01 April 2023

Local Housing Strategy 2023 - 2028

Q1. Before starting this questionnaire did you read the Local Housing Strategy?
Yes

About the Strategy

Q2. To what extent do you agree or disagree with the following statements about the Local Housing Strategy?

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know/No opinion
.....easy to read	X					
.....easy to follow	X					
.....was comprehensive	X					

Q3. Is the vision clear?
Yes

Vision

Q4. To what extent do you agree or disagree with the vision?

Strongly agree

Please share any comments on the vision:
The vision encompasses the main elements that our industry seeks to promote. We are supportive of the vison to increase the supply of sustainable, quality homes across all tenures and to add social value to communities.

LHS Priorities

Q5. How important or otherwise, would you say each of the LHS Priorities are to you?

	Very important	Fairly important	Not very important	Not at all important	Don't know / No opinion
Priority 1: Delivering more homes and great places that reduce poverty and inequality and increase opportunity and prosperity for all	X				
Priority 2: Improving the energy efficiency of Glasgow's homes, reducing fuel poverty and supporting a Just Transition to Net Zero through decarbonising domestic heating and energy	X				
Priority 3: Improving the condition of Glasgow's homes and preserving Glasgow's tenements and built heritage	X				
Priority 4: Supporting people to live independently and well at home in the community	X				
Priority 5: Improving housing options, affordability and sustainability for tenants and owners, to prevent and reduce homelessness	X				

Q6. Please share any other view you have regarding the priorities.

We agree with all the priorities and action points mentioned in draft LHS. It is important to recognise in delivering affordable and sustainable homes that all the priorities are interlinked. Another question that arises is of practicality of achieving these priorities- how will the council ensure that affordable homes can be energy efficient too, since the technology is nuanced and there is a lack of technical resources within the supply chain.

Some recommendations would be:

1. The baseline for defining affordable and energy-efficient housing should be established by the council. For instance, EPC is not necessarily an accurate measurement of an energy efficient building – the difference between potential and actual energy efficiency.
To have these priorities delivered the council needs to establish metrices for affordability and carbon assessment criterions. Priority 2 and 3 highlights retrofitting pre-1919 tenements, the council should also develop a cost-benefit model to assess if it financially and environmentally viable option between retrofitting (inclusive of maintenance costs) and offsetting carbon by developing energy-efficient new built.

2. To tackle fuel poverty – a long standing concern for households is the disparity between electricity and gas energy prices. GCC can add its weight to voice concerns over equalising taxes on electricity and gas, which would significantly make it cheaper to use electricity. We recognise it is not a local solution but with other councils this concerned can be raised at a national level.

3. In addition to off-site manufacturing, using low carbon construction techniques and utilising local products & construction materials.

4. Complete dependency on renewable energy is not reliable due to climatic factors so CCUS (carbon capture, usage and storage) can play an important role in powering houses. It is important recognise that without dependable and greater supplies of electricity then the delivery of new housing of all tenures may be impaired as the Grid faces capacity issues.

Q7. To what extent do you agree or disagree with the proposed housing supply target? (Housing Supply Target to deliver 13,000 new homes)

Tend to agree

Please share any comments on the proposed housing supply target:
Members are supportive of GCC's desire to deliver 13,000 homes over the next five years. This aligns with the Council's ambition to double the city centre population as detailed within the City Centre Living Strategy, as well as NPF4's promotion of city centre living in Glasgow. If anything, we believe the overall target is too modest and that the aspiration should be to build greater numbers of new homes across the various tenures of housing. For example, there is a pipeline of over 7,000 build tor rent homes alone anticipated in Glasgow, including Mid-Market rent.

Key Housing Issues

Q8. What are your views on how we can ensure that there is sufficient accommodation of the right type and in the right places to meet the housing needs of students in Glasgow and support vibrant mixed communities?

1. SPF supports the mention of new-style housing like Purpose Built Student Accommodation, and Build-to-Rent (BTR) is a relatively new concept and has only been developed in Glasgow very recently (e.g. Legal and General's recently completed scheme and Moda's scheme which will complete shortly). There will be continued (significant) investor appetite for BTR over the next five years and GCC should positively plan for it. Which would cater to the rented-housing demand in in-coming students and young professionals, which can bring major benefits for repopulating the city centre (ref: page 28 in Draft LHS). The pre-1960 building types can be repurposed as student accommodations with communal spaces and shared utilities as these buildings are hard to be repurpose structurally as residential flats and there is decreasing demand of repurposed office spaces. More mixed-use building can boost residential density in city centre in addition to revitalising the commercial streets, it would help attract and retain graduates. The council should engage closely with BtR and PBSA developers to understand and address issues of affordability and mix of tenure. The SPF would be happy to support any such engagement.

2. Our members believe residential tenures support GCC's ambitious housing delivery targets and respond to current and evolving market demands. There is limited recognition of the needs of various parties within the Strategy (e.g. those who wish to rent, student homes, homes for recent graduates) despite these forming an increasing part of Glasgow's population.

3. Utilising areas in the urban fringe by providing more public and non-motorized connectivity, active travel, green and blue infrastructure, and place-making principles; this has the potential to attract more investment, create markets for sale and provide affordable accommodation with good transport proximity to the city centre.

4. Members also noticed that there is no recognition of co-living, whilst BTR is relatively new, co-living is even newer concept. Co-living, a form of BTR, is a concept of housing which aims to provide an option for single person households, who cannot or chose not to live in self-contained homes or HMOs. This type of housing is not restricted to particular groups by occupation or specific needs. In addition, communal amenity space is provided in lieu of private floorspace to create a sense of community and encourage social interaction and engagement between its residents. The private units are appropriately sized to be comfortable and functional for tenant's needs and generally include en-suite bathrooms and limited cooking facilities (e.g. a kitchenette), but with access to larger kitchen facilities elsewhere in the development. There is current investor appetite for this use within Glasgow (e.g. planning applications submitted by Artisan on St Vincent Street and for Portcullis House on India Street) and we expect that this will expand over the next five years given GCC's desire to continue to retain graduates within the city.

Q9. What are your views on the challenges and opportunities to achieving a high quality and sustainability standards for all new build, including affordable and market for sale, housing developments in Glasgow?

1. One of the biggest challenges that stand in achieve high sustainability standards is technology, reliable energy supply, delivery of heat networks resources and cost. These factors can apply significant viability pressure to the delivery of affordable houses. Green financial mechanisms like cross-subsidising affordable housing with PPP, SPV, JVs, and training & collaboration with the private sector would be supported by the SPF.

2. The strong co-ordination of plans from the NPF4, National Developments, STPR2, LDPs, heat network plan etc through GIS. By and analysing this data of project phasing to find out common areas of development then target them efficiently during the same construction timescale to minimise disruption that would significantly reduce the carbon emissions.

Q10. Do you think that a target or a quota policy for new affordable housing developments would help to increase the supply of larger sized affordable homes? Please tell us your views.

Don't know/No opinion

Please provide more details

1. A target could aid a greater supply of larger sized affordable homes, but it is important that the quota is relevant to the community where the development is going to be located in. Any quota would also need to be cognisant of the impact on viability of a given development – this would appear to be bets done in direct dialogue with the sponsor of a development. The Council will also need to balance the desirability of larger sized homes with the wider social infrastructure in the area such as schools, health services, parking spaces etc will be necessary to support family groups who are the likely occupants of this tenure. With constraints on space and higher land value within the city centre, this may make larger sized affordable housing not be as viable as smaller scale developments from an infrastructure perspective.

2. Similarly, a quota may undermine the supply of smaller developments that might be attractive to older residents seeking to downsize and move closer to amenities within the city centre. Ensuring there is sufficient and quality housing stock to meet the needs of this demographic may encourage the act downsizing and therefore, contribute to the supply of larger homes on the market.

3. If GCC intends to introduce an affordable housing requirement for city centre residential developments (it doesn't have one at present and our members would support the retention of the current approach given a challenging market in Glasgow), then it should recognise the form of affordable housing provided within BTR developments. In England, BTR has a standalone chapter in National Planning Practice Guidance (NPPG, see https://www.gov.uk/guidance/build-to-rent) and we would encourage GCC to replicate this approach. With regards to BTR, NPPG states that affordable housing within BTR developments should be provided as discount market rent or affordable private rent. This is owned and operated by the same party as the remainder of the development, rather than being sold to a registered provider. Rents are typically 80% of market rent.

Q11. Please tell us your views on what level of priority you think the Council should set for tackling the issue of long term empty homes and whether you think that the Council requires more enforcement powers to address this issue?
1. We understand the frustrations with long-term empty homes. However, the reasons for vacant properties are multifaceted and should be identified before the council uses any enforcement measures. For instance, long-term unoccupied properties could be a result of homeowners having had to relocate for work or personal issues, such as poor health and financial problems. The property could also be undergoing a lengthy renovation, beyond a state of repair or has been inherited and the family is in the process of deciding what to do next. 2. It is important that the council initially works with the property owner to identify the reason for its inoccupation before encouraging them to bring it back into use. The decision for enforcement powers should only be used when necessary and be considered alongside the costs of acquiring it, the potential for repairs and renovation, and the impact on the community. 3. The housing strategy mentions that just over 1% of Glasgow's homes - that is equivalent to 3,500 properties - are lying empty. While this figure may appear high, it is comparatively lower than other local authorities in Scotland. We would see the revitalisation of empty homes as therefore a supportive strand to the delivery of more homes in Glasgow, but not the answer in its own right. In fact, despite Glasgow having the highest number of dwellings across Scotland, it has the lowest rate of long-term empty properties compared with Aberdeen (4,029) and Edinburgh (6,904). Considering this, we feel tackling the issue of long-term vacant homes may make relatively less impact on the housing crisis in Glasgow compared to other locations. There is also the challenge of ensuring long term empty homes can be brought back to occupational standards that will meet modern standards of net zero energy consumption and efficiency. This is not to say we would like to see long term empty homes brought back into use, but the council should not underestimate the cost involved. We feel that acquiring additional enforcement powers for the council would not be necessary or necessarily provide the significant uplift in availability of homes that might be envisaged. 4. Given the relatively low target to bring 200-250 homes back into use every year, and the time and costs associated with using enforcement powers, the priority should only be high if the council feels these properties could support its affordable housing agenda. We feel efforts should be focused on collaboration with developers to bring new properties onto the market for sale or rent and support renovation efforts of existing homes.

Q12. What do you think is the most urgent housing issue in Glasgow that needs to be addressed and why?
1. The priority for Glasgow should be to increase the overall supply of rental properties in the city to help address the severe shortage of homes on the market. The rental market is a crucial tenure as it offers flexibility in terms of allowing people to easily change their living arrangements and can be a more affordable and accessible housing option for those who are not in a position for homeownership. 2. High demand and undersupply of rental properties is partly responsible for increased tenancy rents, alongside significant reforms in the private rented sector that has increased uncertainty in the investor market. Increasing the supply of rental properties could put downward pressure on rental prices which would increase affordability for tenants. Greater housing options will also relieve pressure in certain demographic areas such as the student market and will help to ensure the city is able to attract and retain high quality talent that is required for a thriving economy. 3. For Glasgow to prosper economically, the city must be able to attract and retain high quality talent across all levels. Alongside good employment opportunities and strong transport links, housing is a key deciding factor for where people reside. Glasgow is a vibrant city for students and is increasingly becoming an attractive hub for companies with one of the fasted growing tech sectors in the UK. Our members have underscored the importance of ensuring sufficient housing stock for students and a variety of high-quality housing options for recent graduates and professionals if the city is to retain and recruit more talent. Members mentioned that a shortage of housing could impact a company's decision to locate and hire staff – which given Glasgow's housing crisis – is a cause for concern. Glasgow must be able to offer high quality, sustainable and affordable accommodation options if it is to offer a competitive advantage to professionals and companies who may be open to working / operating elsewhere in the UK. This is particularly critical given the recent growth and attractiveness of other UK cities such as Manchester and Birmingham which has recently benefitted from significant investments in the provision of build-to-rent. 4. The build-to-rent (BTR) sector has become an attractive investment class for institutional investors such as pension funds. Most BTR projects have occurred in cities in England, but there is significant appetite for developments in Glasgow. The newly opened Solasta Riverside is an example of a recently completed BTR project in Buchanan Wharf in Glasgow city centre which boasts 324 new apartments specifically designed for rent. This relatively new model of living is argued to offer a more consistent and reliable rental experience than the traditional buy-to-let market. The developments are professionally managed and provides residents with high quality accommodation (with the option to decorate), and amenity spaces such as a resident's lounge and co-working areas. 5. BTR provision in Scotland significantly lags behind a number of cities in England. Recognition of BTR in the delivery of new homes to rent consists of a relatively small proportion of the housing strategy. The nature of this kind of development is typically large scale and promotes high quality and sustainable, inner-city living. Greater BTR projects in Glasgow would help to address housing needs and aid the housing supply targets in the private rented sector. We would encourage the council to consider the value of this kind of tenure and to work with developers and investors to promote it.

Engaging

Q13. What key action or actions do you think you or your group / organisation can take to contribute towards meeting Glasgow's Local Housing Strategy vision and outcomes?
1. The SPF includes members who are major investors, pension funds, professional property consultants and advisors, and landlords. Our organisation would be pleased to facilitate engagement with our members and Glasgow's Local Housing Strategy. 2. As mentioned, BTR is in the early stages of development in Scotland. As a membership organisation we intend to increase knowledge and research around the BTR market as well as outline how this type of tenure can help to meet the aims set out in the strategy. We have witnessed a growing diversification of the BtR market in England which includes homes for rent and mid-market rent. There are also new forms of tenure such as co-living that are currently on hold due to a lack of policy and guidance in the city. This tenure offers a communal, affordable modern form of accommodation that could support the retention of graduates from Glasgow's higher education institutions as well as support the wider younger society who are entering the rental market. The SPF has members engaged in this form of tenure. Watkin Jones, one of our members who have contributed and support our response to this consultation, are one such developer engaged with co-living projects and they anticipate growth in interest in this form of tenure in the next five years. 3. As mentioned, there is an acute student housing crisis in Glasgow which is a cause for concern. Further development of PBSA will be required if the city is to accommodate and attract new students. In order to meet affordability and quantity targets we are engaging with our members who have interests in the student market to consider less high end PBSA. Greater collaboration between the public and private sectors as well as higher education institutions will be necessary to identify the priorities for the student housing market going forward. 4. We encourage public-private partnerships to accelerate the planning and delivery of affordable housing. This could be facilitated by greater use of the development forum to help engagement across sectors. Greater collaboration will allow both sectors to draw on those with expertise in sophisticated and nuanced sustainable building design and techniques which will be critical in achieving the strategy's aim of transitioning to net zero.

About you

Q14. Please tell us if you are responding as an individual or on behalf of a group or organisation.
Organisation

Q15. If group or organisation, please provide the name of the organisation and a brief description	
Group / organisation name	Scottish Property Federation
Description of group / organisation	Membership body representing the members of Scottish real estate industry.