future housing sought appears to be very low and may have a major impact upon the housebuilding industry in Scotland. Low levels of future homes means that existing stock becomes more expensive as competition increases and affordability becomes even more pronounced. The proposals appear to lack any ambition to address important matters of housing the Scottish population, irrespective of the tenue required.

**Inclusive Economic Growth and Housing Need and Demand**

1. Our members support the intent that the level of housing land once written into NPF4 can be exceeded in the LDPs. It is important that there is as much evidence on housing need and demand included to inform this as well as the growth potential of settlements. These must be targets for homes to be delivered, not simply the amount of land allocated for housing.
2. While no total figure for Scotland is given, we have considered the total initial numbers across all local authorities, which represents some 147,300 minimum housing land requirement over the 10-year period of NPF4. Colleagues at Homes for Scotland have advocated a minimum of 25,000 homes per annum are required so this initial starting point for a 10-year figure for the whole of Scotland remains significantly short of the 250,000 needed.
3. Our members support the minimum flexibility allowances for urban (25%) and rural areas (30%). However, if rural areas are to be repopulated, they are of the view that these minimum figures need to be increased and suggest an increase of 5% each. The challenges of assessing housing needs are generally more understood in the major population centres but can be more complex in remote/rural areas, where loss of population and issues with second homes can have significant impact on housing supply and demand. Our members are of the view that there needs to be a balance between supporting the sustainable growth of rural communities along with the provision of suitable local amenities to make them self-sustaining.
4. There is an absence of economic or financial factors that can be major drivers in housing need and demand, which is also linked to tenure. Housing delivery, of all tenures is dependent on a range of public/private funding models. Recognition of the economic drivers that generate the need for housing must be considered.
5. In centralising the housing forecasting system, it is important that there is a clearer articulation between housing investment and inclusive growth. It is critical that the economic benefits from increased home building, such as productivity gains and employment opportunities, are taken into account. New housing will also support the ambitious transition towards a net zero carbon economy through greatly increased efficiency and zero carbon heating and cooling.

**Conclusion**

1. Overall, the proposals for the initial default estimates appear to lack any ambition to address the six statutory outcomes set out in the Planning (Scotland) Act 2019, irrespective of the tenure required.

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