
Scottish City Centres

Workstream 1: Increasing Residential Capacity
Seven Cities Summary Report

Final Report



Contents

| | |
|---|-----------|
| Executive Summary | 1 |
| 1. Introduction | 5 |
| 1.1. Objectives | 5 |
| 1.2. Report Structure and Fit with Other Work..... | 5 |
| 2. City Centre Policy and Funding Programmes | 6 |
| 2.1. Introduction | 6 |
| 2.2. Policy..... | 6 |
| 2.3. Funding Programmes | 8 |
| 3. Review of Residential Markets | 12 |
| 3.1. Introduction and Summary | 12 |
| 3.2. Market Overview | 13 |
| 3.3. House Prices..... | 13 |
| 3.4. Rental Market..... | 16 |
| 3.5. Population Density | 17 |
| 3.6. Transactions..... | 18 |
| 3.7. Demographics | 19 |
| 3.8. Land Use..... | 21 |
| 3.9. Conclusions..... | 21 |
| 4. Review of Live Planning Applications | 23 |
| 4.1. Introduction | 23 |
| 4.2. Location of Planning Applications | 23 |
| 4.3. Timeline of Planning Applications | 24 |
| 4.4. Conclusion | 24 |
| 5. Key Themes for Increasing Residential Capacity | 25 |
| 5.1. Introduction | 25 |
| 5.2. Housing Targets and Approaches for City Centres | 25 |
| 5.3. Areas for Development/Intensification/Expansion | 26 |
| 5.4. Viability and Capacity for the Private Sector to Deliver Housing | 26 |
| 5.5. Potential for Conversion of Commercial Space | 29 |
| 5.6. Potential for Conversion of Listed Buildings | 30 |
| 5.7. Affordable Housing Strategy | 31 |
| 5.8. Family Housing Strategy | 32 |
| 5.9. Student Housing Strategy | 33 |
| 5.10. Housing for Older People..... | 33 |
| 5.11. Built to Rent and Co-Living | 34 |
| 5.12. Low Carbon Development | 34 |
| 5.13. Car Parking Standards..... | 35 |
| 5.14. EV Charging Strategy | 36 |
| 5.15. Role of the Public Sector | 36 |
| 5.16. Recommendations | 38 |
| Appendix 1 Abbreviations | 42 |

Executive Summary

Purpose

Savills has been appointed to undertake research and provide recommendations on the issue of increasing residential capacity and occupancy in each of the seven Scottish city centres. The cities included in the study are Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling.

Policy Context

The National Policy Framework 4 (NPF4) aims to promote development in town and city centres. The NPF4 notes that planning authorities should seek to provide a proportion of their housing land requirements in city and town centres and be proactive in identifying opportunities. At present there is no mandatory affordable housing contribution. However, the NPF4 seeks to introduce an affordable housing requirement at 25% of the total number of homes in the areas of identified need. There are no specific regulations regarding family housing, student housing or housing for older people.

Residential Markets

The review of residential markets suggests that the seven Scottish cities vary in size, values, densities and demographics. Glasgow and Edinburgh are the biggest cities with 305,000 and 248,000 households respectively. This is replicated with large city centre populations. At the other end of the scale, cities such as Stirling have 22,000 households across the city and 1,700 households in the city centre, less than a tenth of Glasgow's.

House prices vary significantly across the seven city centres. Edinburgh is the real outlier having far higher values compared to the rest of Scotland and the other city centres. Average capital values in the 12 months to July 2022 in Edinburgh city centre were £460,000, nearly three times the value of the average of the other six city centres. Other cities average values range from £122,000 in Aberdeen to £189,000 in Stirling.

Scotland has had significantly less capital value growth compared to England and Wales since the Global Financial Crisis (GFC). 27% in Scotland compared with 45% in England and Wales. Of the major cities, Edinburgh has performed most strongly with values up 44% since the GFC. Glasgow and Stirling have also outperformed the Scotland average in capital values growth since 2007/08.

Rental values however in Edinburgh and Glasgow are similar at around £1,230pcm. Rental value growth in these two city centre markets over the 12 months to July 2022 have also been much higher than the other city centres, also exceeding the Scotland and UK average. Perth and Inverness had the lowest levels of growth by far at 5% and 4% respectively.

Edinburgh and Glasgow dominate in terms of population densities. From a demographics view point, the 'Rental Hubs' type dominate across all cities, but Perth has a higher proportion of Vintage Value who are characterised as older households. Edinburgh is the only city centre with a significant proportion of City Prosperity who are very affluent.

Development Pipeline, Viability and Capacity

Glasgow has a significantly larger pipeline than the other cities with over 7,000 homes. Edinburgh follows in second with 3,000 homes. Meanwhile, Perth, Inverness and Stirling have under 500 homes in their respective pipelines. There has been a jump in planning application activity from 2021 in Glasgow, Aberdeen and Edinburgh.

In all cities, with the exception of Edinburgh, viability is a barrier to residential development in the city centres. The land that is available can be piecemeal and lacks infrastructure to support development. There are easier pickings for developers on the outskirts of the cities where they are more confident about site delivery.

There is no issue with the capacity of the private sector to deliver housing if the opportunities are presented with a clear vision on planning and infrastructure. There are numerous companies wanting to build and invest in the city centres. It is unlocking the sites and buildings which is the issue with no clear masterplans in place.

Conclusion and Role of the Public Sector

In seeking to deliver more homes the following actions are recommended:

At the UK level

- Advocate for VAT reduction for refurbishment and renovation of existing buildings, particularly listed buildings
- Advocate for Enhanced Capital Allowance sum as per the past scheme operating in the UK Business Premises Renovation Allowance
- Consider possible domestic and non-domestic rates relief for a certain period after the occupation to incentivise the development of listed buildings (currently there is 100% relief from non-domestic rates for the whole time a property is unoccupied, if it's a listed building)

At the Scottish level

- Bring forward/expand grant funding programmes suited to unlocking city centre residential development.
- Look in to setting up Infrastructure loans similar to SPRUCE (loans used for many of the major office developments across Scotland) aimed at the residential market, perhaps in conjunction with the Scottish Investment Bank.
- Consider Scottish equivalent of New Homes Bonus, though with a requirement that revenues are spent on development enabling infrastructure
- Consider Scottish equivalent of the Community Infrastructure Levy (CIL) (developer funding) and/or the evolving proposals for an Infrastructure Levy, being careful not to impact on viability.
- Tax Increment Finance (TIF) programme expanded and/or modified to reflect a Scottish version of the Infrastructure Levy

- Co-advocate for amendments to the 1974 Housing Act to allow for longer leases to benefit from 'income strip' models.
- "Reduce property taxes. These should be focused on both brownfield sites and the repurposing of existing buildings to allow developers and owner/operators to benefit from significantly lower property taxes over the long term."
- Support and encourage the Scottish cities to develop their city centre housing strategies including student accommodation and housing for older people
- Explore ways of linking the energy savings and low carbon solutions in social/affordable housing with the investment decisions.
- The collaboration between universities and local authorities should be supported and encouraged to develop student housing strategies.
- Prepare a net zero pathway for all property in Scotland
- Promote zero carbon development to raise awareness among the consumers and ultimately support the associated price premium
- For larger vacant and derelict sites or larger sites with the potential for comprehensive redevelopment, development briefs and masterplans should be considered to de-risk the planning process. Councils could work with a preferred development partner or partners to masterplan specific sites or districts within the city centres. Scottish Government should provide funding to deliver masterplans for key development areas.

At the local level

- The acceptable parameters for development should be clearly articulated by councils in respect of both planning and commercial support that might be available.
- Consider waiving some/all developer contributions for conversions in general and specifically for conversions of listed buildings where viability is the barrier to redevelopment
- Consider proportion affordable housing requirement where justifiable on viability grounds in certain areas or for a certain timeframe.
- Introduction of a maximum developer contribution rate per unit could be applied to residential developments in the city centres where viability is an issue.
- To help facilitate appropriate conversions a flexible approach to design guidance should be encouraged. This can cover topics such as scale, parking requirements and energy performance standards. This is particularly relevant to listed buildings.
- Prepare an easily accessible guidance on funding opportunities to allow developers to assess opportunities.
- Monitor the build to rent (BtR) pipeline. Where necessary consider a rental income guarantee scheme to incentivise development.
- Be mindful of the constraints on developers to create fully net zero developments within a listed building whilst also protecting its heritage.
- Establish/expand/deepen forums for discussion with developers and investors to review barriers for development, gather ideas and act as a sounding board for Council's proposals.
- Where relevant develop guidance on the conversion of listed buildings in the city centre. This could include guidance on the potential to partner with a developer to deliver exemplar schemes

- Focus on delivery of smaller units in city centres if the objective is to deliver more housing. (Family housing could become a viable option once appropriate social infrastructure is available. Where councils have direct control of housing development, an established need, and suitable funding, a solution to deliver more family housing should be pursued).
- Creation/expansion/encouragement of city centre teams at councils can facilitate a more joined up approach to ensure delivery of projects.
- Tap in to mechanisms for the delivery of grant funding to bridge viability gap in the case of most challenging sites.
- Where not already covered in detail, develop visions and timescales for the provision of the required social and community facilities and amenity spaces within the city centre. Prepare social infrastructure plans
- Where not already covered in detail, examination of what types city centre living is required and how this could be delivered including housing targets for city centres and housing for older people
- Develop wide and complete electric vehicle (EV) charging strategies for city centres
- Consider application of maximum car parking standards for housing developments in the city centres where such standards are not already in place and/or could be pushed further
- Appropriate limits on the use of private car in the city centres and encourage car free developments
- Where relevant prepare additional low carbon planning guidance to inform developers about what is expected in terms of applications
- Consider reducing the number of three bedroom units developers are required to deliver might be needed (demand for one and two bedroom units is significantly higher).
- Engage with the education organisations to fully understand the quantum of what student housing could be supplied and where.

1. Introduction

1.1. Objectives

1.1.1. Savills has been appointed to undertake research and provide recommendations on the issue of increasing residential capacity and occupancy in all/each of the seven Scottish city centres. The cities included in the study are Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling.

1.2. Report Structure and Fit with Other Work

1.2.1. The need for this study has been identified through the Scottish City Centre Recovery Task Force, which released a report At the Heart of Economic Transformation: Report of the City Centre Recovery Task Force, 2021-22. In the Scottish City Centre Recovery Task Force's report seven priority areas were identified to be most important for the successful recovery of city centres. This report relates to the priority area 1: increasing residential capacity and occupancy in all/each of the seven Scottish city centres has been prepared

1.2.2. Individual reports have been prepared for each of the seven Scottish cities. This summary report provides an overview of the topic across the seven cities pertinent to this project and provides recommendations at the UK and Scottish levels.

1.2.3. The report is structured around five sections as follows:

- Section 2 covers the national policy and funding programmes
- Section 3 summarises the reviews the residential markets
- Section 4 outlines the analysis of the live residential planning applications
- Section 5 covers the key themes for increasing residential capacity

1.2.4. As a part of the same instruction research and recommendations on the priority area 3: reduction in the amount of vacant/derelict land and property in all/each of the seven cities has been prepared and is covered in separate reports. Both workstreams should be read in conjunction.

2. City Centre Policy and Funding Programmes

2.1. Introduction

2.1.1. The national policy review concentrates on policies relevant to the key themes applicable to increasing residential capacity in the city centres. The policy documents reviewed include:

- Scottish Planning Policy (SPP)
- National Policy Framework 4 (NPF4) (2023)
- Age, Home And Community: A Strategy For Housing For Scotland's Older People 2012-2021
- The National Transport Strategy (2020)
- A Network Fit For The Future: Draft Vision for Scotland's Public Electric Vehicle Charging Network (2022)
- Creating Places (2013)
- Designing Streets (2010)

2.1.2. This section also reviews grant funding sources.

2.2. Policy

Growth Targets/Requirements

2.2.1. Policy 27: City, town, local and commercial centres of the NPF4 aims to promote residential development in town and city centres. The Policy notes that planning authorities should seek to provide a proportion of their housing land requirements in city and town centres and be proactive in identifying opportunities. The Policy specifies that development proposals for city or town centre living should ensure suitable residential amenity can be achieved.

2.2.2. The 'Compact growth' principle of the NPF4 aims to limit urban expansion where brownfield, vacant and derelict land and buildings can be used more efficiently. The NPF4 recognises that a combination of incentives, investment and policy support for productively reusing brownfield land and buildings at risk will be required to steer development away from greenfield locations. In general terms brownfield land is associated with higher abnormal costs therefore in most cases grant funding is required to achieve a level playing field between greenfield and brownfield locations¹.

2.2.3. The SPP Policy Promoting Town Centres specifies opportunities for promoting residential use within town centres where this fits with local need and demand should be considered.

Affordable Housing

2.2.4. At present there is no mandatory affordable housing contribution. Policy 9: Quality Homes of the NPF4 states that development proposals that make provision for affordable homes in areas where there is an identified requirement should be supported. Proposals for market homes should generally only be supported where a contribution to the provision of affordable homes on a site is at least 25% of the total number of homes.

¹ Refer to 'Scottish City Centres, Workstream 3: Reduce Vacant/Derelict Land and Property, Seven Cities Summary Report' for Savills' recommendations to support the 'compact growth' principle.

- 2.2.5. In Savills' opinion the policy does not preclude commuting the affordable housing provision to other sites. The NPF4 leaves it open to the Local Planning Authority (LPA) to consider other sites where the affordable housing could be provided.

Family Housing

- 2.2.6. National policies which consider family housing have not been identified. However, the Scottish Planning Policy encourages the development of units of various sizes.

Student Housing

- 2.2.7. National policies which consider student housing have not been identified although the Scottish Government is undertaking a review of Purpose Built Student Accommodation.

Housing for Older People

- 2.2.8. Age, Home And Community: A Strategy For Housing For Scotland's Older People 2012-2021 comments on a longstanding policy of 'shifting the balance of care', supporting people to remain at home independently for as long as possible, rather than in care homes or hospitals. The Strategy encourages the development of new models of housing that enable older people to maintain their independence in the community. These can include new built housing with care and support, co-living and retirement villages. The strategy notes that housing for older people should be well-located, with easy access to amenities and transport links.

Sustainable Transport

- 2.2.9. Policy 10: Sustainable Transport of NPF4 states that local development plans should aim to reduce the need to travel unsustainably by prioritising locations for future development that can be accessed by sustainable modes. The development proposals which are ambitious in terms of low/no car parking have a role to play in very accessible urban locations, well-served by sustainable transport modes.
- 2.2.10. The National Transport Strategy (2020) notes that in cities and towns due to the effects of congestion there is a growing recognition of the need to tackle the volume of vehicles through measures to effectively manage demand and encourage more sustainable travel options.
- 2.2.11. A Network Fit For The Future: Draft Vision for Scotland's Public Electric Vehicle Charging Network (2022) presents a draft vision for Scotland's network of publicly available electric vehicle charge points. The aspiration of the strategy is for all people to have access to a well-designed and comprehensive public network of charge points noting that people's first choice wherever possible is active and public transport.

2.3. Funding Programmes

- 2.3.1. This section reviews the key sources of public sector funding available to support city centre living in Scottish cities.

Levelling Up Fund (UK Government)

- 2.3.2. The £4.8 billion fund is available throughout the UK and is oriented towards local infrastructure. It brings together funding opportunities across the Department for Transport (DfT), the Department for Levelling Up, Homes and Communities (DLUHC) and the Treasury (HMT). The multi-departmental approach enables a greater level of flexibility and creativity as to how the funds are used. The fund is especially intended to support investment in places where it can have the greatest impact. Appraisal is based on Green Book Principles. Two rounds of the £4.8 billion grant fund have been completed awarding £3.8bn to 216 projects. Among successful projects was Pollok Country Park Stables and Sawmill (Glasgow) and Zero Carbon Cultural Regeneration Project (Highland Council). It is expected that there will be future funding rounds as well. Round 3 may not be a competitive bidding process, as the Government might look at the backlog of schemes already submitted. The fund will run until 2024/25.

UK Shared Prosperity Fund (UK Government)

- 2.3.3. The £2.6 billion UK Shared Prosperity Fund (UKSPF) succeeds the old EU structural funds. This money goes straight to local places to invest in three local priorities; communities and place, support for local businesses and people and skills. The UKSPF amounts to a predictable, long-term funding stream which local leaders are free to use as they see fit to release their potential. The fund was launched in April 2022 with investment plans submissions window in July 2022. Glasgow City Council was awarded £1.78million and has given its approval to six new projects in the city that will be funded through the UK Government's Shared Prosperity Fund including the Green Programme and Project Development Fund.

Housing Infrastructure Fund (Scottish Government)

- 2.3.4. As part of the Housing to 2040 strategy Scottish Ministers have approved the continuation of the Housing Infrastructure Fund (HIF) in the current Parliamentary period. HIF was originally launched in 2016 with the first round ending in March 2021. HIF has currently invested nearly £50 million in loan and grant across urban and rural areas to fund infrastructure that will help unlock delivery of over 12,600 homes, of which approximately 3,600 will be affordable. The Scottish Government anticipate a similar level of funding investment to the end of this parliamentary period in March 2026.
- 2.3.5. HIF helps key strategic housing projects which have been blocked or unable to proceed due to the extent and costs/financing of infrastructure works involved. This is the key eligibility criteria for supporting projects.
- 2.3.6. The focus of the new HIF programme will include providing registered social landlords (RSLs) and local authorities with grant support for the unlocking of sites where the scale and nature of infrastructure costs would prevent it from being supported through the Affordable Housing

Supply Programme.

Place Based Investment Programme (Scottish Government)

2.3.7. The Place Based Investment Programme is a part of local government budget settlement. It is being used to link and align place-based funding initiatives. The Place Based Investment Programme aims to bring the Place Principle to life. It is supported by an initial £325 million capital to accelerate the delivery of community led regeneration, community wealth building, town centre revitalisation, and 20-minute neighborhoods. It includes the continued delivery of the Regeneration Capital Grant Fund as well as Place Based Investment Programme funding to local government, and ongoing sponsorship of Clyde Gateway Urban Regeneration Company.

Regeneration Capital Grant Fund (Scottish Government)

2.3.8. The Regeneration Capital Grant Fund (RCGF) has an annual budget of £25 million, and through a competitive bid process it provides financial support to projects that will help to deliver large-scale improvements to deprived areas. Glasgow has benefitted from the RCGF on three projects - the Meat Market Sheds Regeneration Project (£2.64million), Yardworks Street Arts Hub (£500,000), and the Greater Pollok Community Learning Hub (£600,000).

2.3.9. The RCGF is a place-based investment programme which is:

- delivered in partnership with communities and local government
- delivering the twin priorities of economic recovery and tackling inequality
- requires a sustained and coordinated place based approach.

2.3.10. Applications are not restricted in geography, size or type of project. Applicant need to demonstrate clear regeneration outcomes in line with the Scottish Government strategy document 'Achieving a Sustainable Future' and local area regeneration plans. The project focus should be on:

- areas that suffer from high levels of deprivation and disadvantage
- demonstration of clear community involvement
- delivery of large scale transformational change with strong regeneration outcomes
- encouragement of additional investment and addressing market failure.

City Centre Recovery Fund (Scottish Government)

2.3.11. Scottish Government has provided £6m for 2021/22 for the City Centre Recovery Fund. As with the previous City Centre Recovery Fund, this funding has been allocated to cities proportionate to their size, and will be used to take forward local recovery priorities in line with the priorities identified by the City Centre Recovery Task Force.

Vacant and Derelict Land Investment Programme (Scottish Government)

2.3.12. The £50 million low carbon Vacant and Derelict Land Investment Programme (VDLIP) is a capital program scheduled over five years (2021/22 – 2025/26) to help with tackling persistent (long-term) vacant and derelict land, supporting place based approaches to delivering regeneration and sustainable inclusive growth, as part of a 'just transition' to net-zero. It is

being established in the context of Scottish economic recovery being a green recovery, and builds on existing approaches to tackling disadvantage and deprivation. The VDLIP complements the Place Based Investment Programme.

2.3.13. The VDLIP has four pillars of action:

- sustained place-based approaches
- urban green spaces
- community-led regeneration
- low carbon developments and renewables.

2.3.14. The budget for the VDLIP in financial year 2023-24 is £10 million, then it is planned to increase to £15 million in subsequent years in line with anticipated growing demand for funding. Applicants are expected to bring forward project proposals that have been developed with the involvement and support of relevant communities, as well as third sector, private and public sector partners as appropriate.

The Vacant and Derelict Land Fund (Scottish Government)

2.3.15. The Vacant and Derelict Land Fund (VDLF) aims to tackle long-term vacant and derelict land in Scotland. Its objectives are:

- to stimulate economic growth
- create jobs
- promote environmental justice and improved quality of life
- to support communities to flourish and tackle inequalities

2.3.16. For 2022 to 2023, five local authorities will receive a share of £7.605m reflecting the extent of vacant and derelict land in these areas and levels of deprivation. Glasgow City Council is among the authorities benefiting from the VDLF.

Conservation Area Regeneration Scheme (Historic Environment Scotland)

2.3.17. The Conservation Area Regeneration Scheme provides grants to support heritage-led regeneration in Conservation Areas. The funding programme has been in operation since 2007 with over £40m awarded to date. The grant offers support for cohesive heritage-focused community and economic growth projects within Conservation Areas across Scotland.

2.3.18. To be eligible for funding, projects must:

- Have selected a defined area of the historic environment with heritage significance
- Demonstrate how your scheme fits the local authority's strategic framework for Place and Regeneration
- Demonstrate that there is need for repair and regeneration of the historic environment
- Have identified demand within the local community for a range of projects and activities within the historic environment that will focus on its repair and resilience, traditional skills training and materials, community heritage engagement and future management and maintenance.
- Attract match funding from your local authority and preferably other funding partners, such as the National Lottery Heritage Fund.

Tax Increment Finance (Scottish Government)

- 2.3.19. Tax Increment Finance (TIF) programme was founded on the Business Rates Retention Scheme introduced in 2013-14. Under this scheme, local authorities may borrow for infrastructure projects, against the future growth in business rate receipts which will result from the projects enabled by this infrastructure. Glasgow City Council's City Centre TIF is active and was used for advancing the Buchanan Galleries project.

3. Review of Residential Markets

3.1. Introduction and Summary

- 3.1.1. This section covers the housing market overview including house prices, rental market, , population densities, transactions, residential profile and demographics and land use.
- 3.1.2. The seven Scottish cities are very different in a number of ways. They vary in size, values, densities and demographics. Therefore, the opportunities and challenges presented by each also varies significantly.
- 3.1.3. Glasgow and Edinburgh are by far the biggest cities with 305,000 and 248,000 households respectively. This is replicated with large city centre populations. At the other end of the scale, cities such as Stirling have just 22,000 households across the entire city and just 1,700 households in the city centre, less than a tenth of Glasgow's.
- 3.1.4. House prices vary significantly across the seven city centres, although Edinburgh is the real outlier having far higher values compared to the rest of Scotland and the other city centres. Average capital values in the 12 months to July 2022 in Edinburgh city centre where £460,000, nearly three times the value of the average of the other six city centres combined. Other cities range from £122,000 in Aberdeen to £189,000 in Stirling.
- 3.1.5. Scotland has had significantly less capital value growth compared to England and Wales since the Global Financial Crisis (GFC). 27% in Scotland compared with 45% in England and Wales. Of the major cities, Edinburgh has performed most strongly with values up 44% since the GFC. Values in Aberdeen are currently 13% lower than they were in 2007/08, however this market is affected largely by the oil market which crashed in 2016, and which impacts are still felt. Glasgow and Stirling have also outperformed the Scotland average in capital values growth since 2007/08.
- 3.1.6. Rental values however in Edinburgh and Glasgow are very similar at around £1,230pcm. Rental value growth in these two city centre markets over the 12 months to July 2022 have also been much higher than the other city centres, also exceeding the Scotland and UK average. This is likely due to people including students coming back to cities post-pandemic, showing a clear demand for 'city centre' living particularly in Scotland's major cities.
- 3.1.7. Rental value growth differs considerably across the seven cities, where data is at local authority level. Both Glasgow and Edinburgh have seen the highest rental growth in the 12 months to July 2022 with growth of 13% and 12% respectively. This is in line with the UK average and above the Scotland average of 11%. Perth and Inverness had the lowest levels of growth by far at 5% and 4% respectively.
- 3.1.8. Edinburgh and Glasgow again dominate in terms of population densities and the number of transactions taking place in each city centre. From a demographics view point, Rental Hubs dominate across all cities, but Perth has a higher proportion of Vintage Value who are characterised as older households and Edinburgh is the only city centre with a significant proportion of City Prosperity who are very affluent.

3.2. Market Overview

- 3.2.1. The seven cities vary in size drastically. Glasgow and Edinburgh have around 305,000 and 248,000 households respectively whilst Stirling and Perth have around 44,000 and 22,000 respectively. Edinburgh and Glasgow also have the largest city centre populations with 19,000 and 14,000 respectively. Dundee and Inverness have the smallest proportion of households located in the city centre with 2.5% and 2.6% respectively. For context Edinburgh has 7.6% and Stirling has 9.3%.
- 3.2.2. Private rented households make up the largest proportion by tenure across all seven cities, with Dundee having the largest proportion at 67%. Edinburgh has both the highest proportion of owner occupied housing, 36%, and the lowest proportion of social housing at 16%.

Table 3.1 Number of Households by Tenure Type

| City | City centre | | | | Wider city Total | Proportion of households in the city centre |
|-----------|----------------|------------|----------------|--------|------------------|---|
| | Private rented | Council/HA | Owner Occupied | Total | | |
| Aberdeen | 3,431 | 1,269 | 1,323 | 6,023 | 111,061 | 5.4% |
| Dundee | 1,227 | 395 | 206 | 1,828 | 72,892 | 2.5% |
| Edinburgh | 9,160 | 2,946 | 6,738 | 18,844 | 247,521 | 7.6% |
| Glasgow | 7,114 | 3,569 | 3,598 | 14,281 | 305,463 | 4.7% |
| Inverness | 705 | 383 | 609 | 1,697 | 66,412 | 2.6% |
| Perth | 1,515 | 1,034 | 845 | 3,394 | 44,391 | 7.6% |
| Stirling | 1,059 | 489 | 505 | 2,053 | 21,961 | 9.3% |

Source: HM Land Registry, 2022

3.3. House Prices

- 3.3.1. House prices vary significantly across the seven cities, although Edinburgh is the real outlier having far higher values compared to the rest of Scotland. Average capital values in the 12 months to July 2022 in Edinburgh city centre where £460,000, nearly three times the value of the average of the other six city centres combined. Other cities range from £122,000 in Aberdeen to £189,000 in Stirling.

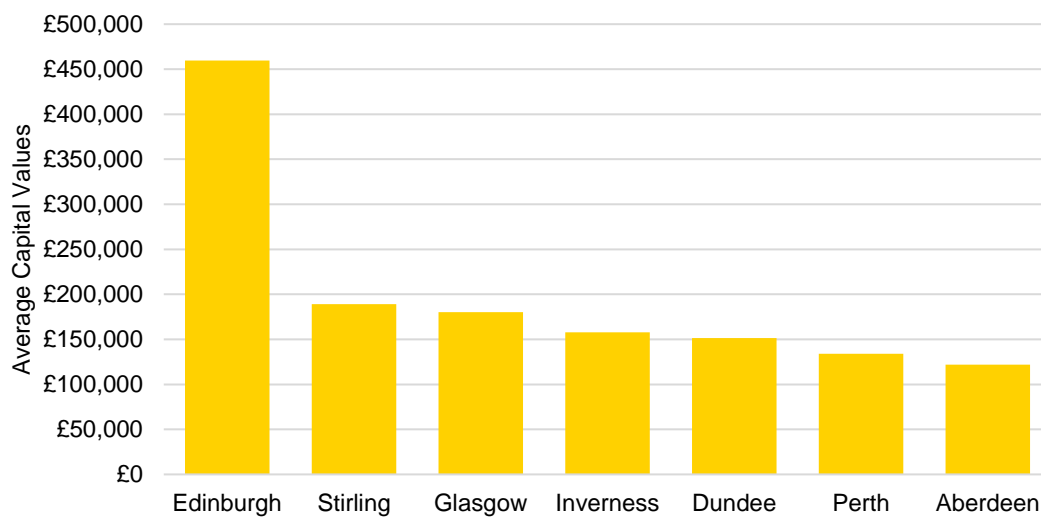
Table 3.2 Average House Price by Dwelling Type in City Centres (12 months to July 2022)

| City | Flat | Terrace | Semi | Detached | All |
|-----------|----------|----------|----------|------------|----------|
| Aberdeen | £107,459 | £237,625 | £385,000 | £418,000 | £121,923 |
| Dundee | £132,934 | £252,691 | | £264,370 | £151,245 |
| Edinburgh | £413,381 | £636,872 | £560,442 | £1,239,039 | £459,638 |
| Glasgow | £175,560 | £219,899 | | | £180,254 |
| Inverness | £125,692 | £170,743 | £183,631 | £281,074 | £157,625 |
| Perth | £108,343 | £224,450 | £188,820 | £411,055 | £133,900 |
| Stirling | £154,821 | £301,632 | £250,849 | £367,468 | £189,141 |

Source: HM Land Registry, 2022

3.3.2. Scotland has had significantly less capital value growth compared to England and Wales since the Global Financial Crisis (GFC). 27% in Scotland compared with 45% in England and Wales. Of the major cities, Edinburgh has performed most strongly with values up 44% since the GFC. Values in Aberdeen are currently 13% lower than they were in 2007/08, however this market is affected largely by the oil market which crashed in 2016, and which impacts are still felt. Glasgow and Stirling have also outperformed the Scotland average in capital values growth since 2007/08.

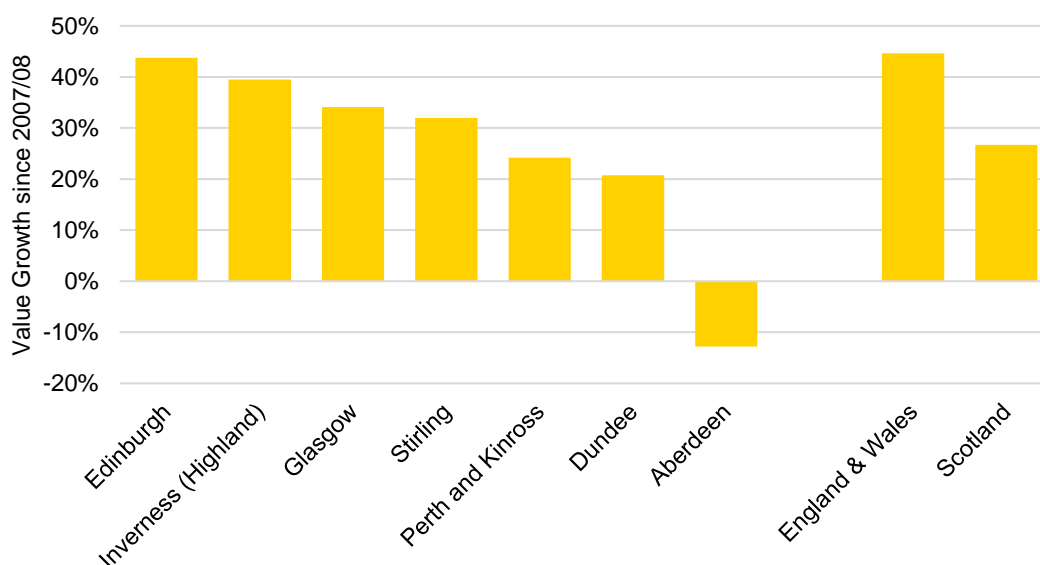
Figure 3.1 Average Capital Values in City Centres (12 months to July 2022)



Source:

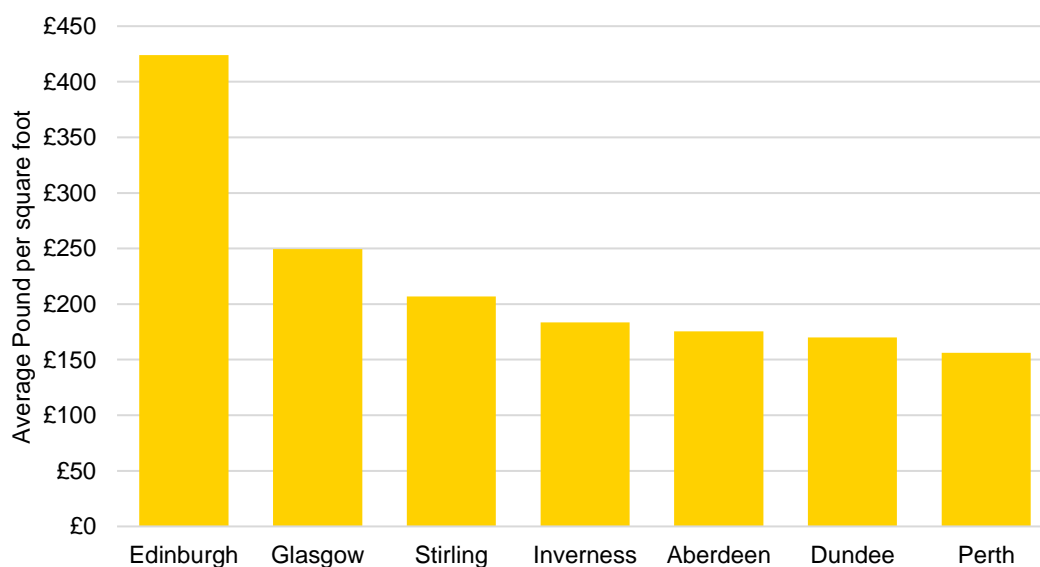
HM Land Registry, 2022

Figure 3.2 Capital Value Growth across Local Authorities since 2007/08 peak



Source: HM Land Registry, Savills Research, 2022. Data at local authority level

Figure 3.3 Average Values Per Square Foot in City Centres (12 months to July 2022)



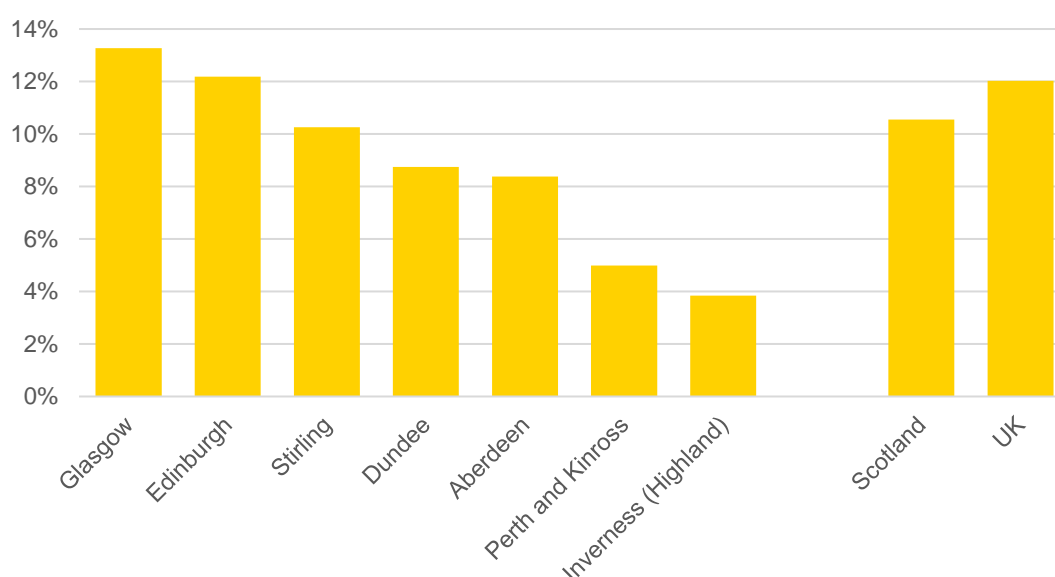
Source: HM Land Registry, 2022

3.3.3. On a pound per square foot basis, Edinburgh city center has the highest values although the gap between it and the other city centres is smaller compared to capital values. Average values per square foot in Edinburgh were £427 in the year to July 2022. This compares to £249 in Glasgow with the other smaller cities ranging from £156 to £207.

3.4. Rental Market

3.4.1. Rental value growth differs considerably across the seven cities, where data is at local authority level. Both Glasgow and Edinburgh have seen the highest rental growth in the 12 months to July 2022 with growth of 13% and 12% respectively. This is in line with the UK average and above the Scotland average of 11%. Perth and Inverness had the lowest levels of growth by far at 5% and 4% respectively.

Figure 3.4 Annual Rental Growth across local authorities (12 months to July 2022)



Source: Rightmove, 2022

3.4.2. The major cities of Edinburgh and Glasgow have much higher rental values in their city centres than the smaller cities. Rental values in the 12 months to July 2022 averaged around £1,230pcm in both city centres, despite Edinburgh having significantly higher capital values. Other cities range from £566pcm in Aberdeen to £831pcm in Stirling.

3.4.3. One and two bed properties dominate Scotland's rental market, making up a large proportion of total listings across all seven city centres. Edinburgh has the largest market with the most listings, nearly 2,500 in the year to July 2022. Dundee, and Stirling have much smaller markets with less than 300 listings over the same period.

Table 3.3 Median Rents (pcm) in City Centres by Bed Size (12 months to Q3 2022)

| Beds | Aberdeen | Dundee | Edinburgh | Glasgow | Perth | Inverness | Stirling |
|--------|----------|--------|-----------|---------|--------|-----------|----------|
| Studio | £491 | | £975 | £581 | £400 | £481 | |
| 1 Bed | £477 | £531 | £904 | £866 | £466 | £574 | £661 |
| 2 Bed | £661 | £788 | £1,268 | £1,169 | £635 | £721 | £837 |
| 3 Bed | £964 | £1,069 | £1,780 | £1,600 | £856 | £898 | £1,150 |
| 4 Bed | £1,329 | £1,413 | £2,429 | £2,013 | £1,413 | £1,425 | £1,700 |
| Total | £566 | £785 | £1,239 | £1,228 | £612 | £698 | £831 |

Source: Rightmove, 2022

Table 3.4 No. of Listings in City Centres by Bed Size (12 months to Q3 2022)

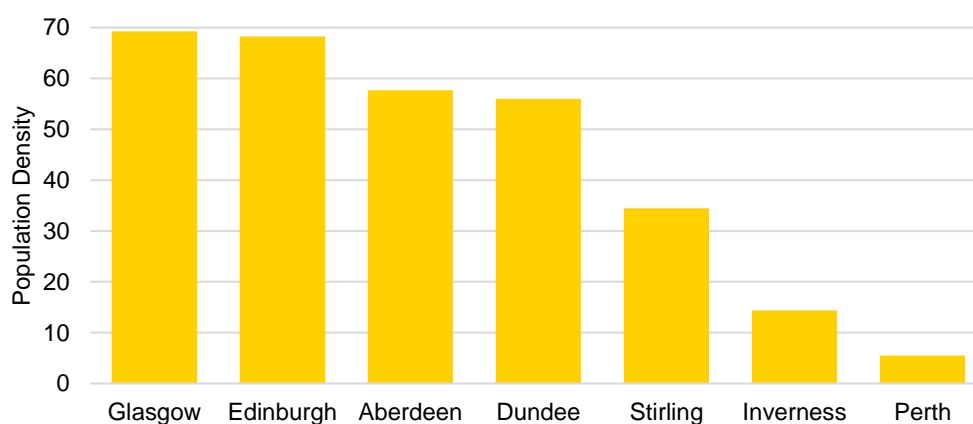
| Beds | Aberdeen | Dundee | Edinburgh | Glasgow | Perth | Inverness | Stirling |
|--------|----------|--------|-----------|---------|-------|-----------|----------|
| Studio | 100 | 0 | 32 | 16 | 2 | 5 | 0 |
| 1 Bed | 702 | 51 | 855 | 359 | 130 | 150 | 60 |
| 2 Bed | 747 | 117 | 1,111 | 468 | 269 | 304 | 182 |
| 3 Bed | 117 | 25 | 343 | 32 | 68 | 71 | 36 |
| 4 Bed | 43 | 7 | 107 | 7 | 15 | 23 | 14 |
| Total | 1,724 | 212 | 2,493 | 895 | 486 | 556 | 299 |

Source: Rightmove, 2022

3.5. Population Density

3.5.1. Glasgow and Edinburgh have the highest population densities with nearly 70 people per hectare in the city centre. Aberdeen and Dundee have around 57 people per hectare. Perth has just 5.5 people per hectare.

Figure 3.5 Population Densities in City Centres (No. of people per hectare)

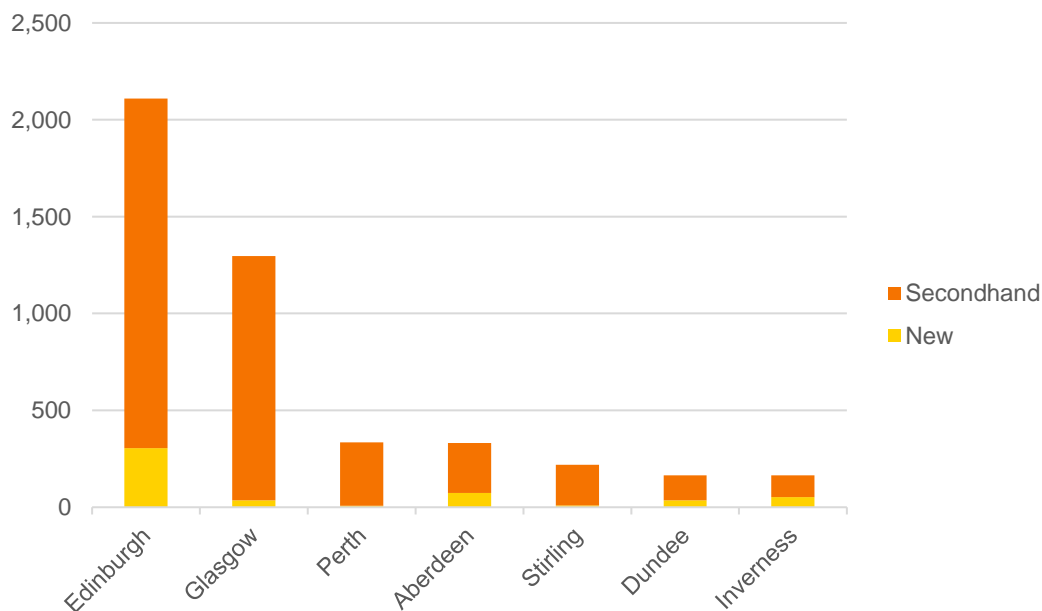


Source: Experian, 2022

3.6. Transactions

3.6.1. Edinburgh had significantly more city centre transactions than the other cities, with over 2,100 transactions between 2018 and 2020. This was 63% more than Glasgow, with around 1,300 transactions, the second most. The other five cities had less than 350 city centre transactions each from 2018-2020. Inverness had the highest proportion of new build transactions at 32% but this only accounted for 52 new build sales. Edinburgh had the most new build transactions, 305, equivalent to 14%. Stirling, Glasgow and Perth’s city centre markets are dominated by second hand homes, having less than 5% made up of new build.

Figure 3.6 Total City Centre Transactions for Newbuild/ Second Hand Homes in City Centres (2018-2020)



Source: HM Land Registry, 2022

3.7. Demographics

3.7.1. We draw upon Experian’s Mosaic geodemographic data in order to profile who lives in and moves to different housing markets. Experian’s Mosaic UK consumer classification provides a detailed understanding of the demographics, lifestyles, behaviour and locations of all individuals and households in the UK. Mosaic UK classifies all individuals, households or postcodes in the United Kingdom into a set of lifestyle types. There are 15 groups, which breakdown into 66 household types.

3.7.2. A total of 332 data elements have been used to build this latest version of Mosaic UK. The majority of the information comes from Experian’s UK Consumer View Database, which combines public and Experian proprietary data and statistical models. These include the edited Electoral Roll, Council Tax property valuations, house sale prices, self-reported lifestyle surveys, term time students from HESA, social housing information from NROSH, broadband speed information from OFCOM, and other compiled consumer data.

3.7.3. The table below shows the different groups in descending order of affluence

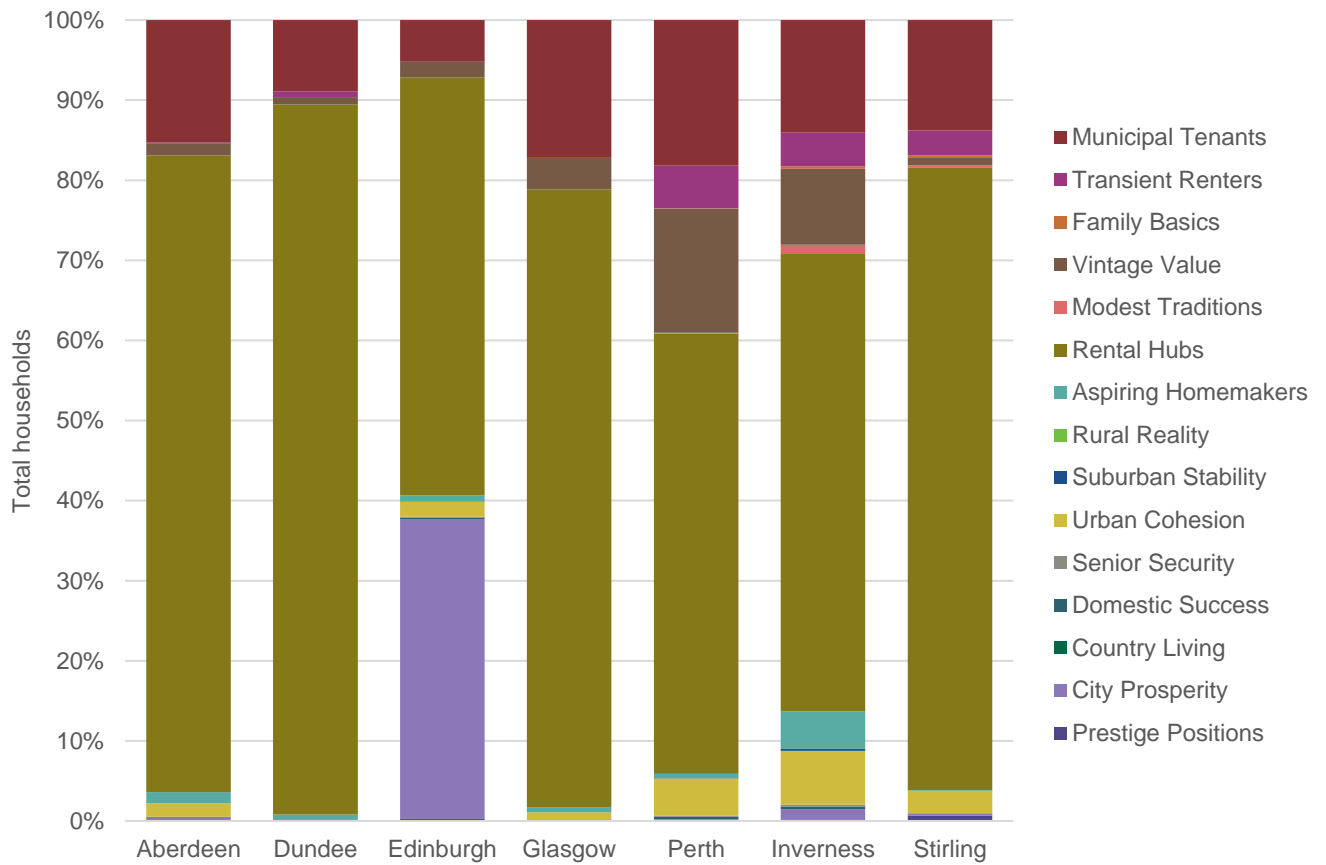
| Mosaic Group | Description |
|---------------------|--|
| Municipal Tenants | Urban residents renting high density housing from social landlords |
| Transient Renters | Single people renting low cost homes for the short term |
| Family Basics | Families with limited resources who budget to make ends meet |
| Vintage Value | Elderly people with limited pension income, mostly living alone |
| Modest Traditions | Mature homeowners of value homes enjoying stable lifestyles |
| Rental Hubs | Educated young people privately renting in urban neighbourhoods |
| Aspiring Homemakers | Younger households settling down in housing priced within their means |
| Rural Reality | Householders living in less expensive homes in village communities |
| Suburban Stability | Mature suburban owners living settled lives in mid-range housing |
| Urban Cohesion | Residents of settled urban communities with a strong sense of identity |
| Senior Security | Elderly people with assets who are enjoying a comfortable retirement |
| Domestic Success | Thriving families who are busy bringing up children and following careers |
| Country Living | Well-off owners in rural locations enjoying the benefits of country life |
| City Prosperity | High status city dwellers living in central locations pursuing careers with high rewards |
| Prestige Positions | Established families in large detached homes living upmarket lifestyles |

Source: Experian

3.7.4. The seven city centres are dominated by Rental Hubs. Rental Hubs are characterised as ‘educated young people privately renting in urban neighbourhoods’. Other than Edinburgh all

the cities had similar proportions of both Rental Hubs and Municipal Tenants. Municipal Tenants are characterised by ‘urban residents renting high density housing from social landlords’. Perth has a large proportion of Vintage Value that are characterised by older households. Edinburgh is the only city centre with a significant proportion of City Prosperity (37%) who are very affluent.

Figure 3.7 Experian Mosaic Profiles of Households Living in City Centres



Source: Experian

3.8. Land Use

- 3.8.1. Each city centre is characterised by having very different built environments and land uses. Glasgow and Edinburgh have much of the city centre dominated by ‘urban centres’ and ‘large mixed-use buildings’. This includes shopping centres, retail high streets, large corporate offices and other large buildings. They are interspersed with ‘high density residential’ areas.
- 3.8.2. Other places such as Aberdeen and Dundee have ‘large mixed-use buildings’ and ‘urban centres’ although not to the same extent as Glasgow and Edinburgh. Likewise, the smaller cities of Stirling, Perth and Inverness have ‘urban centres’ and ‘high density residential’ areas. Although in the context of others this is much lower, as can be seen in section 3.5.
- 3.8.3. Other city centre uses includes train stations and adjoining land alongside parks and recreational land. Some cities have more of the latter. Only Stirling and Edinburgh have no direct access to water, either coastal or river.

3.9. Conclusions

- 3.9.1. In summary each city centre is unique with different characteristics, built environments and markets. This provides unique and differing opportunities and challenges.

The seven Scottish cities are very different in a number of ways. They vary in size, values, densities and demographics. The larger cities such as Glasgow and Edinburgh offer different challenges to those like Aberdeen and Dundee that are still large, but not to the same scale as the former. Equally, much smaller cities such as Inverness, Perth and Stirling offer different challenges and therefore opportunities again.

- 3.9.2. New build housing delivery in markets such as Glasgow, Edinburgh and Aberdeen will likely attract investors in both the build-to-rent markets and purpose-built student accommodation (PBSA) markets, where there are large amounts of students and graduates with strong rental markets. The scale of potential sites, investments and schemes will likely be large due to the opportunities on offer.
- 3.9.3. Housing delivery in smaller cities such as Perth and Stirling will likely be much smaller scale due to population densities, the number of transactions taking place and demographics suggesting more limited capacity.
- 3.9.4. This section covers the housing market overview including house prices, rental market, , population densities, transactions, residential profile and demographics and land use.
- 3.9.5. Glasgow and Edinburgh are by far the biggest cities with 305,000 and 248,000 households respectively. This is replicated with large city centre populations. At the other end of the scale, cities such as Stirling have just 22,000 households across the entire city and just 1,700 households in the city centre, less than a tenth of Glasgow’s.
- 3.9.6. House prices vary significantly across the seven city centres, although Edinburgh is the real outlier having far higher values compared to the rest of Scotland and the other city centres. Average capital values in the 12 months to July 2022 in Edinburgh city centre where £460,000, nearly three times the value of the average of the other six city centres combined. Other cities range from £122,000 in Aberdeen to £189,000 in Stirling.

- 3.9.7. Scotland has had significantly less capital value growth compared to England and Wales since the Global Financial Crisis (GFC). 27% in Scotland compared with 45% in England and Wales. Of the major cities, Edinburgh has performed most strongly with values up 44% since the GFC. Values in Aberdeen are currently 13% lower than they were in 2007/08, however this market is affected largely by the oil market which crashed in 2016, and which impacts are still felt. Glasgow and Stirling have also outperformed the Scotland average in capital values growth since 2007/08.
- 3.9.8. Rental values however in Edinburgh and Glasgow are very similar at around £1,230pcm. Rental value growth in these two city centre markets over the 12 months to July 2022 have also been much higher than the other city centres, also exceeding the Scotland and UK average.
- 3.9.9. Rental value growth differs considerably across the seven cities, where data is at local authority level. Both Glasgow and Edinburgh have seen the highest rental growth in the 12 months to July 2022 with growth of 13% and 12% respectively. This is in line with the UK average and above the Scotland average of 11%. Perth and Inverness had the lowest levels of growth by far at 5% and 4% respectively.
- 3.9.10. Edinburgh and Glasgow again dominate in terms of population densities and the number of transactions taking place in each city centre. From a demographics view point, Rental Hubs dominate across all cities, but Perth has a higher proportion of Vintage Value who are characterised as older households and Edinburgh is the only city centre with a significant proportion of City Prosperity who are very affluent.

4. Review of Live Planning Applications

4.1. Introduction

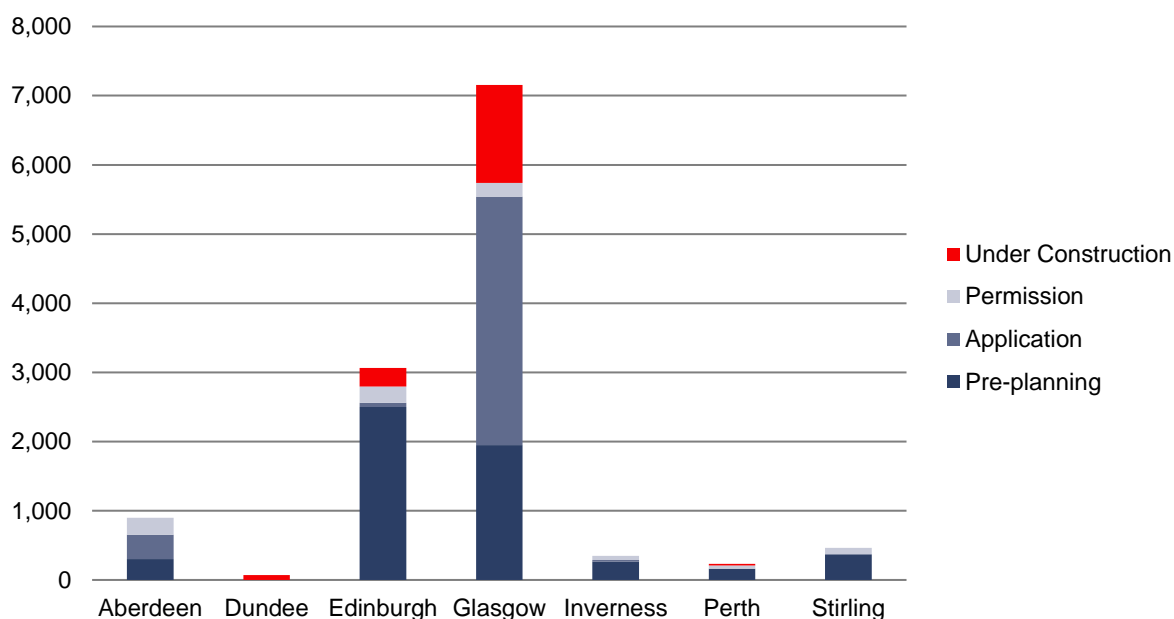
4.1.1. This section covers an overview of the live planning applications within the seven cities, including what stage they are currently at and how they have changed year-on-year.

4.1.2. Only live applications for schemes with over 10 residential units were included in the analysis.

4.2. Location of Planning Applications

4.2.1. Glasgow has a significantly larger pipeline than the other cities with over 7,000 homes. Edinburgh follows in second with 3,000 homes. Meanwhile, Perth, Inverness and Stirling have under 500 homes in their respective pipelines, with most of the homes being in the pre-planning stage. Glasgow has the largest number of homes currently under construction, whilst Aberdeen, Inverness and Stirling currently have no homes currently under construction within their respective city centres.

Figure 4.1 Development Pipeline by Planning Status and Number of Units



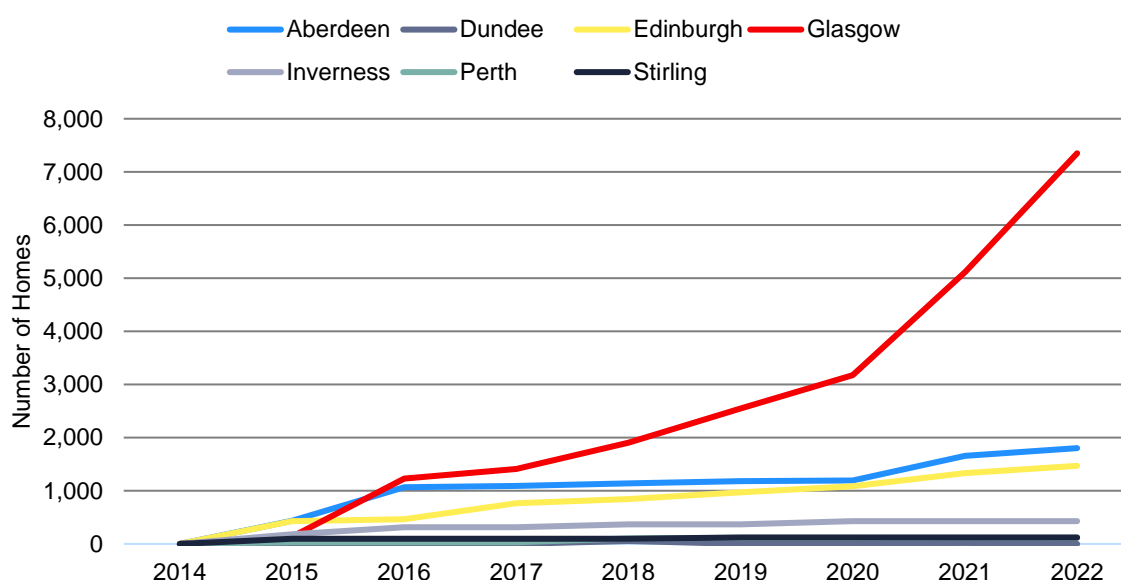
Source: Savills using Glenigan, 2022, Dundee City Council

4.3. Timeline of Planning Applications

4.3.1. With over 7,000 homes submitted for planning in Glasgow city centre since 2014 it far outweighs all other city centres in terms of homes submitted. Aberdeen and Edinburgh follow with around 1,800 and 1,500 homes submitted respectively. All other cities have had very little activity with around 425 in Inverness and 350 in Dundee. Inverness as a city and city centre however is much smaller compared to Dundee, which shows the lack of activity and investment in Dundee.

4.3.2. Across a lot of cities there has been a jump in activity over the past couple of years. This is particularly the case in Glasgow, Aberdeen and Edinburgh.

Figure 4.2 Applications over Time in the City Centers



Source: Savills using Glenigan, 2022

4.4. Conclusion

4.4.1. Glasgow has seen more homes submitted for planning since 2014 than all other cities combined. With such a strong rental market and a clear supply and demand imbalance with a drop in listings and a jump in values, much of the activity has been from the build-to-rent sector including investors and developers such as Legal & General and Moda.

4.4.2. Other cities have seen more modest activity in terms of planning applications for residential development, particularly in the context of their size such as Dundee and Edinburgh. The former has a lack of demand whereas the latter has a lack of available sites with limited brownfield land in the city centre. Over the past 18-24 months activity has increased, across many cities between 2016 and 2020, activity for residential development stalled.

5. Key Themes for Increasing Residential Capacity

5.1. Introduction

5.1.1. This section comments on the key themes for increasing residential capacity. We examine both national and local levels to understand the current situation and housing policy. Recommendations on the UK, Scotland and local levels have been provided to identify actions to help boost residential development in the city centres.

5.2. Housing Targets and Approaches for City Centres

Summary of the Scottish Situation

5.2.1. The NPF4 have clear preference for development within the city centres and on brownfield land. The NPF4 notes that planning authorities should seek to provide a proportion of their housing land requirements in city and town centres and be proactive in identifying opportunities.

Summary of the Local Situations

5.2.2. Three out of the seven cities have city centre population growth targets. Glasgow’s ambition presented in the City Centre Living Strategy, Vision 2035 is to double the current population of around 20,000 by 2035. Dundee also aims to double the resident population living in and around the city centre over the next 30 years period as set out in Our Future City Centre: Strategic Investment Plan 2050. The Aberdeen City Centre Masterplan (2015) refers to an additional 3,000 new residents in the city centre.

Table 5.1 Targets Relating to Housing in Scottish Cities

| City | City Centre Housing Targets | Comment |
|-----------|--|---------------------------------|
| Aberdeen | 3,000 new residents by 2040 | |
| Dundee | To double the current population by 2050 | |
| Edinburgh | None needed | Existing residential population |
| Glasgow | To double the current population by 2035 | |
| Inverness | None identified | |
| Perth | None identified | |
| Stirling | None identified | |

Recommendation at the Scottish Level

5.2.3. We recommend that the Scottish cities are encouraged to develop their city centre housing strategies including student accommodation and housing for older people.

5.2.4. The potential for an extension of the New Homes Bonus (NHB) to Scotland should be investigated. The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. In England there has though been an issue over NHB just being used to generally cover council

costs and it is unclear that it has acted as a strong incentive to help unlock housing development. We recommend that the NHB is restricted to use on infrastructure required to enable housing development.

Recommendation at the Local Level

- 5.2.5. The cities need a detailed examination of what type of living is required including housing targets for city centres and how this could be delivered. The Aberdeen City Centre Living Discussion Paper is as an example of such a report.
- 5.2.6. In order to de-risk the opportunities as far as possible to encourage investment, the acceptable parameters for development should be clearly articulated by councils in respect of both planning and commercial support that might be available.
- 5.2.7. Where appropriate councils should seek to partner with developers to deliver exemplar developments to demonstrate what can be achieved. This can help stimulate the wider private sector investment that will be crucial in both delivering more homes within the city centres as well as re-purposing vacant buildings within the city centres.
- 5.2.8. Over-arching all of this is the provision of high-quality community facilities and amenities for residents which will also encourage developers to deliver projects in the city centre.
- 5.2.9. Refer to separate city reports for city specific recommendations.

5.3. Areas for Development/Intensification/Expansion

- 5.3.1. There are various levels of opportunities connected with brownfield land in each of the city centre. **Table 5.2** presents a rating of the potential for intensification and expansion in the seven city centres. Opportunities for development and expansion are high in Dundee (Waterfront development) and Stirling (Forthside) due to the availability of land. Glasgow has numerous vacant sites across the city centre and vacant upper floors. There are several smaller and one large site (Thimblerow) in Perth. Edinburgh has almost no vacant property left.

Table 5.2 Development Potential Associated with VDLP

| City | VDLP (ha) | Percentage of city centre vacant | Development Potential |
|-----------|-----------|----------------------------------|--------------------------|
| Aberdeen | 3.79 | 3.2% | Rating 4 – High moderate |
| Dundee | 4.77 | 5.4% | Rating 6 – Very high |
| Edinburgh | 0 | 0% | Rating 1 – Low |
| Glasgow | 14.75 | 3.7% | Rating 5 – High |
| Inverness | 2.44 | 2.3% | Rating 2 – Low moderate |
| Perth | 1.09 | 1.8% | Rating 3 – Moderate |
| Stirling | 23.44 | 21.7% | Rating 6 – Very high |

5.4. Viability and Capacity for the Private Sector to Deliver Housing

- 5.4.1. In all cities with the exception of Edinburgh viability is a barrier to residential development in the city centres.
- 5.4.2. The land that is available can be piecemeal and often lacks infrastructure to support

development. There are easier pickings for developers on the outskirts of the city where they are more confident about site delivery.

- 5.4.3. There appears to be a mismatch in terms of risk and reward in delivering apartments for sale on tightly constrained sites in a city centre location compared to out of core/peripheral locations. In peripheral locations there is less competition for land from other uses and therefore land is cheaper, building plots can be larger (allowing for phasing of developments) and there are less constraints as to how construction is delivered.
- 5.4.4. The development of private residential apartments for sale in a city centre location involves significant capital/equity lock up by the developing entity. On tightly constrained city centre sites capable of only being delivered over a single phase then the costs of delivering the entire building have to be incurred before purchase prices are paid and capital receipts received by the developer.
- 5.4.5. In contrast the funding model for large scale residential blocks for rent either as PRS BtR or PBSA is based on one single owner who either funds or purchases the building on completion or stabilisation of the operational income. Compare this to the development of an apartment block of 50 units where 50 different buyers have to be sourced. Investors in large scale residential blocks for rent also tend to actively look for scale, minimum 150-200 units, which allows them to generate operational efficiencies and meaningful investment returns usually in a significant portfolio of similar type properties.
- 5.4.6. Overall, assuming there are no significant abnormal development costs then it is generally possible for the private sector to deliver housing. This is helped with a clear and appropriate vision covering planning and infrastructure. Examples include local development and regeneration frameworks, site/area strategies and infrastructure plans. Investors/developers should have an understanding of the broader vision/ambition for an area to support their investment decisions. This includes public realm, transport, education and healthcare. Numerous companies want to build and invest in city centres. It is unlocking the sites and buildings and providing suitable certainty which is the issue.
- 5.4.7. In promoting the development of sites and wider areas within the city centres councils should seek to bring forward CPOs where appropriate.
- 5.4.8. Council can work with a preferred development partner or partners to masterplan specific sites or districts within the city centres. Development might then be carried forward by one or more parties in the future. Examples of this approach in other cities include Sheffield New Retail Quarter and Birmingham Bull Ring.

Recommendations at the Scottish Level

- 5.4.9. Bring forward/expand grant funding programmes suited to unlocking city centre residential development. Funding sources are set out in Section 2.3 above.

5.4.10. Other possible funding include:

- **Enhanced capital allowance sum** as per the past scheme operating in the UK - Business Premises Renovation Allowance (BPRA). The BPRA allowed an enhanced capital allowance sum (100% of qualifying cost) to be agreed for specific types of conversion – mainly from offices to hotel use in a disadvantaged area. The scheme enabled a number of new hotels in Glasgow city centre but these were not always operationally successful. The scheme also requires a use that generates a lot of capital allowances.
- A future alternative version might be a similar scheme for conversion of upper floors from office to residential. Assuming development done via a special purpose vehicle (SPV) then this might offer some benefits to the taxable development profits of the SPV.
- **Reduced property taxes (Council Tax)**. These are focused on both brownfield sites and the repurposing of existing buildings and allow developers, owner/operators to benefit from significantly lower property taxes over the long term.
- **Infrastructure loans** similar to SPRUCE loans used for many of the major office developments across Scotland (110 Queen Street, Haymarket, St Vincent Plaza, JPMorgan HQ). The loans have been used at the start of a project where there is a need to get on site quickly and bridging a gap on initial infrastructure works. Councils or Scottish Government could look to set up a similar fund aimed at the residential market, perhaps in conjunction with the Scottish Investment Bank.
- **Development loans from pension funds investors**. There are examples elsewhere in the UK of Local Authority Pension Funds creating vehicles to fund residential development. In Manchester, the Greater Manchester Pension Fund has set up a specific fund to invest in residential development across the city. Perhaps a specific housing fund could also be set up to provide development finance to residential developers in Scotland?
- **New lease structures related to possible amendments of the 1974 Housing Act - 'income strip' models**. Long leases under income strip models have been used across Scotland to deliver major commercial development and investment projects including the SECC car park in Glasgow. The benefit of the income strip model is that the investment yield (linked to a government bond rate) allows a discounted rent to be paid by the occupier and there is also a right to buy the property at the end of the lease for £1. The length of leases tend to be 35– 45 years. This type of long lease / income strip model option is not available in Scotland for residential property. There is a statutory restriction in the 1974 Housing Act on the length of residential tenancies in Scotland, prohibiting the use of any interest held under a lease of more than 20 years for residential purposes. If long leases or income strips were allowed on residential property in Scotland then it would open up a new line of potential funding for Councils in particular.

5.4.11. In the areas where there are functioning housing markets such as in Edinburgh city centre, consideration could be given to a Scottish equivalent of the Community Infrastructure Levy (CIL) (developer funding) and/or the evolving proposals for an Infrastructure Levy, being careful not to impact on viability.

Recommendations at the Local Level

- 5.4.12. Creation/expansion/strengthening of city centre teams at councils can facilitate a more joined up approach to ensure delivery of projects. Teams covering planning, estates, roads, building standards etc can act proactively to cut through issues which may be preventing or delaying investment in city centre sites.
- 5.4.13. Relaxations in policy where appropriate should be considered if a justifiable case can be made.
- 5.4.14. Masterplanning can be helpful to creating a clear path for developers to invest in city centres. Understanding the planning vision of the city can both attract developers wanting to invest in cities and help landowners move forward with developers.
- 5.4.15. Funding should be sought to deliver masterplans for key development areas.
- 5.4.16. Councils could promote ready to go sites in their ownership. The councils can seek to partner with a developer to deliver an exemplar development to demonstrate what can be achieved.
- 5.4.17. Introduction of a maximum developer contribution rate per unit could be applied to residential developments in the city centres where viability is an issue. This can provide a ceiling cost to developers to allow them to fully consider if a project is viable before coming to pre-app and/or can enter pre-app stage prepared for a discussion with the councils as to why they cannot meet the maximum rate.

5.5. Potential for Conversion of Commercial Space

- 5.5.1. There are a range of challenges connected with conversions of commercial space. These include:
 - Establishing ownership/multiple owners
 - Title/access restrictions
 - Planning – uncertainty, time, requirements, consents, costs
 - Design guide – *need to tailor* for refurbishments, flexibility is required in terms of minimum sizes and single aspect solutions
 - Net zero – difficult to gain high EPC due to site specific limitations such existing building fabric
 - Dangerous buildings, vandalism, insurance
 - Cost uncertainty
 - Viability
 - Tight sites
 - Requiring time/attention - lack of replication.

Recommendation at the UK Level

- 5.5.2. Advocate for VAT reduction for refurbishment and renovation of existing buildings. New housing is not VAT chargeable (the current rate is 20%). Reduced or nil VAT is one way to close the viability gap for repurposing vacant property to residential use. A separate study into VAT reduction levels and what the reduction could cover should be considered. A zoning system could be introduced - areas with the highest viability gap could attract the highest VAT

reductions².

- 5.5.3. Advocate for Enhanced Capital Allowance sum as per the past scheme operating in the UK Business Premises Renovation Allowance. The BPRA allowed an Enhanced Capital Allowance sum (100% of qualifying cost) to be agreed for specific types of conversion. This was mainly from offices to hotel use in a disadvantaged area. The scheme enabled a number of new hotels in Glasgow city centre but these were not always operationally successful. The scheme also requires a use that generates a lot of capital allowances.

Recommendation at the Scottish Level

- 5.5.4. The Scottish Government could consider amendments of the 1974 Housing Act to allow for longer leases to benefit from 'income strip' models. The use of long leases under income strip models have been used across Scotland to deliver major commercial development and investment projects including the SECC car park in Glasgow.

Recommendation at the Local Level

- 5.5.5. The councils will need to consider the conversion of such properties set against demolition and new build in these terms, but also in terms of the viability of delivering new development and the energy performance, including ongoing heating costs, in either converted or new build developments. It would be helpful for the councils to consider providing a framework for developers to make such assessments relatively quick and easy to undertake.
- 5.5.6. Councils could also conduct an investigation into the availability of upper floor accommodation that could be converted to residential and investigate the viability of such schemes and the barriers to delivery.

5.6. Potential for Conversion of Listed Buildings

Summary of the Situation

- 5.6.1. In addition to challenges already mentioned in conversions of commercial buildings, listed building conversions face difficulties such as:
- Complex planning process
 - Design restrictions associated with the listed status
 - Expensive materials and extra labour requirement.

Recommendation at the UK Level

- 5.6.2. Advocate for VAT reductions as per section 5.5 conversions of commercial space.
- 5.6.3. There is 100% relief from non-domestic rates for the whole time a property is unoccupied, if it's a listed building. This may be a disincentive to redevelopment although the removal of this relief would cause liability to owners. Potential for revision of this relief should be explored to bring the city centre sites forward for redevelopment sooner. Possible domestic and non-domestic rates relief for a certain period after the occupation would incentives the

² Note that VAT on construction works for commercial to residential or of long term empty buildings already attracts reduced VAT, while conversions for RSLs are zero rated, as is installing energy-saving measures.

development.

Recommendation at the Local Level

- 5.6.4. To ensure practicability of conversions flexibility with design guide such as sizes, parking and single aspect should be provided as well as clarity over policy objectives. For example, previous Glasgow studies have examined innovative solutions to fire escape issues using external iron fire escapes with retractable ladders to ground level (this is used in many cities in USA). Building Standards would need to change to allow this solution.
- 5.6.5. Moving forward flexibility will need to be applied to ensure the energy performance of listed buildings can be improved where possible without detracting from the key qualities of the buildings and frontages.
- 5.6.6. Viability is likely to be a considerable challenge to the delivery of residential units within listed buildings in the city centres. In cities where viability is the biggest barrier we would suggest that listed buildings generally do not attract relevant developer contributions.

5.7. Affordable Housing Strategy

Summary of the Scottish Situation

- 5.7.1. The NPF4 stipulates that housing developments will be required to deliver 25% of affordable units in development of 50 or more homes in areas of identified need.

Summary of the Local Situations

- 5.7.2. Currently a requirement for affordable housing is included in the local policies in Edinburgh, Stirling and Inverness. There is no requirement for affordable provision in Glasgow, Dundee, Perth and there is a temporary affordable housing waiver in Aberdeen.

Table 5.3. Affordable Housing Requirements

| City | Affordable housing requirement | Application |
|-----------|---|---------------------------------|
| Aberdeen | Affordable housing waiver extended to 2025 | |
| Dundee | None | |
| Edinburgh | 25% of the total number of units proposed, 35% in the Draft City Plan 2030 | Development of 12 or more units |
| Glasgow | None | |
| Inverness | 25% of the total number of units proposed subject to viability; city centre conversions to residential use (for up to 10 homes) are exempt from affordable housing developer contributions | Development of 4 or more units |
| Perth | None | |
| Stirling | 25% of the total number of units proposed | Development of 10 or more units |

Recommendation at the Local Level

- 5.7.3. The city centre living strategies could consider the priorities for the city centre taking into account the balance of objectives and where each tenure is needed. There is a possibility of waiving the affordable housing requirement in certain areas or for a certain timeframe should

viability issues be evident as a particular barrier. Such a waiver has had some success in Aberdeen. However, the cities need to consider trade-offs associated with such a waiver.

- 5.7.4. It is also possible that affordable housing funding could actually help bring schemes forward. This could be standalone or on a joint-venture basis. It may be that a careful assessment of key opportunity sites that are delivered by public and private sector partners can achieve this across a range of sites without the need for a set affordable housing policy. This is being delivered at Sighthill in Glasgow. Exceptions may also be required to help support the potential housing stock that could be repurposed from the existing vacant accommodation located within the city centre.

5.8. Family Housing Strategy

Summary of the Scottish Situation

- 5.8.1. Although there are no specific requirements regarding family housing the Scottish Planning Policy states that a new development should provide a variety of unit sizes.

Summary of the Local Situations

Table 5.4 Family Housing Requirement

| City | Family housing | Application |
|-----------|---|---------------------------------|
| Aberdeen | Appropriate mix of dwelling types and sizes | Development of 50 or more units |
| Dundee | None | |
| Edinburgh | Appropriate range of housing of different types and sizes; provide a minimum of 20% of units suitable for larger families if the proposal consists of 12 or more units. | All development |
| Glasgow | None but an ambition to attract families (acknowledged need for 3 and 4 bed units in Townhead) | |
| Inverness | None | Development of 4 or more units |
| Perth | None | |
| Stirling | Developments should provide a range of housing of different types and sizes | All developments |

Recommendation at the Local Level

- 5.8.2. Delivery of family housing in city centres is challenging due to density and amenity provision. Generally it is easier to deliver smaller units for young professionals and downsizers. The viability of family housing can be compromised as there is not much demand for family units in the city centres. In conclusion city centre strategies should consider the balance of objectives and city specific situations. If the objective is to deliver more housing, the requirement for family housing could be waived but there will be some trade-offs. It is important to understand the local situation and the local community needs in deciding the appropriate solution at the local level. For example, there is need for 3 and 4 bed homes in Townhead (Glasgow). Where councils have direct control of housing development, an established need, and suitable funding, a solution to deliver more family housing should be

pursued.

- 5.8.3. There is likely to be an evolution of the private rented sector whereby young families may want to stay in city centres as the facilities/infrastructure improve to make it an attractive proposition. Linkages to parks/amenities need to be attractive and welcoming and most importantly safe and child friendly. Supporting social infrastructure such as medical practices/schools need to be available and accessible to service needs of families. The city centre may evolve into a place where families want to be if the supporting infrastructure is delivered to support other forms of residence. But generally we do not recommend that creation of family housing in the city centres should be a priority. We see it as more evolutionary process when suitable amenity is provided.

5.9. Student Housing Strategy

Summary of the Scottish Situation

- 5.9.1. There are no strategies for student housing at the national level, although the Scottish government is undertaking a review of the purpose-built student accommodation.

Summary of the Local Situations

- 5.9.2. Generally at a local level it is recognized that housing mix in the city centres should be diversified.

Recommendation at the Scottish Level

- 5.9.3. Collaboration between universities and local authorities should be supported and encouraged to ensure the level of provision is appropriate to meet the needs of current and future student population.

Recommendation at the Local Level

- 5.9.4. Cities could engage with the various education organisations to fully understand the quality and location of their existing stock and potential requirements going forward. This will help to fully understand the quantum of what needs to be supplied and where. Part of this would include a strategy around how to redevelop or repurpose the existing, first generation stock. Student housing could play important role in the of housing mix in city centres

5.10. Housing for Older People

Summary of the Scottish situation

- 5.10.1. On the national level the development of new models of housing that enable older people to maintain their independence in the community are encouraged. Although city centres are not considered in detail it is noted that housing for older people should be well-located, with easy access to amenities and transport links.

Summary of the Local Situations

- 5.10.2. Housing for older people has generally not been considered in detail in the city centres.

Recommendation at the Local Level

- 5.10.3. Consider what role housing of older people could play in the city centres. Housing for older

people should form a part of the city centre housing strategies.

- 5.10.4. The city centre offers good access to services and public transport, although specific needs of older people would have to be investigated. Similar to the challenges for family housing, there are amenity issues and social challenges that deter older people from living within the city centre. Better infrastructure for older people such as local green spaces, better lighting on routes to key services they need to access regularly and better security on such routes is important. Encouraging assisted living schemes has a useful role to play.

5.11. Built to Rent and Co-Living

Summary of the Local Situations

- 5.11.1. There are multiple examples of successful built to rent (BtR) properties being delivered in Glasgow and Edinburgh. However it is unlikely in the short term that smaller towns, such as Stirling and Perth, will be considered by institutional investors for such product due to the lack of population and their requirement to deliver quantum of units. The concern would be maintenance of occupancy levels.

Recommendations at the Local Level

- 5.11.2. Glasgow and Edinburgh should pro-actively seek to be fully informed about these different types of residential uses so that clear guidance can be given to developers and investors during any pre-app conversations. The councils should also monitor the current BtR pipeline as it develops so that they can understand which schemes are successful and why.
- 5.11.3. Consider reducing the number of three bedroom units developers are required to deliver. This might be needed recognising that demand for one and two bedroom units is significantly higher. Whilst it is appreciated that larger homes are required within the city, thought should also be given to demand and demographics of BTR developments which are still providing much needed homes to large sections of society.
- 5.11.4. To encourage immediate delivery of BtR in cities like Aberdeen and Dundee we would suggest councils consider the rental income guarantee scheme.

5.12. Low Carbon Development

Summary of the Scottish Situation

- 5.12.1. Meeting Scotland's ambitious climate targets will require radical changes. The built environment of both existing properties and planned development will need to adapt to meet the requirements. Requirement for enhanced environmental performance of housing proposals will have an impact on viability. However, the future saving on energy consumption will offset part of or the whole initial costs.

Recommendation at the Scottish Level

- 5.12.2. There is a price premium associated with good environmental performance of a property. One way to address the viability challenge is to improve market information about the benefits of environmental solutions. People are willing to pay a higher price when aware of the benefits that zero carbon homes provide.

5.12.3. A dedicated net zero pathway for all property in Scotland should be considered. A comprehensive strategy of reducing carbon emissions from buildings should account for the specifics of the city centers (listed buildings, commercial conversions). Application of specific and ambitious targets for the future emissions, such as more stringent minimum energy performance standards, will incentivise the sector to pursue more environmental friendly solutions from the outset.

5.12.4. Thought should be given to the role of low carbon and energy savings in social/affordable housing. At present the savings in energy bills are generally not factored in to decisions on the specification of buildings, as the councils or housing associations do not generally benefit from the savings. Ways of linking the savings with the investment decisions should be explored.

Recommendation at the Local Level

5.12.5. To help developers address environmental requirements, councils could prepare additional planning guidance to inform developers about what is expected in terms of applications.

5.12.6. The councils should be aware of the limited capacity of developers to achieve fully net zero building performance within a listed building. Limitations come from the need to protect listed buildings heritage. High energy performance solutions are often challenging and expensive, potentially to the point they are unviable for listed properties. The councils should to be aware that restrictive policies blanket applying could result in vacant buildings and should give consideration on a case by case basis of what is realistically achievable. The embodied carbon of these buildings being retained should be positively viewed and a material consideration in planning decisions.

5.13. Car Parking Standards

Summary of the Scottish Situation

5.13.1. The national planning policy do not set standards for residential properties.

Summary of the Local Situations

5.13.2. The parking standards vary across the seven cities. **Table 5.5** presents the parking standards identified.

Table 5.5 Parking Standards

| City | Parking Standard Type | No. of Parking Spaces |
|-----------|--|---|
| Aberdeen | Maximum, but car free development is recommended | 1 allocated space per dwelling |
| Dundee | Maximum | 1 space per dwelling in the city centre |
| Edinburgh | Maximum | 1 car parking space per residential unit. |
| Glasgow | Minimum | 1 allocated space per dwelling |
| Inverness | Minimum | 1.2 places for houses and flats |
| Perth | No specific standards identified | |
| Stirling | Minimum | 1.5 -1.25 spaces per flat |

Recommendation at the Local Level

- 5.13.3. The use of private car in the city centre should be minimised by encouraging where appropriate car-free developments. Policy aspirations of zero parking in appropriate circumstances should be commended due to the benefits they will bring. This includes the ability of developers to increase densities without the need to include space for parking, the environmental benefits, as well the improvements to public realm with less cars, and more liveable, pedestrian friendly streets.
- 5.13.4. Councils should consider application of maximum car parking standards for housing developments in the city centres.

5.14. EV Charging Strategy

Summary of the Scottish Situation

- 5.14.1. A comprehensive network of EV charging points is envisaged in the Draft Vision for Scotland's Public Electric Vehicle Charging Network (2022).

Summary of the Local Situation

- 5.14.2. Most cities require a proportion of new parking places to include EV charging point, but no city have a comprehensive EV charging points strategy.

Recommendation at the Local Level

- 5.14.3. The existing policies do not provide enough support for councils' ambition to reduce CO2 emissions. In the context of the shift to electric cars, the councils' low carbon strategy, and the limited scope for driveway electric charging in the city centre, we recommend that the councils develop a wider and complete EV charging strategy for the city centres. This should assess all charging requirements for city centre residents and how this is to be met. This will help ensure the city centres are an attractive place to live.

5.15. Role of the Public Sector

- 5.15.1. Having the right arrangement with private sector is key. The private sector has lots of expertise but it can be unwilling to take the risk to establish projects.
- 5.15.2. On place making side the key is to attract people. There are multiple examples of run down places which benefited from a right catalyst, an intervention that attracted critical mass and wider regeneration followed on from that. In the Glasgow context the King Street Car Park site down to the river front is key to bring back to the city. Buchanan Galleries is another key site. These will be 24h mixed use places with ripple effects on the surrounding areas. There is a need for appropriate and proactive approach from the public sector together with private sector to reach the desired outcomes for the city centre.

The Types of Public Sector Involvement

- 5.15.3. Development can be brought about with a varied degree of council involvement. This ranges from no direct involvement (land owned and developed by other parties) to direct delivery. These options can be considered based on the risk exposure, resource and financial commitments, control over the process, timeframes and quality.

Below we set out options for partnerships. Options 2 – 4 could be in combination with an initial CPO if land is not owned by the public sector agencies.

Option 1 – Land Owned and Developed by Other Parties

In this option the private sector develops land. Council’s involvement is limited to local policy, planning process and building control.

Option 2 – Disposal and Development Agreement

This option involves a sale of council/public sector controlled land (with the remediation works if required) and then a development partner to develop out a site in agreed phases and in accordance with a Development Agreement. The development partner will then bear most of the risks and bringing market knowledge, delivery expertise and access to finance.

Option 3 – Corporate Joint Venture

This option requires the council to set up separate Joint Venture Company with a private sector partner and participate in the delivery of a scheme and sharing profit. This is often in the context of a council owning/controlling land. Joint ventures pool the resources of partners (financial and otherwise) to improve efficiency and output whilst reducing financial risk. This presents opportunities for the private sector developer and authority, which uses its land to lever long-term investment from the developer. It does though involve the public sector taking more risks than the development agreement model.

Option 4 – Direct Development

This option involves councils acquiring land, funding all necessary infrastructure and building out housing (and/or other uses) under the guidance of a development manager. This is the maximum risk, maximum up-front cost and maximum potential return model for the public sector.

Table 5.6 presents the associated risks and the alignment with the local authority’s objectives.

- 5.15.4. In the context of public sector being a lead developer there are capacity constraints and challenges in managing multiple funding streams to bridge funding deficits. Risk in relation to budget constraints and ability to attract private investment to support mixed use and mixed tenure is also acknowledged.

Which sites to focus on?

- 5.15.5. There will be always some tradeoffs associated with the assessment of the key opportunity sites. The difficult sites might require large amount of funding to bridge the viability gap. Some other sites might be viable on commercial terms without grant funding. The most optimal sites to focus on are those that fit in a ‘Goldilocks Zone’ which are neither too hot (viable in commercial terms) nor too cold (with large funding gap and consequent poor value for money). These sites have a potential to deliver new homes with minimal grant support providing good value for money for the society.

Table 5.6 Development and Partnership Options with Associated Risks

| Public Sector Considerations | 1. Land owned and developed by other parties | 2. Disposal and Development Agreement | 3. Corporate Joint Venture | 4. Direct Development |
|--|--|---|---|---|
| Cost of capital | Lowest | Intermediate | Higher | Highest |
| Risk | Lowest | Low | Higher | Highest |
| Profit premium (to reflect risk) | Lowest | Low | Higher | Highest |
| Risk of no/substantially delayed delivery | Highest | Intermediate | Low | Lowest |
| LA control over development rate and quality | Lowest | Higher | Higher | Highest |
| LA capital requirement and exposure | Lowest | Intermediate | Higher | Highest |
| Provision of supporting infrastructure | Higher (depends on viability, may not meet objectives) | Intermediate (subject to viability and public sector funding) | Intermediate (subject to viability and public sector funding) | Intermediate (subject to viability and public sector funding) |
| Summary | Uncertain results and returns And may not meet LA's objectives for example provision of infrastructure | Prospect of meeting LA's objectives with relatively low risk | Prospect of meeting LA's objectives but with relatively high risk | Prospect of meeting LA's objectives but with high risk |

Source: Savills, 2023

5.16. Recommendations

- 5.16.1. Development in city centres is generally much more sustainable and achieves greater socioeconomic benefits than greenfield development as it is more sustainable, revives communities and supports the city centre economy. This is only possible if the right product can be delivered in right places and at right prices. The issue is that many city centre sites are not viable on commercial terms due to the abnormal costs associated with brownfield land or conversions of vacant offices above retail.
- 5.16.2. On the viability side there is a need for funding to bridge the gap between cost and value. The funding needs to be used at the right stage of development process (early stages) and with right focus on quality.

5.16.3. In seeking to deliver more homes the following actions are recommended:

At the UK level

- Advocate for VAT reduction for refurbishment and renovation of existing buildings, particularly listed buildings
- Advocate for Enhanced Capital Allowance sum as per the past scheme operating in the UK Business Premises Renovation Allowance
- Consider possible domestic and non-domestic rates relief for a certain period after the occupation to incentivise the development of listed buildings (currently there is 100% relief from non-domestic rates for the whole time a property is unoccupied, if it's a listed building)

At the Scottish level

- Bring forward/expand grant funding programmes suited to unlocking city centre residential development.
- Look in to setting up Infrastructure loans similar to SPRUCE (loans used for many of the major office developments across Scotland) aimed at the residential market, perhaps in conjunction with the Scottish Investment Bank.
- Consider Scottish equivalent of New Homes Bonus, though with a requirement that revenues are spent on development enabling infrastructure
- Consider Scottish equivalent of the Community Infrastructure Levy (CIL) (developer funding) and/or the evolving proposals for an Infrastructure Levy, being careful not to impact on viability.
- Tax Increment Finance (TIF) programme expanded and/or modified to reflect a Scottish version of the Infrastructure Levy
- CoAdvocate for amendments to the 1974 Housing Act to allow for longer leases to benefit from 'income strip' models.
- "Reduce property taxes. These should be focused on both brownfield sites and
- the repurposing of existing buildings to allow developers and owner/operators to benefit from significantly lower property taxes over the long term."
- Support and encourage the Scottish cities to develop their city centre housing strategies including student accommodation and housing for older people
- Explore ways of linking the energy savings and low carbon solutions in social/affordable housing with the investment decisions.
- The collaboration between universities and local authorities should be supported and encouraged to develop student housing strategies.
- Prepare a net zero pathway for all property in Scotland
- Promote zero carbon development to raise awareness among the consumers and ultimately support the associated price premium
- For larger vacant and derelict sites or larger sites with the potential for comprehensive redevelopment, development briefs and masterplans should be considered to de-risk the planning process. Councils could work with a preferred development partner or partners to masterplan specific sites or districts within the city centres. Scottish Government should provide funding to deliver masterplans for key development areas.

At the local level

- The acceptable parameters for development should be clearly articulated by councils in respect of both planning and commercial support that might be available.
- Consider waiving some/all developer contributions for conversions in general and specifically for conversions of listed building where viability is the barrier to redevelopment
- Consider proportion affordable housing requirement where justifiable on viability grounds in certain areas or for a certain timeframe.
- Introduction of a maximum developer contribution rate per unit could be applied to residential developments in the city centres where viability is an issue.
- To help facilitate appropriate conversions a flexible approach to design guidance should be encouraged. This can cover topics such as scale, parking requirements and energy performance standards. This is particularly relevant to listed buildings.
- Prepare an easily accessible guidance on funding opportunities to allow developers to assess opportunities.
- Monitor the build to rent (BtR) pipeline. Where necessary consider a rental income guarantee scheme to incentivise development.
- Be mindful of the constraints on developers to create fully net zero developments within a listed building whilst also protecting its heritage.
- Establish/expand/deepen forums for discussion with developers and investors to review barriers for development, gather ideas and act as a sounding board for Council's proposals.
- Where relevant develop guidance on the conversion of listed buildings in the city centre. This could include guidance on the potential to partner with a developer to deliver exemplar schemes
- Focus on delivery of smaller units in city centres if the objective is to deliver more housing. (Family housing could become a viable option once appropriate social infrastructure is available. Where councils have direct control of housing development, an established need, and suitable funding, a solution to deliver more family housing should be pursued).
- Creation/expansion/encouragement of city centre teams at councils can facilitate a more joined up approach to ensure delivery of projects.
- Tap in to mechanisms for the delivery of grant funding to bridge viability gap in the case of most challenging sites.
- Where not already covered in detail, develop visions and timescales for the provision of the required social and community facilities and amenity spaces within the city centre. Prepare social infrastructure plans
- Where not already covered in detail, examination of what types city centre living is required and how this could be delivered including housing targets for city centres and housing for older people
- Develop wide and complete electric vehicle (EV) charging strategies for city centres
- Consider application of maximum car parking standards for housing developments in the city centres where such standards are not already in place and/or could be pushed further

- Appropriate limits on the use of private car in the city centres and encourage car free developments
- Where relevant prepare additional low carbon planning guidance to inform developers about what is expected in terms of applications
- Consider reducing the number of three bedroom units developers are required to deliver might be needed (demand for one and two bedroom units is significantly higher).
- Engage with the education organisations to fully understand the quantum of what student housing could be supplied and where.

Appendix 1 Abbreviations

| | |
|-------|--|
| BPRA | Business Premises Renovation Allowance |
| BTR | Build to Rent |
| CIL | Community Infrastructure Levy |
| CO2 | Carbon dioxide |
| CPO | Compulsory purchase order |
| DfT | Department for Transport |
| DLUHC | Department for Levelling Up, Homes and Communities |
| EU | European Union |
| EV | Electric Vehicle |
| GFC | Great Financial Crisis |
| Ha | Hectares |
| HESA | Higher Education Statistics Agency |
| HIF | Housing Infrastructure Fund |
| HMT | His Majesty's Treasury |
| LA | Local Authority |
| LPA | Local Planning Authority |
| NPF4 | National Planning Framework 4 |
| NROSH | National Register of Social Housing |
| PBSA | Purpose-Built Student Accommodation |
| pcm | Per calendar month |
| PR | Public relations |
| PRS | Private Rented Sector |
| RCGF | Regeneration Capital Grant Fund |
| RSL | Registered Social Landlord |
| SPP | Scottish Planning Policy |
| TIF | Tax Increment Finance |
| UKSPF | UK Shared Prosperity Fund |
| VAT | Value Added Tax |
| VDLF | Vacant and Derelict Land Fund |
| VDLP | Vacant and Derelict Land and Property |
| VDLIP | Vacant and Derelict Land Investment Programme |