

### **Consultation Response**

Consultation Title Housing to 2040

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Scottish Land & Estates is the voice of rural businesses throughout Scotland. We are a membership-based organisation representing a wide range of rural businesses, including farmers, foresters, tourism operators, housing providers, leisure companies, and renewable energy providers.

Our members provide a wide range of economic, environmental and social benefits which are vital to the success and survival of communities throughout rural Scotland. They play a critical role in ensuring sustainable, healthy and empowered rural communities, providing housing, employment and a wide range of economic, environmental and social benefits.

#### 1. Do you have any comments on the draft vision and principles?

SLE broadly support the visions and principles put forward in the paper and understand the reasons why the Scottish Government have presented the information through first-person vision statements. However, we are concerned that the format of this consultation does not make it clear how the Government intend to meet these visions and principles and would ask to be included in any future discussions.

We want to highlight the visions and principles were we currently see some significant barriers.

#### Vision: High quality sustainable homes

The Scottish Government need to prioritise reforming the current EPC methodology. A key issue with the methodology is that RdSAP EPCs were originally created to give a quick, simple and relatively cheap method of reporting energy efficiency levels of houses to the European Commission to implement the requirements of the Energy Performance Building Directive (EPBD). In their current form they are not robust enough to be used as the main regulatory tool to improve energy efficiency across housing stock in Scotland. The RdSAP measurements and the limitations on EPC assessors mean that current EPC certificates are inaccurate and therefore inappropriate as an accurate measure of energy efficiency. This inaccuracy is universally acknowledged, and it is understandable that homeowners, landlords and developers are reluctant to fully engage in energy efficiency when there is a high chance the changes, they make will not make a significant impact on their EPC rating.

## <u>Principle 1: One decent home per household takes priority over second homes and investment returns on property</u>

We feel this principle is unworkable if there is to be a healthy private rented sector. We understand that the Scottish Government wishes to bring in reforms to the short term let sector in areas where there is a housing shortage. However, this should not extend to weakening the private rented sector.

#### Principle 6: broader availability of land for development

We feel that the critical issue here is not the availability of land so much as the availability of developable/viable land. There are many barriers to developing land that has already been made



available for development. If we make more of this type of land 'available', we still won't necessarily address the problem unless it is deliverable.

We are concerned by the statement, "land zoned for housing or with planning permission is made available to whoever is willing to progress development, and this happens rapidly."

We believe this suggests those with planning permission or allocated land are unwilling to progress. In reality, this is generally not the case. Achieving this will require a significant amount of de-tangling regulation, and it is a statement which doesn't reflect the reality of house building on the ground.

<u>Principle 13: The Private Rented Sector is the right size to provide quality, affordable and secure options for the households who want or need a rented home.</u>

In addition to our comments on principle one, we would like to highlight our concerns that further reform of the private rented sector will weaken it further. The majority of landlords in Scotland own one or two properties. They are already struggling to meet the significant amount of reform which the Scottish Government has put in place. While we support the principle, we urge the Scottish Government to consider the fact that most landlords are not making significant profits from their rental assets. They will need support to continue to provide quality, affordable and secure options.

## 2. Do you have any comments on the scenarios and resilience of the route map or constraints?

#### Route map

We understand that there is not a fixed route map on which to comment and that the evidence gathered from this consultation will go towards creating the route map. However, we would like to highlight our concern that fully meeting the visions and principles in this paper by 2040 will be problematic.

We are concerned with the Scottish Government's focus on speed. We feel there should be a much more systematic approach to dealing with housing. We think the current pace of the 'route map' is unworkable and little improvement will be achieved.

#### Constraints

Financial – The consultation states that the total cost of this work is going to cost over £100 billion over the twenty-year period, which amounts to £5 billion per year. This figure is far above the Scottish and UK Government's budget for housing in Scotland of £2.6 billion per year. While the consultation acknowledges finance as a constraint, the reality is that without the appropriate funding, the aims are unfeasible.

Labour Market – We have raised our concerns regarding the lack of a skilled workforce in rural areas several times to the Scottish Government. It is heartening to see they have recognised this as a constraint. However, we feel they still underestimate the disparity in available contractors in rural areas as oppose to urban and how this will affect rural housing.

#### 3. Do you have any proposals that would increase the affordability of housing in the future?

Proposal One: Have greater flexibility in the application of planning policies. Flexibility will ensure affordable housing is planned and located in the right place.

Proposal Two: Have grant subsidy that is focused on small towns.

Aside from these proposals, we would like clarity as to whether the Scottish Government want to make housing more affordable or if they want access to affordable housing to increase.



## 4. Do you have any proposals that would increase the accessibility and/or functionality of existing and new housing (for example, for older and disabled people)?

Proposal One: Reassessing Housing space standards should be a priority. There should be a more significant commitment to accessibility than is currently provided. Increasing space standards would improve living conditions for people would contribute towards easier accessibility around the home. More space and accessibility would help to prevent trips and falls that currently account for a significant number of hospital admissions.

Proposal Two: The Scottish Government should bring Housing building standards in line with commercial building standards. For example, if commercial property building standards require a lift to all floors, then it should also apply to residential building standards. Currently, the building regulations are inconsistent on accessibility issues.

# 5. Do you have any proposals that would help us respond to the global climate emergency by increasing the energy efficiency and warmth and lowering the carbon emissions of existing and new housing?

Proposal One: The Scottish Government should ask the UK Government to generate tax breaks against LBTT. We propose that LBTT is charged to the seller rather than the purchaser. Then tax breaks given break where the seller can demonstrate that works have been carried out to improve the carbon footprint of the dwelling. These tax breaks would encourage people to invest in their homes. This in turn would mean that the quality of housing stock would improve, and our nation's carbon emissions would reduce.

Proposal Two: The Scottish Government could adopt a system similar to the Dutch 'Madaster Platform', a material passport within the construction process. We feel it would be easy to accommodate a material passport approach within the existing 'Building Information Modelling' (BIM) process. The construction industry processes generate a significant level of carbon emissions. These emissions are not just a result of the design and the production process, but also the materials, labour and plant have to be sourced from wide geographical locations. Scotland is particularly vulnerable to high haulage transportation with many construction materials produced elsewhere.

## 6. Do you have any proposals that would improve the quality, standards and state of repair of existing and new housing?

Proposal One: The Scottish Government needs to address and rectify the inequity of VAT liabilities on existing buildings. We feel that applying VAT on housing repairs, refurbishments, conversions of existing property and not on new build harms retrofitting and refurbishment.

Proposal Two: As part of their 'whole system approach' the Scottish Government need to invest in education, training and skills. This investment will ensure we have a workforce capable of delivering high-quality buildings and manage and provide high-quality services. Funds and improved partnering processes should be made available to train a skilled construction workforce to build and maintain all of our housing to a quality standard.

## 7. Do you have any proposals that would improve the space around our homes and promote connected places and vibrant communities?

The Scottish Government must communicate the message of a 'whole approach' in any future policy or communications. The Scottish Government must invest in housing solutions that enable people to live well and contribute to the ecological sustainability of our planet. By adopting a whole place approach to policymaking and investment housing investment can be connected with broader public investment.



The Scottish Government must focus on infrastructure in rural areas. Without taking an infrastructure first approach, forward-thinking and place-making, our rural areas will continue to see a decrease in population.

Planning already plays a crucial role in these areas. Statutory development plans outline how their communities can be well connected and setting out where to allocate green spaces. If there is a desire to ensure every house has access to a certain amount of green space, this could be achieved through building regulations or planning policy.

#### 8. Any other comments?

Planning regulations will be critical if we are to come close to achieving some of the ambitions set out in this consultation. Given the statutory role that the National Planning Framework 4 will have, including on setting national housing targets, it is disappointing that there is no mention of this document within the consultation.

Education must form a crucial part of the Scottish Government's future housing vision. The children who are at school today will be the generation of renters and purchasers that the plan is seeking to benefit. They must understand the housing system and the impact their behaviour and choices will have upon the properties they choose. Housing is a sector that impacts many other aspects of an individual's life. It feeds into an individual's health and well-being, environment and energy; therefore, they must understand it.