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Place Makers and Policy Makers

Breathing new life into Scotland's living sector





Introduction

Depending on your perspective, Scotland's living sector is either mired in perpetual inertia **or on the cusp of a resurgence.**

In such a complex area, it's never been more important to work together to deliver much-needed new homes. So why has it been such a thorny issue for such a long time? And where does the sector find itself as a Scottish Parliament election looms into view?

To answer some of these questions and find potential solutions, Wallace Whittle hosted a round table lunch which brought together some of the most influential figures in Scottish property development, funding, architecture, planning, Government and policymaking. We're pleased to report that, despite the significant challenges there's room for cautious optimism about what might be achieved in future.

With the controversial Housing (Scotland) Bill making its way through Holyrood, we wanted to take the temperature of the people at the sharp end of the effort to build more homes across the country.

But the backdrop for this effort has been suboptimal, to say the least. As well as interest rate rises and cost inflation, Scottish developments are threatened with a diminishing contractor resource to get new projects built.

Moreover, many in the sector have felt the political mood over the last decade has been set

against private development. Profit has become a dirty word, and the lazy stereotype in popular culture portraying the property sector as greedy, ruthless and self-serving goes unchecked.

On the other side, it's also been tempting for private companies to complain that policymakers and planning authorities don't make it easy to get new developments out of the ground.

Despite the potential for polarised viewpoints and entrenched positions, we found private companies and policymakers eager to collaborate. There's a clear appetite to create a policy and regulatory environment in which quality developments can be delivered at scale and at speed.

This report outlines some of the key points discussed, as well as a number of actions which organically developed over the course of the conversation – one of the most encouraging outcomes of the session.

A huge thanks goes to our guests, particularly **Robin Blacklock of Dowbrae Real Estate Consultancy, and Director of More Homes More Quickly**, who chaired and facilitated the discussion.





Minding the Gap

Our experts **highlighted a gap in understanding** between the private sector and those responsible for making and enforcing policy as the persistent challenge in the Scottish property sector.

We heard of experiences where housing models have been much slower to materialise in Scotland, due to a myriad of political challenges which has dented investor confidence. As such, local authorities and government officials have been slow to understand sectors like built-to-rent (BTR). On one notable occasion, the model was dismissed as **“posh flats for rich kids... we don’t need that type of housing.”**

We heard numerous concerns that local authority planners don’t always understand the question of commercial viability – particularly the risk and complexity involved in creating new residential developments.

The culture in the Scottish planning system was identified as a potential obstacle compared to cities like Manchester, which is seen as demonstrating ambition and a willingness to work collaboratively with private sector partners.

As one of our guests put it: “We went in to Manchester with a proposal for a 20-storey tower and were told to make it taller – it ended up at 35 storeys. We went into Glasgow with an 18-storey

tower and were told to halve it.” Part of this complex challenge may be outdated contextual reference points. One city centre BTR development was judged in planning against conventional residential suburban housing policy, without properly appreciating the obvious differences. Ultimately the development went ahead; but not before delays added cost and complexity to the process.

On a related issue, the question of flexibility over the development and application of planning policy was proposed as an opportunity for improvement. Affordable housing shouldn’t be seen as a one-size-fits-all policy, since different sites have different investment requirements and risks. Edinburgh has stipulated a 35% affordable housing provision, however it was suggested there could be a more flexible approach. For example, brownfield urban sites in the city where development is encouraged should attract a lower tariff than suburban greenfield sites where development economics can be easier. Blanket approaches affect viability, resulting in counter-productive results if developers have to accommodate expensive planning requirements.



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Viability and Education

The answer could lie in more meaningful collaboration; creating opportunities for local authority planning and other associated teams to spend time with their counterparts in the private sector.

But the real benefit could be derived through more casual forums and conversations where ideas, obstacles and market changes could be discussed.

This could smooth the way for all stakeholders to work together to bring a project to life with minimum friction and mutual understanding, while respecting local plans and commercial realities.

One attendee gave an example where – prior to a committee hearing on a particular development – planning officers briefed committee members on the viability of the project. This resulted in

a more productive committee discussion before consent was ultimately granted.

A planning expert in attendance acknowledged that project viability “just isn’t in their skill set” when it comes to local authority planning teams. It’s a point well-made; project viability isn’t part of planning undergraduate studies or formal training. It’s up to the industry to help with this.





Changing the Culture

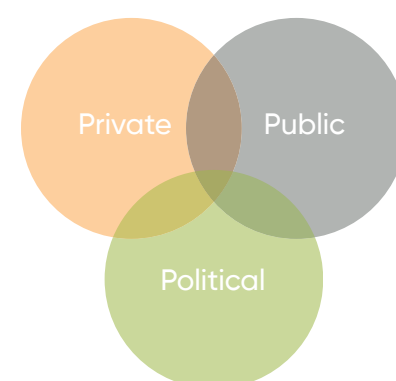
One of our guests summed it up well when they said: "The whole process, in my opinion, revolves around **the willingness of a local authority to work with a willing developer.**"

The perception of many was that local authority officers and elected members often have a de facto position against private development; or at least seem to find reasons to slow the progress of projects which otherwise fit comfortably within the parameters of local plans.

What's needed is a preference towards providing quality places for people to live by attracting investment and building more homes more quickly (not least because it's been a manifesto pledge from every major UK political party over the last 10 years).

One senior planning official suggested that the emerging Masterplan Consent Areas – where new site proposals which align with local plans could be accelerated to encourage development – is an area where delivery could be advanced. However, there is little evidence that MCAs are yet making progress.

Similarly, 'front loading' projects at the design stage might help to speed progress, but only in a more development-friendly environment where private partners feel they're on the same side as the public sector, and as a result willing to commit the significant design fees this process requires.



All of our guests, private and public sector, hoped for a more 'can-do' attitude.

So can 'can-do' be done in Scotland?

Listening to the conversation it was difficult not to feel encouraged by the openness to new ideas, ways of working and genuine partnership expressed by all of our guests; despite the challenges acknowledged by everyone in the room. How might that look in reality?



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Interests, Investment and Inertia

The timing of the discussion was interesting – a little less than a year before the Scottish Parliament elections in 2026 and against a backdrop of falling new house building starts and completions.

The Housing Investment Taskforce, created by the Scottish Government in April 2024 to investigate and recommend how new funding can be attracted to the Scottish housing market, and unlock committed funding which has stalled, published its report in March 2025.

The report delivered 28 separate action points, from fast-tracking planning decisions and growing the domestic contractor base, to supporting local authority borrowing and allowing registered social landlords (RSLs) to provide mid-market rental (MMR) properties as part of their core operations.

While the intent of the report was welcomed, it was pointed out that a list of actions is worth little unless carried through to delivery.

We noticed some frustration with the resistance to new funding models which have often stymied or significantly delayed potential projects. Those involved in private development feel acutely their motivations are seen only as maximising profit. Of course, it's a matter of fact that every business needs to make money. But the framing of economic reality as a series of murky misdeeds has

real consequences for investment appetite and the subsequent construction – or not, as the case may be – of the homes promised by successive governments.

A key priority, then, has to be aligning interests as well as investment.

The controversy surrounding the inclusion of Purpose-Built Student Accommodation (PBSA) into the proposed rent control regime was held up as an example of where misalignment, misunderstanding and misjudged political interests combined to destabilise an otherwise functioning market. Edinburgh's more recently mooted moratorium on PBSA only further undermines the sector.

In isolation each of these moves is damaging to investor confidence; when taken together they create a narrative that presents a hostile environment to the sector. One experienced residential property expert said: "PBSA interest has dropped off a cliff – it's just not happening any more. There are consents coming through but they may not be built. When these risks are considered, it's just not viable, currently, to build PBSA. The market

will impose its own moratorium and investors will move on."

Can we mention Manchester again? Another of our guests highlighted their business's experience of ongoing delays in relation to hundreds of beds of student accommodation in Scotland – months of delays caused by the furore around PBSA.

In just six months in Manchester, by contrast, the same business was able to secure more beds than are delayed in Scotland. And the pipeline of new opportunities keeps filling up in the north west of England.

Whether it's BTR, PBSA, or MMR, the same realities apply. Delays have a compound impact, observed another attendee. Repeated delays today deter investors in future, with long-term effects on the country's ability to deliver new housing stock.

No-one argues with the importance of creating affordable accommodation, but a political environment and narrative which discourages investment in new building doesn't seem to be the way to achieve it.



Is Change Coming?

Despite the challenges, there was cautious acknowledgement that some delays are easing – **more than one person talked about projects where the brakes were starting to be released.**

The Housing Investment Taskforce Report marks a more positive tone and narrative from Government, albeit with the qualification that it needs to deliver meaningful progress to avoid becoming a well-intentioned initiative with no real impact.

The message from the public sector experts who joined us was also clear – they are keen to listen and find new ways to help the sector deliver new homes.

Ultimately, the public sector needs the private sector to deliver on government manifesto promises. Society needs the private sector to deliver quality new housing fit for the modern age. Governments, policy makers and planning authorities all have a vital role to play in creating an environment which gives confidence to investors.

When governments attempt to reassure investors with phrases like “we’re open for business”, what does that actually mean?

“That’s only useful if you actually understand the business that you’re trying to attract,” said one

of our private sector guests. “It’s an entirely empty phrase otherwise.”

Which brings us back to education. New delivery models are being developed which aren’t always understood by local authorities – and in particular by the elected officials there to sanction them – which inevitably leads to systemic misalignment and delayed or abandoned projects. Education has an obvious role to play here, but there could be other options.

A radical solution, speculated one guest, could be to remove elected members from planning decisions and leave the matter to qualified experts.

In Australia, it was pointed out, only professionals are permitted to make decisions on planning applications, with elected members involved as consultees. Could this be a viable model for Scotland?

For sure, there’s merit in the idea of taking politics out of planning if governments are serious about delivering more housing. Giving planning officers more responsibility to approve proposals compliant

with local plans, with committees getting involved only in certain circumstances, would increase the throughput of consents.

This might not be such an outlandish suggestion.

“At a recent committee session one of my colleagues was asked by an elected member what the total student floor area was for a 100% student scheme, which really shows the lack of understanding of the issues surrounding a significant decision,” reported one guest.

“That isn’t that individual’s area of expertise, but that’s really the whole point. It’s pretty basic stuff and you have to wonder what value it’s adding.”

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Where do we go from here?

There were clear themes which recurred over the course of the discussion. We wanted the event to identify key challenges, of course, but we're even keener to find ways to tackle them.

Despite the challenges with the Scottish planning system, an optimistic take might be that we're on the precipice of genuine change. More cynical would be the view that we've been here before and nothing ever changes.

But we were encouraged by the tenor of the input from our colleagues in planning and policy – senior people with access to decision-makers at the highest levels of Government, development agencies, local authorities and civil service. They clearly recognise the need for change to attract essential private investment.

As we see it, there are **five areas of focus** which could help develop a more successful and productive living sector in Scotland:

1. Build mutual understanding

Private developers, policy makers and planning authorities often seem to be at cross-purposes – leading to delays, tension and even animosity. We should work together to create structured, in-person opportunities to build productive relationships.

2. Invest in education

To take this further, there should be collaborative CPD sessions where colleagues in every part of the sector can commit to formal learning where new models, regulations and innovations can be communicated between the private and public sector.

3. Change the culture

Political and civic leadership needs to change the narrative so that private investment is viewed in a positive light, where the benefits of better places are well-communicated in public as well as political forums. This is a long-term goal but an essential part of creating the right environment for the sector to deliver what's being asked.

4. Adapt to reality

Changing how projects are consented is a big ask, of course. That said there is merit in rebalancing the planning process towards experts with deep knowledge of development, with elected members taking on a more consultative role in the process.

5. Progress over perfection

Not everything has to be finely tuned for a project to make progress. A lot moving parts need to align before ground can be broken on a new site, so a bias towards approving compliant projects would help to reduce unnecessary delays and ultimately deliver new stock more quickly.

There's a window of opportunity before the 2026 Scottish Parliament elections to lay the foundations for a more productive living sector. With the right leadership, a more positive narrative around new projects, and a commitment to getting things done, Scotland can finally realise the potential of its living sector and build a better future for all.

