

**Customer Ref:**  **Response Ref:**

**Name**

**Response Type**

**On behalf of:**

**Supporting Info**

**Email**

**Choice** **1 A**

**We want to connect our places, parks and green spaces together as part of a city-wide, regional, and national green network. We want new development to connect to, and deliver this network. Do you agree with this? - Select support / don't support**

**Short Response**

**Explanation** This question is too vague and lacking in detail. We agree that there will be an important role for new development to play in connecting to and assisting the delivery of this new network. However, the network will be used by a wide variety of users and it would not be reasonable to expect new development to deliver this network in its entirety. The land necessary for such a network will be in many different ownerships. We support increased connectivity. However, new development can and should only contribute to what is fairly and reasonably related to the development which is proposed as established in Circular 3/2012 and the Elsieck Supreme Court judgement ([2017] UKSC 66). It will be necessary to support a phased approach to provision so requirements do not prevent the delivery of larger sites where early phases in single ownership can be delivered. It will also be essential that those preparing place briefs involve developers, fully understand land ownership and take a pragmatic, delivery focused approach. What is proposed is vague and so it is not possible to provide a detailed answer at this stage.

Customer Ref: 01570 Response Ref: ANON-KU2U-GWWB-X

Supporting Info Yes

Name Tammy Swift-Adams

Email t.swift-adams@homesforscotland.com

Response Type Organisation / Public Agency

On behalf of: Homes for Scotland

Choice 1 B

We want to change our policy to require all development (including change of use) to include green and blue infrastructure. Do you agree with this? - Support / Object

Short Response No

Explanation While in principle we support the providing of green and blue infrastructure, not enough information is provided here to understand what is proposed. More specific details will be essential to understanding the policy which is envisaged. There are also possible tensions with this priority and others such as building at greater density and encouraging brownfield development. We consider that the following matters will be important to consider when drafting any policy on this: 1. Many of our members have experienced issues where Local Authority requests and Scottish Water's vesting requirements do not align, particularly with regard to the level of surface water storage. Given the requirement at question 1H for green spaces to have management arrangements in place, it will be essential that any policy asks are aligned with Scottish Water's vesting requirements. 2. Green and blue infrastructure can be difficult to deliver on smaller and brownfield sites. 3. Green and blue infrastructure can take up lot of space, this is one challenge in delivering the density aspirations if these are to be calculated using gross area.

Choice 1 C

We want to identify areas that can be used for future water management to enable adaptation to climate change. Do you agree with this? - Yes / No

Short Response Not Answered

Explanation A consistent approach with SEPA and Scottish Water will be necessary.

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On behalf of:

Choice 1 D

**We want to clearly set out under what circumstances the development of poor quality or underused open space will be considered acceptable. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice 1 E

**We want to introduce a new 'extra-large green space standard' which recognises that as we grow communities will need access to green spaces more than 5 hectares. Do you agree with this? - Yes / No**

Short Response

Explanation

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On behalf of:

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Choice 1 F

**We want to identify specific sites for new allotments and food growing, both as part of new development sites and within open space in the urban area. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice 1 F

**We want to identify specific sites for new allotments and food growing, both as part of new development sites and within open space in the urban area. Do you agree with this? - Upload (max size 3mb)**

Short Response

Explanation

Choice 1 G

**We want to identify space for additional cemetery provision, including the potential for green and woodland burials. Do you agree with this? - Yes / No**

Short Response

Explanation

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On behalf of:

Supporting Info

Email

Choice **1 H**

**We want to revise our existing policies and green space designations to ensure that new green spaces have long term maintenance and management arrangements in place. Do you agree with this? - Yes/No**

Short Response

Explanation Adequate detail has not been provided. Factoring may well be appropriate for many greenspaces. However, we would not consider it appropriate for new residents to pay for the long-term maintenance of the large public greenspaces through factor fees when they are already paying Council Tax.

Choice **2 A**

**We want all development (including change of use), through design and access statements, to demonstrate how their design will incorporate measures to tackle and adapt to climate change, their future adaptability and measures to address accessibility for people with varying needs, age and mobility issues as a key part of their layouts. - Yes / No**

Short Response

Explanation In principle we agree these are relevant considerations. However, many of these issues are covered by other policies and regulatory regimes such as building standards. It will be important that any policy avoids duplication and adding unnecessarily to the significant amount of documents already required to accompany applications, adding time and cost to both their preparation and processing. Any policy changes will have to be realistic and rooted an understanding of what is technically feasible. For detailed design details we consider building standards is the most appropriate regulatory regime. Previously introduced policies covering technical areas in a general manner such as on district heating have lacked clarity and an adequate level of understanding of the issues they are dealing with. Caution should be exercised before extending the scope of the planning system and the workload of those who administer it.

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On behalf of:

Choice **2 B**

**We want to revise our policies on density to ensure that we make best use of the limited space in our city and that sites are not under-developed. Do you agree with this? - Yes / No**

Short Response

**Explanation** Homes for Scotland supports the aspiration to ensure the efficient use of land. We would also agree that areas with good public transport accessibility provide opportunities for increased densities. However, applying minimum densities mechanistically regardless of local context and what prospective residents want is not an appropriate strategy. A vertical mix of uses may be appropriate in some locations. However, this policy needs to be applied realistically. In most cases a significant mix of uses in one building would not be viable or mutually desirable for occupiers. This policy is not a substitute for allocating enough land for the varied development needs of the city. Read in conjunction with the consultation paper our understanding is that what is being asked is our views on the following:1. A minimum gross density of at least 65dph for all housing development;2. A minimum gross density of 100dph in as yet unspecified locations which are identified for 'higher density development'3. A policy on a vertical mix of usesWe deal with these three matters below in turn. Minimum Density of 65dph It is not explicit in the Choices document, but we understand the 65dph density is based on gross area. Appendix 2 of our submission sets out some analysis of recent housing developments by EMA Architects. It shows that whether gross area or net developable area is used to calculate density can make a significant difference. Use of gross density would mark an unnecessary departure from current design policy in Edinburgh. Current Design Guidance (p. 38, dated October 2018) states that: "In order to ensure a consistent approach across the city, built density will be measured as follows: "The density of dwellings per hectare is calculated by dividing the number of dwellings on site by the Development Site + Roads Area. "Development Site + Roads Area (Ha) – is measured to middle of roads or other routes bounding the site."Continuing to use net developable area as the denominator in the calculation of density would be more appropriate. The EMA analysis also demonstrates that getting close to the 65dph threshold based on net developable area would significantly limit the house types which could be provided. To reach this density a 50/50 split of 4 storey flats and 2 storey housing would be required and 2/3 of the housing would need to be terraced. This would place unnecessary restrictions on the properties available, particularly to families. The negative impacts of this policy have not been adequately considered. If gross area was used this would potentially require a density of c. 90dph on the net developable area requiring almost exclusively flats or a mix of houses and flats of 6 storeys. This would limit the variety of homes available and would clearly have potentially greater visual impact than lower density development. We understand that this minimum density figure has been taken by using the average density of new developments which were built between 2008 and 2018. A more detailed review of the evidence behind the 65dph threshold raises further questions. The actual average figure is 63dph. When 2019 completions are included (i.e. 2008-19) this decreases to 59dph. When analysed further the average for brownfield sites is 70dph and 30dph for greenfield sites based on the gross area. There are significant differences between different types of development which means the use of an overall average is particularly unsuitable. For many brownfield sites little supporting infrastructure is required. Just 15% of the Brownfield sites completed between 2008 and 2019 are larger than 100 dwellings. On many of the smaller sites the gross area will be little more than the building footprint. For instance, the most dense development in the evidence relates to 11 new dwellings on a 196sq.m (0.0196ha) at Horne Terrace with a density of 561dph. However, it is notable that the Application Form refers to the site being

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Supporting Info Yes

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Response Type Organisation / Public Agency

On behalf of: Homes for Scotland

380sq.m which would equate to a substantially lower density. Nevertheless, the red line for this site does not even include the pavement immediately adjacent to the frontage. It would be impossible and undesirable to build with 100% coverage without footpaths for larger developments. In contrast greenfield (and larger brownfield) sites require new roads, footpaths, recreation space, SUDS infrastructure and landscape buffers. In addition, greenfield housing often provides greater scope for providing gardens. This will also be necessary on many larger brownfield sites. Indeed, the Housing Study appears to implicitly acknowledge this. Astley Ainslie Hospital, Redford Barracks and Seafield amongst others with a 'special density' are shown as having indicative densities of less than 30 dwellings per hectare (Housing Study, Figure 4 – Estimate Capacities). Further the Housing Study advises that the education infrastructure requirement is based on an 80/20 house/flat split (para. 5.12). The EMA study (Appendix 2) makes clear that even based on a 65dph density calculated using net developable area, this ratio is unlikely to be possible. We cover this point further in response to Question 4a. Justifying a minimum density loosely based on the aggregate average of recent completions is not appropriate. It is flawed conceptually as the logic behind claiming that the average density of developments which have hitherto been considered acceptable by planners should now be a minimum is not clear. Secondly the average is actually less than 65dph and is 59dph. There is also uncertainty over this figure as we have identified an apparent error on one of the sites though we have not had time to review these comprehensively. Furthermore, the supporting evidence to Choices is also inconsistent on this issue. It is implicitly accepted that on some larger brownfield sites, the density achieved may be less than half the mooted minimum. This blunt and mechanistic approach seems particularly unsuitable given the variety of townscape across Edinburgh and heritage designations. Seeking standardisation which will limit the amount of possible house types is not an appropriate response. In addition to the shortcomings in the justification of this minimum density we consider that in practice it could have significant negative implications:

1. Finding the right home. Households will not be able to find a home which meets their needs. Many families upon finding that flatted accommodation is no longer suitable for their needs will struggle to find larger homes in Edinburgh and are forced to move further afield. This would increase commuting into Edinburgh, exacerbating traffic problems. It would also be inconsistent with plans to reduce carbon emissions. Family housing is already scarce. Edinburgh's own analysis shows that flats and homes with fewer rooms than the average across Scotland predominate (Monitoring Report, Charts 16 and 17). Rettie's analysis (Appendix 3) explains that increased LBTT has led to reduced transactions in larger properties and as such reduced availability of such housing. New build family homes will therefore be important in meeting demand for larger properties and reducing the need for buyers to look further afield.
2. Delivery. The variety of homes which can be built and hence the proportion of potential home buyers which can be catered for will be reduced. This will impact upon the amount of new homes which can be built. This is counterproductive at a time when Edinburgh faces significant housing shortages and requires a step change in delivery. A wide variety of new homes will also help to drive more moves in the second-hand market increasing choice and competition following a sustained period of low transactions volumes.
3. Context. The fact that the average density delivered was 59dph hides a significant variety ranging from 6 to 561dph. Different approaches will be suited to different locations. Indeed, some of the evidence in the Housing Study points to this. The Leith Fort development is held up as an exemplar despite having a density of just 50dph and the density assumptions for some of the larger brownfield sites such as Redford Barracks and Seafield are 26 and 29dph respectively. Such developments would not be possible with a strictly imposed 65dph minimum. Homes for Scotland supports a strong focus on ensuring the efficient use of land. However, this should not come at the expense of providing a variety of homes for people to live in. Mechanistically applying a strict minimum density would also be contrary to the aims of SPP. It states that: "Planning can help to address the challenges facing the housing sector by providing a positive and flexible approach to development." (para. 109)

and "The planning system should: have a sharp focus on the delivery of allocated sites embedded in action programmes, informed by strong engagement with stakeholders." (para. 110) For the reasons outlined above we do not consider the blanket 65dph minimum density to be consistent with this SPP, nor is

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it supported by evidence. A Minimum Density of 100dph in Specific Locations Homes for Scotland does not object to prioritising certain locations for higher density development. However, this should be done in consultation with those promoting sites for development in identified areas. It will be important that the Council is clear in its priorities. If density is to take precedent over other considerations, this should be set out clearly in the policy. It should not be left to the applicant to navigate contradictory policies. Requiring a Vertical Mix of Uses There may be some locations, such as town centre sites with high footfall where a vertical mix of uses may be possible. However, these are likely to be the exception. Mixing uses presents challenges with servicing and multiple uses across different storeys can add to the requirement for lifts and staircases making developments less viable. Many of the industrial uses on sites identified for residential development are incompatible with housing on health and safety and amenity grounds. This may be an appropriate policy in some locations. However, the requirements of many commercial occupiers are much more locationally specific than for residential uses. For instance the Commercial Needs Study shows that nearly all speculative industrial development over recent years has been in peripheral areas to the west of the city. This policy is therefore going to have limited applicability to most situations and its presence in the plan is not a sound reason to avoid releasing additional land for housing development. Conclusion Overall, we consider that a policy which allows greater flexibility to respond to context and the market for different types of housing is required. We suggest the following wording : "All new housing sites will be expected to be designed to ensure efficient use of land and optimise housing densities. The appropriate density will depend on local context. The accessibility of the site to public transport and other relevant services, and the need to encourage and support the provision of local facilities necessary to high quality urban living will support increased densities subject to site specific considerations. This should be achieved by using a full range of house types and sizes. "Choice and opportunity should be the watchwords which guide policy on housing provision. Great care should be taken to avoid taking good ideas, such as supporting efficient use of land, to extremes which limit options and opportunities. The proposed wording would be a more balanced expression of the requirement to use space efficiently.

Choice **2 C**

**We want to revise our design and layout policies to achieve ensure their layouts deliver active travel and connectivity links. Do you agree with this? - Yes / No**

Short Response

Explanation We support the ambition but it is not clear why this cannot be done through a combination of existing policies and new place briefs /masterplans. Again, and as is a common theme throughout the options, it is not explained in detail what is being proposed. Any new provision must also be possible within land controlled by the applicant or potentially through contributions to the Council where justified. Delivery of associated infrastructure will therefore be phased. However, contributions need to be fairly and reasonably related to what is proposed and must be necessary for the development to proceed. It will be important that the Council avoids a situation where the delivery of early phases of large sites are stalled because all of the land necessary for a such connections is not in the applicant's control.



**Customer Ref:** 01570      **Response Ref:** ANON-KU2U-GWWB-X  
**Name** Tammy Swift-Adams  
**Response Type** Organisation / Public Agency  
**On behalf of:** Homes for Scotland

**Supporting Info** Yes

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**Choice**      2 D

**We want all development, including student housing, to deliver quality open space and public realm, useable for a range of activities, including drying space, without losing densities. Do you agree with this? - Yes / No**

**Short Response** Not Answered

**Explanation** As with the phrasing of other questions, taken at face value this sounds agreeable. However, much will depend on the detail of the policy. It will be important that policies are drawn up with a clear knowledge of how they will cumulatively impact upon developments. Presenting applicants with an irreconcilable set of policy asks will create uncertainty and add complexity and risk to the planning application process. It will backload the important process of prioritisation to the planning application stage.

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Name: Tammy Swift-Adams  
Response Type: Organisation / Public Agency  
On behalf of: Homes for Scotland

Supporting Info: Yes  
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Choice      3   A

**We want all buildings and conversions to meet the zero carbon / platinum standards as set out in the current Scottish Building Regulations. Instead we could require new development to meet the bronze, silver or gold standard. Which standard should new development in Edinburgh meet? - Which standard?**

Short Response: Current Building S

**Explanation** Homes for Scotland supports the ambition to reduce carbon dioxide emissions and recognises the role that delivering increasingly efficient homes can play in this regard. Our members have successfully responded to a changing regulatory environment over the years. New homes are now 75% more efficient than they were in 1990. It is anticipated that further reductions in carbon dioxide will be required when building standards are updated in 2021 with further planned changes again in 2024 preventing the installation of gas boilers. We are firm in the view that emissions standards for new buildings should continue to sit within the building standards regulatory regime. The planning system is already not functioning efficiently due to a variety of pressures and now is not the time for it to start adding to its list of responsibilities by duplicating work already done by other professionals. Building standards is specialist work which planners are not qualified to deal with. Meeting the standards also requires detailed specification of materials, this level of design detail will not be available at the planning stage in most instances and so current arrangements remain the most appropriate way of dealing with this. Current additional standards (such as Platinum, Gold and Silver) may become out of date with review of building standards. Particularly so as any proposed policy will only really begin to have an impact from c. 2024 onwards when permissions granted once the new LDP is adopted in 2022 are completed. By this time two new iterations of the building standards may have come into place. The Platinum standard would also create challenges as it has not been fully scoped out. The text under the sub headings in the current document is 'not currently defined' for all but Co2 emissions. Even what is required is unclear let alone the costs, impact on build time and whether there is the supply chain and expertise available to implement it. Significant progress has already been made in reducing emissions through building standards reviews and a period of significant further changes over the next five years is already planned. Adding different targets in the planning system simply complicates matters and will place in jeopardy the efficiencies of scale on new technology which could be achieved by pursuing a pan-Scotland approach.

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Choice **4 A**

**We want to work with local communities to prepare Place Briefs for areas and sites within City Plan 2030 highlighting the key elements of design, layout, and transport, education and healthcare infrastructure development should deliver. Do you agree with this? - Yes / No**

Short Response

**Explanation** Homes for Scotland considers that there can be a role for place briefs for large scale strategic sites. However, they should not be overused as statutory pre-application is already required for major developments and detailed design policies are already included in policy. We consider that it will be essential that developers and landowners are involved in the creation of design briefs. The important aims of addressing very significant housing shortages and a step change in housing delivery should not be set to one side in their preparation. Ensuring those who will be relied upon to deliver the development and bear the risks are involved will be crucial especially as programming and phasing will impact upon if and when new infrastructure is required. Similarly, we consider that issues such as education, transport and other infrastructure needs to be led by expert advice and evidence. We consider there is likely to be benefit in preparing place briefs for large strategic sites and involving the local community in shaping these. However, it will be important to ensure that they proceed with a good understanding of the evidence and what is deliverable. Requirements should look to work with the grain of existing land ownerships as much as is possible. This will help to avoid creating complications, ransom strips or holding up development with impossible requirements such as requiring infrastructure delivery outwith land controlled by the developer. Homes for Scotland objects to new development being required to fund new healthcare facilities. We understand that 62 of the 70 GP practices in Edinburgh are privately operated businesses. We fully support the functioning of a well-funded NHS, however, this is funded from general taxation and the purpose of s.75 contributions is clearly not to finance the capital costs of private businesses. We consider it is preferable for developer obligations to remain focused on their current scope. In relation to Education infrastructure we note there are significant inconsistencies in the evidence presented in the Housing Study. It states: "Each of the proposed Place Briefs within Choices for City Plan 2030 sets out the education infrastructure required based on 65 dwellings per hectare and an 80/20 house/flat split." Para. 5.12 According to the EMA Analysis (Appendix 2) even based on a density of 65 dwellings per net developable hectare a 50/50 split would be more realistic. 65 dwellings per hectare based on gross area would require a still higher ratio of flats to houses, perhaps 80/20. As is a common theme throughout this consultation document, it will clearly be necessary for the Council to reconcile these inconsistent policy asks with each other. It would be unreasonable to on the one hand set out a policy on density which would require a high proportion of flats while on the other seek higher education contributions based on a higher proportion of houses. For the reasons set out in response to Question 2B we do not consider that the density requirements are appropriate. An 80/20 ratio of houses to flats may therefore be more appropriate on greenfield sites. Regardless of the ratio used it will be essential that the other supporting evidence on education requirements is transparent, robust and consistent with policy and case law. It is notable that previous draft guidance on Education Contributions was found to have significant shortcomings in a letter dated 17 January 2020 by Scottish Ministers. We would expect these shortcomings in the evidence to be fully addressed to allow meaningful consultation.

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Choice **4 B**

**We want to support Local Place Plans being prepared by our communities. City Plan 2030 will set out how Local Place Plans can help us achieve great places and support community ambitions. - How should the Council work with local communities to prepare Local Place Plans?**

Short Response

Explanation

Choice **5 A**

**We want City Plan 2030 to direct development to where there is existing infrastructure capacity, including education, healthcare and sustainable transport, or where potential new infrastructure will be accommodated and deliverable within the plan period. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice **5 B**

**We want City Plan 2030 to set out where new community facilities are needed, and that these must be well connected to active travel routes and in locations with high accessibility to good sustainable public transport services. Do you agree with this? - Yes / NO**

Short Response

Explanation

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Choice 5 C

**We want to reflect the desire to co-locate our community services close to the communities they serve, supporting a high walk-in population and reducing the need to travel. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice 5 D1

**We want to set out in the plan where development will be expected to contribute toward new or expanded community infrastructure. Do you agree with this? - Yes / No**

Short Response

Explanation Homes for Scotland would welcome clarity at the plan stage on what infrastructure will be expected to be provided. The requirement for any infrastructure must be properly justified having regard to policy and should be able to be viably delivered. Further, as set out in response to Question 4A we do not agree with the scope of infrastructure where contributions may be sought towards.

Choice 5 D2

**We want to use cumulative contribution zones to determine infrastructure actions, costs and delivery mechanisms. Do you agree with this? - Yes / No**

Short Response

Explanation This question is vague and insufficient supporting evidence is provided. This doesn't amount to meaningful consultation as it is not clear what we are being asked to agree with, the detail will be essential. Any charging mechanisms will need to be legally compliant and consistent with policy. Furthermore, any policy proposals will need to be accompanied by a robust and transparent evidence base.

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Choice 5 E

**We want to stop using supplementary guidance and set out guidance for developer contributions within the plan, Action Programme and in non-statutory guidance. Do you agree with this? - Yes / No**

Short Response

**Explanation** The intention of removing supplementary guidance was to simplify the planning system. Homes for Scotland supports this noting that in some cases Local Planning Authorities have over 30 separate supplementary guidance documents which add unnecessary complication. As such any steps taken to accommodate this change should be done in the spirit of simplifying the system and the use of non-statutory guidance should be exceptional. It is not in the interests of a plan led system to defer the inclusion of important policies which will impact on viability to non statutory guidance with no formal process for adoption. Indeed the recent rejection of the draft developer obligations supplementary guidance in part due to its flawed evidence base demonstrates the importance of scrutiny. Important policy detail should be in the Local Development Plan and any non statutory guidance which adversely impacts upon the viability of new homes or delivery should be avoided. It will be necessary that the Proposed LDP is produced with an understanding of viability. The cumulative impact of policies in the plan on viability should be assessed and policies should clearly outline where further guidance will be required and the scope of this guidance. Some of the work which would previously have been done through supplementary guidance should be front loaded and included in the LDP so that it can be adequately consulted on.

Choice 6 A

**We want to create a new policy that assesses development against its ability to meet our targets for public transport usage and walking and cycling. These targets will vary according to the current or planned public transport services and high-quality active travel routes. Do you agree with this? - Yes / No**

Short Response

**Explanation** We agree with the aspiration to increase use of active and public transport. However, this is a vague question and it is not clear what we are being asked to agree to. Detail will be important. It is disappointing that no indication is given of what will be proposed at the proposed LDP stage. The lack of any details prevents meaningful consultation at this stage. We agree with the intention to increase use of active and public transport.

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Choice **6 B**

**We want to use Place Briefs to set the targets for trips by walking, cycling and public transport based on current and planned transit interventions. This will determine appropriate parking levels to support high use of public transport. Do you agree with this? - Yes / No**

Short Response

**Explanation** Again there is unfortunately scant detail on what is being proposed so it is not possible to ascertain whether this is something we would support. We set out some general commentary on the issue below. Homes for Scotland recognises the ambition to decrease dependence on cars. However, even if residents have alternative forms of transport available for getting to work this will not be feasible for everyone including people who have to make multiple trips each morning such as some working parents. Further, many households will wish to retain a car for other travel as good public transport links are limited in Scotland away from major centers of population. We consider there is an important balance to be struck in the policy. Low levels of parking can also be a source of community objections to planning applications. Care should also be exercised in viewing reduced levels of parking as a means to motivate greater use of public transport. There is a risk it will make the housing less marketable with implications for delivery of new housing or instead require residents to park elsewhere.

Choice **7 A**

**We want to determine parking levels in development based on targets for trips by walking, cycling and public transport. These targets could be set by area, development type, or both and will be supported by other measures to control on-street parking. Do you agree with this? - Yes / No**

Short Response

**Explanation** As with the above policies there are very few details on which to base our response. It will be more important that any targets for trips are realistic. The appropriateness of this policy will be dependent the details.

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Choice **7 B**

**We want to protect against the development of additional car parking in the city centre to support the delivery of the Council's city centre transformation programme. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice **7 C**

**We want to update our parking policies to control demand and to support parking for bikes, those with disabilities and electric vehicles via charging infrastructure. Do you agree with this? - Yes / No**

Short Response

Explanation



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Choice **7 D**

**We want to support the city's park and ride infrastructure by safeguarding sites for new park and ride and extensions, including any other sites that are identified in the City Mobility Plan or its action plan. Do you agree with this? - We want to support the city's park and ride infrastructure by safeguarding sites for new park and ride and extensions, including any other sites that are identified in the City Mobility Plan or its action plan.**

Short Response

Explanation

Choice **8 A**

**We want to update our policy on the Cycle and Footpath Network to provide criteria for identifying new routes. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice **8 B**

**As part of the City Centre Transformation and other Council and partner projects to improve strategic walking and cycling links around the city, we want to add the following routes (along with our existing safeguards) to our network as active travel proposals to ensure that they are delivered. Do you agree with this? - Yes / No**

Short Response

Explanation

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Choice 8 C

**We want City Plan 2030 to safeguard and add any other strategic active travel links within any of the proposed options for allocated sites. We also want the City Plan 2030 to include any new strategic active travel links which may be identified in the forthcoming City Plan 2030 Transport Appraisal, the City Mobility Plan, or which are identified through this consultation. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice 8 C

**We want City Plan 2030 to safeguard and add any other strategic active travel links within any of the proposed options for allocated sites. We also want the City Plan 2030 to include any new strategic active travel links which may be identified in the forthcoming City Plan 2030 Transport Appraisal, the City Mobility Plan, or which are identified through this consultation. Do you agree with this? - Upload new cycle routes**

Short Response

Explanation

Choice 9 A

**We want to consult on designating Edinburgh, or parts of Edinburgh, as a 'Short Term Let Control Area' where planning permission will always be required for the change of use of whole properties for short-term lets. Do you agree with this approach? - Yes / No**

Short Response

Explanation

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Choice **9 B**

**We want to create a new policy on the loss of homes to alternative uses. This new policy will be used when planning permission is required for a change of use of residential flats and houses to short-stay commercial visitor accommodation or other uses. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice **10 A**

**We want to revise our policy on purpose-built student housing. We want to ensure that student housing is delivered at the right scale and in the right locations, helps create sustainable communities and looks after student's wellbeing. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice **10 B**

**We want to create a new policy framework which sets out a requirement for housing on all sites over a certain size coming forward for development. Do you agree with this? - Yes / No**

Short Response

Explanation

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Name: Tammy Swift-Adams  
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On behalf of: Homes for Scotland

Supporting Info: Yes

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Choice      10   C

**We want to create a new policy promoting the better use of stand-alone out of centre retail units and commercial centres, where their redevelopment for mixed use including housing would be supported. Do you agree with this? - Yes / No**

Short Response: Yes

**Explanation**  
Homes for Scotland supports efforts to increase housing supply. However, whether this approach is likely to actually work in practice will be dependent on site specific considerations and the aspirations of the owners. It should not be relied upon to deliver new supply. Such sites are often owned by institutional investors looking for long term revenue streams with limited appetite (and in many cases are forbidden from) undertaking debt-financed redevelopment. Even once a decision to redevelop is made it takes a significant amount of time to run down existing leases.

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Choice **11 A**

**We want to amend our policy to increase the provision of affordable housing requirement from 25% to 35%. Do you agree with this approach? - Yes / No**

Short Response

**Explanation** Homes for Scotland recognises that affordability is a major challenge in Edinburgh. Addressing this will require more housing to be delivered across all tenures and more effective land to be made available. At this stage there is insufficient clarity on how this 35% threshold may be implemented and the details of how this may be considered. Homes for Scotland would welcome the opportunity to discuss the delivery of affordable housing and the options for how this could be achieved with the Council. However, it is unclear at this stage that raising the threshold to 35% is part of an effective comprehensive strategy. Without increasing housing delivery across all tenures affordability will remain stretched. This policy of introducing a 35% threshold combined with Housing Supply Option 1 (Brownfield Only) will likely reduce housing supply compared to even the current situation. According to our analysis (Appendix 1B) greenfield completions are expected to account for 41% of new supply between 2019-24. By the end of the period greenfield delivery on existing sites is expected to 275 dwellings per annum. Just 12% of the annual average of the lower of the identified housing supply targets (HST). The combination of not releasing new sites to refresh this supply and imposing a higher 35% threshold on brownfield land will reduce available supply through a combination of reduced land availability and creating viability challenges on brownfield sites. This currently preferred strategy will fail to deliver the new supply which is needed across all tenures. It is also not guaranteed to even boost the delivery of affordable homes. We consider that before serious consideration can be given to the threshold set, that overall delivery needs to be dealt with in greater detail and more realistically. The threshold will be relatively academic if overall delivery of new homes cannot be substantially increased. Caution is also needed in moving away from the clear national 25% threshold set out in SPP. This threshold is well understood an achievable in most areas. Regional variations could add uncertainty and create distortions in the market for new housing land. Before discussion over the threshold we would like to see more detailed and credible plans set out for addressing the overall tenure mismatch between supply and demand. The Rettie Analysis (Appendix 3) explains that the lack of home building in Scotland, especially in the main cities has caused significant affordability issues, especially for younger people, and has increased wealth inequalities. In addition to supporting a significant number of jobs, over 80,000 in Scotland, the higher levels of residential development have been shown to improve housing stock, health, educational attainment and social opportunities. For years Edinburgh has had a significantly constrained housing land supply. The Council has not planned to meet the housing need and demand identified in its own evidence base. When housing supply targets were belatedly produced to support SESplan 1 in November 2014, the 2009-24 target for Edinburgh was just 61% of the figure set out in the Housing Need and Demand Assessment (HNDA, Table 5.1.2). SESPlan 2 only set out to meet 39% of need and demand arising between 2012-30 in Edinburgh. It is unsurprising, though regrettable that this failure to plan to meet need and demand properly appears to be influencing some of the problems which are identified in the Main Issues Report. These include affordability and traffic problems as households have been required to move further afield to find a home which suits their requirements. The correlation between overly restricted land supply and prices is supported by academic research. Christian Hilber of the London School of Economics and Wouter Vermuelen of cpb Netherlands Bureau for Economic Policy Analysis found that if south-east England had been as open to new construction as the north-east of England, house prices in the south-east would have been 25% lower in 2008. They found that hypothetically with no constraint the rise would have been 100% less in real terms between 1974

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and 2008. While of course we do not advocate an absence of planning constraint, clearly planning more positively for all forms of new housing can play a significant role in dampening pressure on rents and prices in the medium to long term. Homes for Scotland members are playing a key role in the delivery of affordable housing in Edinburgh. We would like to work with the Council to maintain this and help to increase delivery. The first step to reducing affordability and increasing affordable housing delivery will be to increase delivery of all tenures. This will require the allocation of effective sites for housing. The combination of a brownfield only approach and a 35% threshold will have an adverse impact on housing delivery.

Choice **11 B**

**We want City Plan 2030 to require a mix of housing types and tenures – we want the plan to be prescriptive on the required mix, including the percentage requirement for family housing and support for the Private Rented Sector. Do you agree with this? - Yes / No**

Short Response

**Explanation** We support the provision of a wide variety of housing types and tenures. Affordable housing sizes will be informed by the Council’s information on need and waiting lists. We support the focus on ensuring family housing is available. However, we do not consider it is necessary to apply prescriptive targets for the mix of market housing. There needs to be sufficient flexibility to respond to variations in demand over time and across different locations. A degree of flexibility is consistent with SPP which states “Planning can help to address the challenges facing the housing sector by providing a positive and flexible approach to development.” (para. 109)

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On behalf of: Homes for Scotland

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Choice 12 A

Which option do you support? - Option 1/2/3

Short Response: Not Answered

**Explanation**

This question gives three answers but appears it should be a two staged question. Firstly how many homes should we plan for and what should be the level of generosity and secondly what should be the spatial strategy used to accommodate these. We address these below. How Many Homes? Homes for Scotland recognises that the policy context for the preparation of the LDP is unique. LDPs in areas covered by a Strategic Development Planning Authority (SDPA) are meant to be produced shortly after the Strategic Development Plan (SDP) has been adopted. However, the latest SDP was adopted in 2013 and does not include housing targets broken down by Local Authority beyond 2024. We firmly support the ambition of the Council to prepare a new plan despite this uncertainty. However, it poses a challenge in terms of what the appropriate evidence base is to work from. When setting a housing supply target (HST) outwith an SDP area the starting point is the output of the Housing Need and Demand Assessment (SPP, paras. 113 – 115). Homes for Scotland considers that the HNDA methodology for assessing housing need and demand has serious shortcomings as a method of establishing the appropriate amount of new homes to plan for. It fails to make adequate adjustments to account for suppressed household formation, particularly during the last recession. This trend is clearly something we should plan to avoid perpetuating rather than subsume within the evidence base as is currently the case. Nevertheless, we consider at this stage HNDA 2 is a reasonable starting point, providing it is viewed in context. The precise splits between tenures are sensitive to minor changes in variables. The variables can change significantly over time. We therefore consider that the all tenure output of the HNDA should be the primary piece of information which informs the HST. This approach was endorsed by the Reporter at the recent Falkirk LDP Examination (DPEA ref. LDP-240-2). “I do however acknowledge that needs and demands for different tenures are likely to vary over the course of the plan period. Therefore I reiterate that it is the overall, all tenure housing supply target against which the number of completions and availability of effective land should ultimately be tested, regardless of tenure.” (Issue 2, para. 66) Choices 2030 sets out two options for a housing target, as follows:

1. Preferred Option: 43,400 homes between 2019-32, comprised of 20,800 affordable homes and the market output for the HMDA 2 Wealth Distribution Scenario less completions between 2012 and 2019.
2. Alternative Option: 52,800 homes between 2019-32, comprised of 20,800 affordable homes and the market output for the HMDA 2 Wealth Distribution Scenario less completions between 2012 and 2019. Both options fall some way short of meeting housing need and demand in full. The preferred option would meet just 65% of identified need and demand in the HNDA 2 Wealth Distribution Scenario, once completions to 2019 are accounted for. The alternative option would meet 79% of identified need and demand in the HNDA 2 Wealth Distribution Scenario or 65% of the Strong Economic Growth Scenario. The Starting Point – Using the HNDA The Rettie Analysis at Appendix 3 points to the Wealth Distribution (middle) HNDA scenario as being the most appropriate. The starting point for the setting of the HST should therefore be 67,174 for the period 2019-32. Population growth and employment growth in Edinburgh have both been exceptional in a Scottish context and add further weight to the importance of dealing effectively with past undersupply.

1. The population of Edinburgh has grown by 13% between 2008-18 or 6,000 people per year and is continuing to grow at this rate. This is nearly 3 times the

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rate of change in Scotland's population over the same period;2. Employment growth in Edinburgh is running at nearly 2.5% per annum over 2010-19, well in excess of any other area of Scotland - Glasgow is next at around 1.7%. (Appendix 3, part 4.1); 3. Edinburgh topped the most recent (2019) Lambert Smith Hampton Vitality Index, which assessed 66 UK towns and cities. This reflected strong wage growth which was expected to continue as well as house price growth. This growth and economic strength combined with the relative lack of new housing in Edinburgh and lack of churn of second-hand stock has meant a sizeable movement of people into other parts of the Lothians. This is explained in the Rettie Analysis (Appendix 3), drawing on work done by the Fraser of Allander Institute. While Edinburgh can export its housing need and demand to an extent, it cannot move jobs to neighbouring authorities. This has contributed significantly to Edinburgh's congestion issues. According to the 2011 Census, one third of people working in the city commute in from other local authority areas. This amounts to nearly 95,000 inward trips per day. Failure to address need and demand within Edinburgh will therefore increase the level of in commuting. Added to the HST should be an appropriate margin of generosity to provide the Housing Land Requirement (HLR). Choices suggests a generosity margin of 10%. This could be an appropriate uplift if proven forms of new housing supply are relied upon. However, if more unconventional forms of supply such as sites currently occupied by existing businesses make up a reasonable portion of supply a higher generosity margin will be necessary.

Applying a 10% generosity would give a HLR of 73,891. This HLR should serve as the starting point when considering the housing land supply. Other Factors Influencing the Setting of the HST Choices 2030 and the Housing Study do not adequately justify why housing need and demand cannot be met in full. There is a reference to the other factors involved in setting the housing target, a reference to paragraph 115 of SPP. However, it is not explained in any detail why a downward adjustment from the HNDA output is justified having regard to the "wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks" shown in SPP. This is an important matter given the historic severe undersupply of housing and housing land in Edinburgh and merits further attention. It is not clear if the Council has considered in any detail how first the starting HLR identified above could be met before deciding a reduced HST was necessary. In this regard the HSTs in Choices could be seen to have been set using a somewhat back to front methodology. Recent appeal decision such as those at Falkirk and Stirling are instructive on this matter. The findings of the Falkirk Reporter are quoted below: "I agree with representees that this is not an appropriate approach for the council to have adopted; diagram 1 on page 30 of SPP makes clear that the setting of the housing supply target comes before the identification of land, as does a fair reading of SPP paragraph 120." (Issue 2, para. 35) "In my view it is illogical to take a supply-led approach to the setting of the housing land requirement. The housing land requirement is intended to be the driver for ensuring a sufficiently generous supply of land is available to meet the housing supply target. If the housing land requirement is derived from the identified supply, rather than the opposite way round, the housing land requirement cannot have directly informed decision-making over which sites ought to be allocated." (Issue, para. 71) Previously some authorities have argued that land has been made available but has not been built on. Whilst delays in programming do happen it is clear from the analysis above that Edinburgh has not been in a position recently where it has even attempted to allocate sufficient land to meet housing need and demand in full. This need and demand has consistently been redistributed in part to other authorities. Despite weaker wage and house price growth since the 2008 recession, compared to the period before, housing delivery has increased significantly particularly in East Lothian and Midlothian. This demonstrates the impact that making land available for development has had. The main reason why the HNDA 2 output is not being met in full is because the Council consider that the 20,800 affordable homes target is the maximum which can be delivered. This may be a reasonable conclusion, it is unclear from the evidence provided. However, the conclusion that in the absence of affordable housing provision there is no possible substitute to addressing the identified affordable need identified in HNDA 2 and that it should be ignored is flawed. Edinburgh is capable of delivering at above the average annual delivery rate of c.1,740 market homes assumed in the HST. This potential should be harnessed as addressing



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affordability generally will require increased supply of all tenures. This will deliver wider social benefits as explained in the Rettie Analysis (Appendix 3, Part 5.1.1). We do not therefore consider that constraints on the delivery of subsidised affordable housing is a reason for a downward adjustment to the HST and consequential reduction in the amount of land available. This is a narrow focus which risks negative consequences for affordability in the longer term. Increasing the land supply would create opportunities for more housing development, creating more churn in the housing market and making it easier for people to move between houses and tenures. In terms of deliverability we do consider that rapidly increasing the rate of delivery to what would be needed to satisfy the 67,174 homes HST would be challenging. This is not because we consider the rate of housebuilding this would require to be unachievable with the allocation of effective housing land. However, it will take time to get to this level of delivery from the current baseline. Lichfield's Start to Finish research examines this and shows that delivery on new allocations are subject to a reasonable lead in time (albeit in an English context) . Due to the challenge of increasing delivery at the rate required we do consider that may be some scope to reduce the HST from the HNDA derived figure of 67,174. However, the Council should very carefully consider the implications of any reduction in the HST against the HNDA derived figure. This reduction to the HST should only be pursued as part of a clear strategy to be able to comprehensively meet need and demand within Edinburgh's own boundary at the time of the next LDP. Whilst this plan may be positioned as a stepping-stone, it should allocate sufficient quantity and quality of land for a much higher rate of completions to be able to be sustained by second half of the plan period. These comments are, of course, heavily caveated on evidence being provided by the Proposed Plan stage that the proportion of Edinburgh's need and demand that Edinburgh will not be planning for will be picked up in full by neighbouring authorities. Conclusion Taking these factors into consideration we consider that the higher Housing Supply Target (HST) of 52,800 between 2019-32 as a minimum may be an appropriate target. This equates to approximately 79% of the middle HNDA output. The Edinburgh housing market has selfcontainment in moves of between 81% and 90% according to HNDA 2. 79% is close to the lower threshold and similar to the representations HFS made to SESPlan 2. However, using this reduced target would require the Council to enter discussions with other authorities to ensure this unmet need and demand is dealt with. Edinburgh should not commit to promoting a Proposed Plan that seeks to under-serve its need and demand unless, by the Proposed Plan consultation stage, there is a clear, firm and binding agreement in place that commits Edinburgh's neighbouring authorities to picking up that need and demand which Edinburgh does not propose to meet within the city boundaries. Housing Land Supply There are four components to the housing land supply; effective sites, constrained sites, brownfield urban capacity sites and new greenfield allocations. The assumptions for the delivery of the first two are the same for all three options set out in Choices 2030. For the latter two components they differ between each of the three options. These components of the land supply are reviewed below in turn. Effective Sites Homes for Scotland agrees that all effective sites in the 2019 Housing Land Audit (HLA) should be included in the land supply. However, the contributions they can make to the land supply between 2019 and 2032 needs to be considered robustly as the largest sites will not be complete by 2032 according to our analysis (Appendix 1A). Programming in the 2019 HLA was agreed with Homes for Scotland and covers the 7 year period from 2019/20 – 2025/26. The LDP period would cover a further 6 years 2026/27 – 2031/32. In Appendix 1A we have extrapolated these agreed rates of programming out for the remaining years until the site capacity is exhausted or until the end of the LDP period is reached. We consider that this approach to programming is consistent with national policy. SPP requires : "Planning authorities should actively manage the housing land supply. They should work with housing and infrastructure providers to prepare an annual '#[#[#housing land audit as a tool to critically review and monitor the availability of effective housing land, the progress of sites through the planning process, and housing completions, to ensure a generous supply of land for house building is maintained and there is always enough effective land for at least five years." (para. 123) Planning Advice Note 2/2010 similarly explains the vital role of Housing Land Audits in LDP preparation:"Annual housing land audits are the established means for monitoring housing land. This information [in the audit] is vital to the preparation of the development plan and the audit process enables adjustments to the supply to be made in response to issues identified."

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(para. 45). Taken together these two policy documents set a clear expectation that the monitoring of land supply and programming should be done collaboratively with stakeholders and that Housing Land Audits will be central in informing any adjustments to supply when preparing local development plans. The extrapolated approach we have used was recently endorsed in the Reporter's decision on the Aberdeen City and Shire SDP (DPEA ref. SDP-005-1).

"The approach used by Homes for Scotland where the programming of sites is extrapolated beyond the period stated in the housing land audit is well-evidenced with tables showing each site in each authority and market housing area. There will be instances where sites perform better and some which deliver less than the extrapolated method shows but it reasonably carries forward the last known (and agreed) programme of delivery on each site into the future. Therefore, I consider that it can be effectively used to predict the amount of the established supply that is considered to become effective during the periods 2027 to 2032 and 2033 to 2040." (para. 26, p. 193, Issue 14) Using this approach demonstrates that the contribution of effective sites in the period 2019 – 2032 would be 21,055 dwellings rather than the 22,696 identified in the Housing Land Study (Table 4 – Option A). Constrained Sites Constrained sites by their nature have impediments to overcome and no clear identified solution. In some cases these constraints may be overcome. However, equally sites which are currently considered effective may become constrained over time. We consider that only currently effective sites should be relied upon to contribute to the land supply and this approach was clearly endorsed by the Reporter in the Aberdeen City and Shire SDP quoted above. Urban Capacity Brownfield Sites Initial Comments Homes for Scotland fully supports the reuse of brownfield land and our members have a strong track record of brownfield delivery across Scotland, often on complex sites. However, the preferred approach (12 C – Option 1) of seeking to meet all of Edinburgh's housing need solely on brownfield land when just 11ha of vacant land has been identified through this study is unrealistic. The fact that after detailed investigation just 11ha of land, not all of it classified as suitable for development in the Housing Study could be found for residential development is clear evidence that further greenfield release is necessary. If the target density of 65dph could be achieved across these sites this would deliver 715 homes or just under two months' supply when compared to the HNSA output for 2019-32. The deliverability of these sites has not been considered in the Housing Study. Important basic information about the sites is apparently unknown including whether the owner is interested in selling / developing the site and who owns them. Despite this lack of information, it is assumed in Option 1 that each site identified in the Housing Study will deliver in full between 2019 and 2032, providing 16,900 new homes. Even the limited assessment criteria considered in the Housing Study suggest this assumption is unrealistic. Just 6ha of land (capacity for 428 dwellings) is identified as suitable. A further 140ha is identified as being partially suitable for development (7,767 dwellings) and 127ha (8,406 dwellings) as unsuitable. To make up the 16,900, it has been assumed all of these sites, whatever their classification will be delivered in full, apparently disregarding the suitability review. Development Economics The development economics behind the assumptions are also unclear. Of the 275ha of land just 11ha or 4% is vacant. The delivery of the land therefore assumes that the operation of existing businesses or public sector organisations will cease. For this to be the case residential development would need to create a land value in excess of the value of the premises in its current use and provide sufficient incentive for the landowner to sell. This has not been considered in the Housing Study and we do not consider this should be automatically assumed for the following reasons, amongst others: 1. The additional policy asks included for consideration in Choices 2030 will have a net negative impact on viability. The cumulative viability impact of these has not been assessed but given that the key considerations for landowners of identified sites will be the amount of money they can obtain by selling them compared to retaining them in current use it will be a crucial consideration which needs to be assessed. 2. Tight Industrial Market. Most sites identified are in some form of industrial use. The City Plan Industrial Property Market finds that vacancy rates are low in Edinburgh and rents are growing. This picture is similar in South East Scotland with Ryden's 85th Scottish Property Review which noted that vacancies are at record low levels (p. 20). Moving location will be difficult for many operators and so they may well place a particularly high value on sites for owner

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occupiers or outstanding lease periods for tenants. This will mean that asking prices, for those that may be willing to sell could also reflect valuations of the operating companies as a going concern. Many of these sites will have already been considered by private developers with the land owners approached. It is for the Council to explain how despite having not come forward to date they will be delivered for housing, despite the financial burdens of planning policy being increased, reducing the land value which could be offered by a prospective developer. Lead In TimeThe lead in times for many of the sites even if they are the single ownership and can be viably developed will be significant. Existing leases would need to be ran down, or bought out and this would add to viability challenges. Furthermore, many sites will have multiple freeholders complicating matters, particularly if opinion is divided on whether to sell for housing or maintain existing businesses. If sites do not come forward for development as the Council hopes then it has suggested Compulsory Purchase Order powers will be used. However, these are complex powers to use which take time with many hurdles to clear. They have rarely been used to facilitate housing development in Scotland and so proposing widespread use of such powers is unprecedented and risky. The use of CPO is complicated still further by the fact that City Plan contemplates using it to acquire land used by currently operationally businesses rather than say to deal with ransom strips or on vacant sites with multiple owners. This carries with it significant political risk and potential for negative headlines if businesses have to close. The time taken to go through the process also should also not be underestimated. It will presumably be necessary to give the owners chance to bring them forward for development themselves. This could be a period of five years, but many sites may well have current leases lasting longer than this or be unprepared to sell. It would then be necessary to make efforts to obtain the sites on the open market. A CPO may be able to be ran alongside this, but the process would still take many years. For instance, in the process of redeveloping the the St James Centre, approaches were first made to owners in 2008 and it will only be completed 12 years later (DPEA ref. CPO-EDB-005). Two years longer than the period from adoption of the LDP to its end. The costs and logistics of running multiple contentious CPOs simultaneously will also likely be prohibitive. It would also appear questionable whether pursuing development on such costly and complex sites would be the best use of the Council's housing budget when other options could be made available. Affordable Housing Delivery The Council's most optimistic assumptions about the delivery of existing sites would be that all effective and constrained sites delivery in full over the period and that all unconsented sites in this land supply deliver with 35% affordable housing. Even in this scenario 68% of the 16,900 dwellings in the urban capacity study would need to be affordable if Option 1 was pursued. With more realistic delivery assumptions for the existing supply we consider that the actual proportion would need to be nearer 80-85%. These are set out in Table 2 below. (see full submission)To deliver affordable housing under Option 1 the Council could therefore find itself dependent on a strategy which would involve buying potentially over 100 sites wither operational businesses at market value or by CPO. Significant money would need to be spent on purchase and professional fees before any work could begin. This would be a risky strategy with long lead in to delivery meaning achieving the target of 20,000 homes by 2027 would be harder than it would be with a more conventional approach. It is also questionable whether it would represent a cost effective strategy.We consider that the Council should focus more on the potential for delivery of affordable homes with homebuilder partners. The Rettie Analysis (Appendix 3) is clear on this matter noting that "it appears unquestionably the case that more market housing will be a requirement to deliver more affordable housing going forward" given the mutually beneficial relationship between the two tenures. Greenfield Sites

Given the strong job creation and population growth in the capital over the last 10 years the fact that it requires more land to be made available for development should not be a surprise. We consider that large scale greenfield release similar to the amount contemplated in Option 2 will be required. However, the Council should also consider options to increase housing supply quickly in the short term. In addition to the large strategic sites some smaller greenfield sites should be included in the housing land supply. These sites have a shorter lead in time as Lichfields analysis shows and would allow delivery to be increased at a more rapid rate by providing a greater variety of sites. Which OptionIn accordance with paragraphs 119 / 120 and Diagram 1 in SPP we

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consider that the amount of new allocations required is to be calculated by subtracting existing “sites which are effective or expected to become effective in the plan period” (para. 119/120) from the Housing Land Requirement. This is considered in Table 3 below. (see full submission)Homes for Scotland favours a mix of brownfield and greenfield allocations as set out in Option 3. However, significantly more greenfield land will need to be allocated than shown in Option 3. We do not consider that it is realistic for the urban capacity sites to be delivered in full over the LDP period. However, there is not enough information available about them such as ownership details and the intentions of the owners to estimate what scale of delivery which may be possible. The level of interest may become clearer if PANs and applications come forward on the sites over the coming months. Even if the delivery of 11,000 homes on the brownfield sites was possible as set out in Option 3, and we consider this remains very optimistic, greenfield release of approximately 28,000 homes as outlined in Option 2 would be necessary. As set out above we consider this will need to be augmented with some smaller greenfield sites deliverable in the short term.

Choice 12 B1

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Support - Calderwood

Short Response Not Answered

Explanation

Choice 12 B2

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Support - Kirkliston

Short Response Not Answered

Explanation

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Choice 12 B3

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Support - West Edinburgh

Short Response Not Answered

Explanation

Choice 12 B4

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Support - East of Riccarton

Short Response Not Answered

Explanation

Choice 12 B5

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Support - South East Edinburgh

Short Response Not Answered

Explanation

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Homes for Scotland

Choice

12 B6

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Object - Calderwood

Short Response

Not Answered

Explanation

Choice

12 B7

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Object - Kirkliston

Short Response

Not Answered

Explanation

Choice

12 B8

Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Object - West Edinburgh

Short Response

Not Answered

Explanation

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Choice **12 B9**

**Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Object - East of Riccarton**

Short Response

Explanation

Choice **12 B10**

**Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Support Greenfield - Object - South East Edinburgh**

Short Response

Explanation

Choice **12 BX**

**Do you support or object to any of the proposed greenfield areas? (Please tick all that apply) - Explain why**

Short Response

Explanation

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Email

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Choice 12 C

Do you have a greenfield site you wish us to consider in the proposed Plan? - Greenfield file upload

Short Response

Explanation

Choice 12 C

Do you have a greenfield site you wish us to consider in the proposed Plan? - Greenfield file upload

Short Response

Explanation

Choice 12 C

Do you have a greenfield site you wish us to consider in the proposed Plan? - Greenfield file upload

Short Response

Explanation



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Name

Email

Response Type

On behalf of:

Choice 12 D

**Do you have a brownfield site you wish us to consider in the proposed Plan? - Brownfield sites upload**

Short Response

Explanation

Choice 13 A

**We want to create a new policy that provides support for social enterprises, start-ups, culture and tourism, innovation and learning, and the low carbon sector, where there is a contribution to good growth for Edinburgh. Do you agree with this? - Yes / No**

Short Response

Explanation

Choice 14 A

**We want City Plan 2030 to support the best use of existing public transport infrastructure in West Edinburgh and accommodate the development of a mix of uses to support inclusive, sustainable growth. We will do this through 'an area of search' which allows a wide consideration of future uses within West Edinburgh without being tied to individual sites. Do you support this approach? - Yes / No**

Short Response

Explanation

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Name

Response Type

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Supporting Info

Email

Choice **14 B**

**We want to remove the safeguard in the existing plan for the Royal Highland Showground site to the south of the A8 at Norton Park and allocate the site for other uses. Do you agree with this approach? - Yes / No**

Short Response

Explanation

Choice **14 C**

**We want City Plan 2030 to allocate the Airport's contingency runway, the "crosswinds runway" for the development of alternative uses next to the Edinburgh Gateway interchange. Do you agree with this approach? - Yes / No**

Short Response

Explanation

Choice **15 A**

**We want to continue to use the national 'town centre first' approach. City Plan 2030 will protect and enhance the city centre as the regional core of south east Scotland providing shopping, commercial leisure, and entertainment and tourism activities. Do you agree with this? - Yes / No**

Short Response

Explanation

Customer Ref:  Response Ref:

Supporting Info

Name

Email

Response Type

On behalf of:

Choice 15 B

**New shopping and leisure development will only be allowed within our town and local centres (including any new local centres) justified by the Commercial Needs study. Outwith local centres, small scale proposals will be permitted only in areas where there is evidence of a lack of food shopping within walking distance. Do you agree? - Yes / No**

Short Response

Explanation

Choice 15 C

**We want to review our existing town and local centres including the potential for new identified centres and boundary changes where they support walking and cycling access to local services in outer areas, consistent with the outcomes of the City Mobility Plan. Do you agree? - Yes / No**

Short Response

Explanation

Choice 15 D

**We want to continue to prepare and update supplementary guidance for our town centres to adapt to changing retail patterns and trends, and ensure an appropriate balance of uses within our centres to maintain their vitality, viability and deliver good placemaking. Instead we could stop using supplementary guidance for town centres and set out guidance within the plan. Which approach do you support? - Yes / No**

Short Response

Explanation

Customer Ref:  Response Ref:

Name

Response Type

On behalf of:

Supporting Info

Email

Choice 15 E

**We want to support new hotel provision in local, town, commercial centres and other locations with good public transport access throughout Edinburgh. Do you agree with this approach? - Yes / No**

Short Response

Explanation

Choice 15 G

**We could also seek to reduce the quantity of retail floorspace within centres in favour of alternative uses such as increased leisure provision and permit commercial centres to accommodate any growing demand. Do you agree with this approach? - Yes / No**

Short Response

Explanation

Choice 16 A1

**We want to continue to support office use at strategic office locations at Edinburgh Park/South Gyle, the International Business Gateway, Leith, the city centre, and in town and local centres. Do you agree? - Yes / No**

Short Response

Explanation

Customer Ref:  Response Ref:

Supporting Info

Name

Email

Response Type

On behalf of:

Choice **16 A2**

**We want to support office development at commercial centres as these also provide accessible locations. - Yes / No**

Short Response

Explanation

Choice **16 A3**

**We want to strengthen the requirement within the city centre to provide significant office floorspace within major mixed-use developments. Do you agree? - Yes / No**

Short Response

Explanation

Choice **16 A4**

**We want to amend the boundary of the Leith strategic office location to remove areas with residential development consent. Do you agree? - Yes / No**

Short Response

Explanation

Customer Ref: 01570 Response Ref: ANON-KU2U-GWWB-X

Supporting Info Yes

Name Tammy Swift-Adams

Email t.swift-adams@homesforscotland.com

Response Type Organisation / Public Agency

On behalf of: Homes for Scotland

Choice 16 A5

We want to continue to support office development in other accessible locations elsewhere in the urban area. Do you agree? - Yes / No

Short Response Not Answered

Explanation No comment

Choice 16 A5

We want to continue to support office development in other accessible locations elsewhere in the urban area. Do you agree? - Do you have an office site you wish us to consider in the proposed Plan?

Short Response

Explanation

Choice 16 B

We want to identify sites and locations within Edinburgh with potential for office development. Do you agree with this? - Yes/No

Short Response Not Answered

Explanation No comment

Customer Ref: 01570 Response Ref: ANON-KU2U-GWWB-X

Name Tammy Swift-Adams

Response Type Organisation / Public Agency

On behalf of: Homes for Scotland

Supporting Info Yes

Email t.swift-adams@homesforscotland.com

Choice 16 C

**We want to introduce a loss of office policy to retain accessible office accommodation. This would not permit the redevelopment of office buildings other than for office use, unless existing office space is provided as part of denser development. This would apply across the city to recognise that office locations outwith the city centre and strategic office locations are important in meeting the needs of the mid-market. Or we could Introduce a 'loss of office' policy only in the city centre. - Yes / No**

Short Response Not Answered

**Explanation** This is excessive. Developing sites at increased density in central areas will be challenging given heritage constraints. It would be more reasonable to allow change of use if it could be demonstrated that the existing use was no longer marketable. More generally, whilst the logic of more intensive land use may be attractive, over recent years there have been multiple planning cause celebres where developers attempting this have ran into significant objections. There is a limit to what is realistic in terms of intensification of uses and more extensive land use will be necessary.

Choice 16 E1

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Support - Leith Strategic Business Centre**

Short Response Not Answered

**Explanation**

Customer Ref:  Response Ref:

Name

Response Type

On behalf of:

Supporting Info

Email

Choice 16 E2

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Support - Newbridge**

Short Response

Explanation

Choice 16 E3

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Support - Newcraighall Industrial Estate.**

Short Response

Explanation

Choice 16 E4

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Support - The Crosswinds Runway**

Short Response

Explanation



Customer Ref:  Response Ref:

Name

Response Type

On behalf of:

Supporting Info

Email

Choice 16 E5

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Do not support - Leith Strategic Business Centre**

Short Response

Explanation

Choice 16 E6

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Do not support - Newbridge**

Short Response

Explanation

Choice 16 E7

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Do not support - Newcraighall Industrial Estate.**

Short Response

Explanation

Customer Ref:  Response Ref:

Name

Response Type

On behalf of:

Supporting Info

Email

Choice 16 E8

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Yes / No - Do not support - The Crosswinds Runway**

Short Response

Explanation

Choice 16 EX

**We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree? - Explain why**

Short Response

Explanation

Choice 16 F

**We want to ensure new business space is provided as part of the redevelopment of urban sites and considered in Place Briefs for greenfield sites. We want to set out the amount expected to be re-provided, clearer criteria on what constitutes flexible business space, and how to deliver it, including the location on-site, and considering adjacent uses, servicing and visibility. Do you agree? - Yes / No**

Short Response

Explanation

Customer Ref: 01570 Response Ref: ANON-KU2U-GWWB-X

Supporting Info Yes

Name Tammy Swift-Adams

Email t.swift-adams@homesforscotland.com

Response Type Organisation / Public Agency

On behalf of: Homes for Scotland

Choice 16 G

We want to continue to protect industrial estates that are designated under our current policy on Employment Sites and Premises (Emp 8). Do you agree? - Yes / No

Short Response Not Answered

Explanation No comment

Choice 16 H

We want to introduce a policy that provides criteria for locations that we would support city-wide and neighbourhood goods distribution hubs. Do you agree? - Yes / No

Short Response Not Answered

Explanation No comment

## CHOICES FOR CITY PLAN 2020

### Homes for Scotland Response to City of Edinburgh Council Consultation

30 April 2020

#### About Homes for Scotland

Homes for Scotland is the voice of the home building industry in Scotland, representing some 200 companies and organisations which together deliver the majority of all new homes built across the country. Our response to Choices for City Plan 2030 has been approved by our South East Scotland Home Builders' Committee.

#### Responses to Survey Questions

##### Choice 1 - Making Edinburgh a sustainable, active and connected city

**1A. We want to connect our places, parks and green spaces together as part of a city-wide, regional, and national green network. We want new development to connect to, and deliver this network. Do you agree with this?**

No. This question is too vague and lacking in detail. We agree that there will be an important role for new development to play in connecting to and assisting the delivery of this new network. However, the network will be used by a wide variety of users and it would not be reasonable to expect new development to deliver this network in its entirety. The land necessary for such a network will be in many different ownerships.

We support increased connectivity. However, new development can and should only contribute to what is fairly and reasonably related to the development which is proposed as established in Circular 3/2012 and the Elsie Supreme Court judgement ([2017] UKSC 66). It will be necessary to support a phased approach to provision so requirements do not prevent the delivery of larger sites where early phases in single ownership can be delivered. It will also be essential that those preparing place briefs involve developers, fully understand land ownership and take a pragmatic, delivery focused approach. What is proposed is vague and so it is not possible to provide a detailed answer at this stage.

**1B. We want to change our policy to require all development (including change of use) to include green and blue infrastructure. Do you agree with this?**

No. While in principle we support the providing of green and blue infrastructure, not enough information is provided here to understand what is proposed. More specific details will be essential to understanding the policy which is envisaged. There are also possible tensions with this priority and others such as building at greater density and encouraging brownfield development. We consider that the following matters will be important to consider when drafting any policy on this:

1. Many of our members have experienced issues where Local Authority requests and Scottish Water's vesting requirements do not align, particularly with regard to the level of surface water storage. Given the requirement at question 1H for green spaces to have management arrangements in place, it will be essential that any policy asks are aligned with Scottish Water's vesting requirements.
2. Green and blue infrastructure can be difficult to deliver on smaller and brownfield sites.
3. Green and blue infrastructure can take up lot of space, this is one challenge in delivering the density aspirations if these are to be calculated using gross area.

**1C. We want to identify areas that can be used for future water management to enable adaptation to climate change. Do you agree with this?**

A consistent approach with SEPA and Scottish Water will be necessary.

**1D. We want to clearly set out under what circumstances the development of poor quality or underused open space will be considered acceptable. Do you agree with this?**

Yes. However, the detail will be crucial and Homes for Scotland would wish to discuss what the criteria may be in further detail.

**1E. We want to introduce a new 'extra-large green space standard' which recognises that as we grow communities will need access to green spaces more than 5 hectares. Do you agree with this?**

No. We don't object to larger areas in principle but there is inadequate detail on how this might be used. It is also unclear how this would be made compatible with the desire to have increased densities and measure these by gross area. We would like to understand how the Council intends to balance these two priorities. It will also be necessary to consider the relative benefits of this approach and the longer walks it may require for some residents compared with providing a series of smaller spaces which may be more quickly accessed. Quality of open space provided will also be a consideration.

Homes for Scotland members would be keen to work with the Council on how appropriate open space could be provided as part of new communities. However, at this stage the idea is too nebulous and evidence of how other options and potential policy conflicts have been considered is unclear.

**1F. We want to identify specific sites for new allotments and food growing, both as part of new development sites and within open space in the urban area. Do you agree with this?**

No Comment

**1G. We want to identify space for additional cemetery provision, including the potential for green and woodland burials. Do you agree with this?**

No Comment

**1H. We want to revise our existing policies and green space designations to ensure that new green spaces have long term maintenance and management arrangements in place. Do you agree with this?**

No. Adequate detail has not been provided. Factoring may well be appropriate for many greenspaces. However, we would not consider it appropriate for new residents to pay for the long-term maintenance of the large public greenspaces through factor fees when they are already paying Council Tax.

## **Choice 2 - Improving the quality and density of development**

**2A. We want all development (including change of use), through design and access statements, to demonstrate how their design will incorporate measures to tackle and adapt to climate change, their future adaptability and measures to address accessibility for people with varying needs, age and mobility issues as a key part of their layouts.**

Yes. In principle we agree these are relevant considerations. However, many of these issues are covered by other policies and regulatory regimes such as building standards. It will be important that any policy avoids duplication and adding unnecessarily to the significant amount of documents already required to accompany applications, adding time and cost to both their preparation and processing.

Any policy changes will have to be realistic and rooted in an understanding of what is technically feasible. For detailed design details we consider building standards is the most appropriate regulatory regime. Previously introduced policies covering technical areas in a general manner such as on district heating have lacked clarity and an adequate level of understanding of the issues they are dealing with. Caution should be exercised before extending the scope of the planning system and the workload of those who administer it.

**2B. We want to revise our policies on density to ensure that we make best use of the limited space in our city and that sites are not under-developed. Do you agree with this?**

No. Homes for Scotland supports the aspiration to ensure the efficient use of land. We would also agree that areas with good public transport accessibility provide opportunities for increased densities. However, applying minimum densities mechanically regardless of local context and what prospective residents want is not an appropriate strategy.

A vertical mix of uses may be appropriate in some locations. However, this policy needs to be applied realistically. In most cases a significant mix of uses in one building would not be viable or mutually desirable for occupiers. This policy is not a substitute for allocating enough land for the varied development needs of the city.

Read in conjunction with the consultation paper our understanding is that what is being asked is our views on the following:

1. A minimum gross density of at least 65dph for all housing development;
2. A minimum gross density of 100dph in as yet unspecified locations which are identified for 'higher density development'
3. A policy on a vertical mix of uses

We deal with these three matters below in turn.

### Minimum Density of 65dph

It is not explicit in the Choices document, but we understand the 65dph density is based on gross area. Appendix 2 of our submission sets out some analysis of recent housing developments by EMA Architects. It shows that whether gross area or net developable area is used to calculate density can make a significant difference. Use of gross density would mark an unnecessary departure from current design policy in Edinburgh. Current Design Guidance (p. 38, dated October 2018) states that:

“In order to ensure a consistent approach across the city, built density will be measured as follows:

The density of dwellings per hectare is calculated by dividing the number of dwellings on site by the Development Site + Roads Area.

Development Site + Roads Area (Ha) – is measured to middle of roads or other routes bounding the site.”

Continuing to use net developable area as the denominator in the calculation of density would be more appropriate. The EMA analysis also demonstrates that getting close to the 65dph threshold based on net developable area would significantly limit the house types which could be provided. To reach this density a 50/50 split of 4 storey flats and 2 storey housing would be required and 2/3 of the housing would need to be terraced. This would place unnecessary restrictions on the properties available, particularly to families. The negative impacts of this policy have not been adequately considered.

If gross area was used this would potentially require a density of c. 90dph on the net developable area requiring almost exclusively flats or a mix of houses and flats of 6 storeys. This would limit the variety of homes available and would clearly have potentially greater visual impact than lower density development.

We understand that this minimum density figure has been taken by using the average density of new developments which were built between 2008 and 2018. A more detailed review of the evidence behind the 65dph threshold raises further questions. The actual average figure is 63dph. When 2019 completions are included (i.e. 2008-19) this decreases to 59dph. When analysed further the average for brownfield sites is 70dph and 30dph for greenfield sites based on the gross area. There are significant differences between different types of development which means the use of an overall average is particularly unsuitable.

For many brownfield sites little supporting infrastructure is required. Just 15% of the Brownfield sites completed between 2008 and 2019 are larger than 100 dwellings. On many of the smaller sites the gross area will be little more than the building footprint. For instance, the most dense development in the evidence relates to 11 new dwellings on a 196sq.m (0.0196ha) at Horne Terrace with a density of 561dph. However, it is notable that the Application Form refers to the site being 380sq.m which would equate to a substantially lower density. Nevertheless, the red line for this site does not even include the pavement immediately adjacent to the frontage. It would be impossible and undesirable to build with 100% coverage without footpaths for larger developments.

In contrast greenfield (and larger brownfield) sites require new roads, footpaths, recreation space, SUDS infrastructure and landscape buffers. In addition, greenfield housing often provides greater scope for providing gardens. This will also be necessary on many larger brownfield sites. Indeed, the Housing Study appears to implicitly acknowledge this. Astley

Ainslie Hospital, Redford Barracks and Seafield amongst others with a 'special density' are shown as having indicative densities of less than 30 dwellings per hectare (Housing Study, Figure 4 – Estimate Capacities). Further the Housing Study advises that the education infrastructure requirement is based on an 80/20 house/flat split (para. 5.12). The EMA study (Appendix 2) makes clear that even based on a 65dph density calculated using net developable area, this ratio is unlikely to be possible. We cover this point further in response to Question 4a.

Justifying a minimum density loosely based on the aggregate average of recent completions is not appropriate. It is flawed conceptually as the logic behind claiming that the average density of developments which have hitherto been considered acceptable by planners should now be a minimum is not clear. Secondly the average is actually less than 65dph and is 59dph. There is also uncertainty over this figure as we have identified an apparent error on one of the sites though have not had time to review these comprehensively. Furthermore, the supporting evidence to Choices is also inconsistent on this issue. It is implicitly accepted that on some larger brownfields sites, the density achieved may be less than half the mooted minimum. This blunt and mechanistic approach seems particularly unsuitable given the variety of townscape across Edinburgh and heritage designations. Seeking standardisation which will limit the amount of possible house types is not an appropriate response.

In addition to the shortcomings in the justification of this minimum density we consider that in practice it could have significant negative implications:

1. **Finding the right home.** Households will not be able to find a home which meets their needs. Many families upon finding that flatted accommodation is no longer suitable for their needs will struggle to find larger homes in Edinburgh and are forced to move further afield. This would increase commuting into Edinburgh, exacerbating traffic problems. It would also be inconsistent with plans to reduce carbon emissions. Family housing is already scarce. Edinburgh's own analysis shows that flats and homes with fewer rooms than the average across Scotland predominate (Monitoring Report, Charts 16 and 17). Rettie's analysis (Appendix 3) explains that increased LBTT has led to reduced transactions in larger properties and as such reduced availability of such housing. New build family homes will therefore be important in meeting demand for larger properties and reducing the need for buyers to look further afield.
2. **Delivery.** The variety of homes which can be built and hence the proportion of potential home buyers which can be catered for will be reduced. This will impact upon the amount of new homes which can be built. This is counterproductive at a time when Edinburgh faces significant housing shortages and requires a step change in delivery. A wide variety of new homes will also help to drive more moves in the second-hand market increasing choice and competition following a sustained period of low transactions volumes.
3. **Context.** The fact that the average density delivered was 59dph hides a significant variety ranging from 6 to 561dph. Different approaches will be suited to different locations. Indeed, some of the evidence in the Housing Study points to this. The Leith Fort development is held up as an exemplar despite having a density of just 50dph and the density assumptions for some of the larger brownfield sites such as Redford



Barracks and Seafield are 26 and 29dph respectively. Such developments would not be possible with a strictly imposed 65dph minimum.

Homes for Scotland supports a strong focus on ensuring the efficient use of land. However, this should not come at the expense of providing a variety of homes for people to live in. Mechanistically applying a strict minimum density would also be contrary to the aims of SPP. It states that

“Planning can help to address the challenges facing the housing sector by providing a positive and flexible approach to development.” (para. 109)

and

“The planning system should: have a sharp focus on the delivery of allocated sites embedded in action programmes, informed by strong engagement with stakeholders.” (para. 110)

For the reasons outlined above we do not consider the blanket 65dph minimum density to be consistent with this SPP, nor is it supported by evidence.

#### *A Minimum Density of 100dph in Specific Locations*

Homes for Scotland does not object to prioritising certain locations for higher density development. However, this should be done in consultation with those promoting sites for development in identified areas. It will be important that the Council is clear in its priorities. If density is to take precedent over other considerations, this should be set out clearly in the policy. It should not be left to the applicant to navigate contradictory policies.

#### *Requiring a Vertical Mix of Uses*

There may be some locations, such as town centre sites with high footfall where a vertical mix of uses may be possible. However, these are likely to be the exception. Mixing uses presents challenges with servicing and multiple uses across different storeys can add to the requirement for lifts and staircases making developments less viable. Many of the industrial uses on sites identified for residential development are incompatible with housing on health and safety and amenity grounds.

This may be an appropriate policy in some locations. However, the requirements of many commercial occupiers are much more locationally specific than for residential uses. For instance the Commercial Needs Study shows that nearly all speculative industrial development over recent years has been in peripheral areas to the west of the city. This policy is therefore going to have limited applicability to most situations and its presence in the plan is not a sound reason to avoid releasing additional land for housing development.

#### *Conclusion*

Overall, we consider that a policy which allows greater flexibility to respond to context and the market for different types of housing is required. We suggest the following wording

*All new housing sites will be expected to be designed to ensure efficient use of land and optimise housing densities. The appropriate density will depend on local context. The accessibility of the site to public transport and other relevant services, and the need to encourage and support the provision of local facilities necessary to high quality urban living will support increased densities subject to site specific considerations. This should be achieved by using a full range of house types and sizes.*

Choice and opportunity should be the watchwords which guide policy on housing provision. Great care should be taken to avoid taking good ideas, such as supporting efficient use of land, to extremes which limit options and opportunities. The proposed wording would be a more balanced expression of the requirement to use space efficiently.

**2C. We want to revise our design and layout policies to achieve ensure their layouts deliver active travel and connectivity links. Do you agree with this?**

No. We support the ambition but it is not clear why this cannot be done through a combination of existing policies and new place briefs /masterplans. Again, and as is a common theme throughout the options, it is not explained in detail what is being proposed.

Any new provision must also be possible within land controlled by the applicant or potentially through contributions to the Council where justified. Delivery of associated infrastructure will therefore be phased. However, contributions need to be fairly and reasonably related to what is proposed and must be necessary for the development to proceed. It will be important that the Council avoids a situation where the delivery of early phases of large sites are stalled because all of the land necessary for a such connections is not in the applicant's control.

**2D. We want all development, including student housing, to deliver quality open space and public realm, useable for a range of activities, including drying space, without losing densities. Do you agree with this?**

As with the phrasing of other questions, taken at face value this sounds agreeable. However, much will depend on the detail of the policy. It will be important that policies are drawn up with a clear knowledge of how they will cumulatively impact upon developments. Presenting applicants with an irreconcilable set of policy asks will create uncertainty and add complexity and risk to the planning application process. It will backload the important process of prioritisation to the planning application stage.

**Choice 3 - Delivering carbon neutral buildings**

**3A. We want all buildings and conversions to meet the zero carbon / platinum standards as set out in the current Scottish Building Regulations. Instead we could require new development to meet the bronze, silver or gold standard. Which standard should new development in Edinburgh meet?**

Existing Building Regulations. Homes for Scotland supports the ambition to reduce carbon dioxide emissions and recognises the role that delivering increasingly efficient homes can play in this regard. Our members have successfully responded to a changing regulatory environment over the years. New homes are now 75% more efficient than they were in 1990. It is anticipated that further reductions in carbon dioxide will be required when building standards are updated in 2021 with further planned changes again in 2024 preventing the installation of gas boilers.

We are firm in the view that emissions standards for new buildings should continue to sit within the building standards regulatory regime. The planning system is already not functioning efficiently due to a variety of pressures and now is not the time for it to start adding to its list of responsibilities by duplicating work already done by other professionals. Building standards is specialist work which planners are not qualified to deal with. Meeting the standards also requires detailed specification of materials, this level of design detail will

not be available at the planning stage in most instances and so current arrangements remain the most appropriate way of dealing with this.

Current additional standards (such as Platinum, Gold and Silver) may become out of date with review of building standards. Particularly so as any proposed policy will only really begin to have an impact from c. 2024 onwards when permissions granted once the new LDP is adopted in 2022 are completed. By this time two new iterations of the building standards may have come into place.

The Platinum standard would also create challenges as it has not been fully scoped out. The text under the sub headings in the current document is 'not currently defined' for all but Co2 emissions. Even what is required is unclear let alone the costs, impact on build time and whether there is the supply chain and expertise available to implement it.

Significant progress has already been made in reducing emissions through building standards reviews and a period of significant further changes over the next five years is already planned. Adding different targets in the planning system simply complicates matters and will place in jeopardy the efficiencies of scale on new technology which could be achieved by pursuing a pan-Scotland approach.

#### **Choice 4 - Creating Place Briefs and supporting the use of Local Place Plans in our communities**

##### **4A. We want to work with local communities to prepare Place Briefs for areas and sites within City Plan 2030 highlighting the key elements of design, layout, and transport, education and healthcare infrastructure development should deliver. Do you agree with this?**

Yes. Homes for Scotland considers that there can be a role for place briefs for large scale strategic sites. However, they should not be overused as statutory pre-application is already required for major developments and detailed design policies are already included in policy.

We consider that it will be essential that developers and landowners are involved in the creation of design briefs. The important aims of addressing very significant housing shortages and a step change in housing delivery should not be set to one side in their preparation. Ensuring those who will be relied upon to deliver the development and bear the risks are involved will be crucial especially as programming and phasing will impact upon if and when new infrastructure is required. Similarly, we consider that issues such as education, transport and other infrastructure needs to be led by expert advice and evidence.

We consider there is likely to be benefit in preparing place briefs for large strategic sites and involving the local community in shaping these. However, it will be important to ensure that they proceed with a good understanding of the evidence and what is deliverable.

Requirements should look to work with the grain of existing land ownerships as much as is possible. This will help to avoid creating complications, ransom strips or holding up development with impossible requirements such as requiring infrastructure delivery outwith land controlled by the developer.

Homes for Scotland objects to new development being required to fund new healthcare facilities. We understand that 62 of the 70 GP practices in Edinburgh are privately operated businesses. We fully support the functioning of a well-funded NHS, however, this is funded from general taxation and the purpose of s.75 contributions is clearly not to finance the

capital costs of private businesses. We consider it is preferable for developer obligations to remain focused on their current scope.

In relation to Education infrastructure we note there are significant inconsistencies in the evidence presented in the Housing Study. It states

“Each of the proposed Place Briefs within Choices for City Plan 2030 sets out the education infrastructure required based on 65 dwellings per hectare and an 80/20 house/flat split.” Para. 5.12

According to the EMA Analysis (Appendix 2) even based on a density of 65 dwellings per net developable hectare a 50/50 split would be more realistic. 65 dwellings per hectare based on gross area would require a still higher ratio of flats to houses, perhaps 80/20. As is a common theme throughout this consultation document, it will clearly be necessary for the Council to reconcile these inconsistent policy asks with each other. It would be unreasonable to on the one hand set out a policy on density which would require a high proportion of flats while on the other seek higher education contributions based on a higher proportion of houses.

For the reasons set out in response to Question 2B we do not consider that the density requirements are appropriate. An 80/20 ratio of houses to flats may therefore be more appropriate on greenfield sites. Regardless of the ratio used it will be essential that the other supporting evidence on education requirements is transparent, robust and consistent with policy and case law. It is notable that previous draft guidance on Educations Contributions was found to have significant shortcomings in a letter dated 17 January 2020 by Scottish Ministers. We would expect these shortcomings in the evidence to be fully addressed to allow meaningful consultation.

**4B. We want to support Local Place Plans being prepared by our communities. City Plan 2030 will set out how Local Place Plans can help us achieve great places and support community ambitions. How should the Council work with local communities to prepare Local Place Plans?** No comment

#### Choice 5 - Delivering community infrastructure

**5A. We want City Plan 2030 to direct development to where there is existing infrastructure capacity, including education, healthcare and sustainable transport, or where potential new infrastructure will be accommodated and deliverable within the plan period. Do you agree with this?**

No Comment

**5B. We want City Plan 2030 to set out where new community facilities are needed, and that these must be well connected to active travel routes and in locations with high accessibility to good sustainable public transport services. Do you agree with this?**

No Comment

**5C. We want to reflect the desire to co-locate our community services close to the communities they serve, supporting a high walk-in population and reducing the need to travel. Do you agree with this?**

No Comment

**5D.1. We want to set out in the plan where development will be expected to contribute toward new or expanded community infrastructure. Do you agree with this?**

Yes. Homes for Scotland would welcome clarity at the plan stage on what infrastructure will be expected to be provided. The requirement for any infrastructure must be properly justified having regard to policy and should be able to be viably delivered. Further, as set out in response to Question 4A we do not agree with the scope of infrastructure where contributions may be sought towards.

**5D.2. We want to use cumulative contribution zones to determine infrastructure actions, costs and delivery mechanisms. Do you agree with this?**

No. This question is vague and insufficient supporting evidence is provided. This doesn't amount to meaningful consultation as it is not clear what we are being asked to agree with, the detail will be essential. Any charging mechanisms will need to be legally compliant and consistent with policy. Furthermore, any policy proposals will need to be accompanied by a robust and transparent evidence base.

**5E. We want to stop using supplementary guidance and set out guidance for developer contributions within the plan, Action Programme and in non-statutory guidance. Do you agree with this?**

No. The intention of removing supplementary guidance was to simplify the planning system. Homes for Scotland supports this noting that in some cases Local Planning Authorities have over 30 separate supplementary guidance documents which add unnecessary complication. As such any steps taken to accommodate this change should be done in the spirit of simplifying the system and the use of non-statutory guidance should be exceptional.

It is not in the interests of a plan led system to defer the inclusion of important policies which will impact on viability to non statutory guidance with no formal process for adoption. Indeed the recent rejection of the draft developer obligations supplementary guidance in part due to its flawed evidence base demonstrates the importance of scrutiny.

Important policy detail should be in the Local Development Plan and any non statutory guidance which adversely impacts upon the viability of new homes or delivery should be avoided. It will be necessary that the Proposed LDP is produced with an understanding of viability. The cumulative impact of policies in the plan on viability should be assessed and policies should clearly outline where further guidance will be required and the scope of this guidance. Some of the work which would previously have been done through supplementary guidance should be front loaded and included in the LDP so that it can be adequately consulted on.

**Choice 6 - Creating places for people, not cars**

**6A. We want to create a new policy that assesses development against its ability to meet our targets for public transport usage and walking and cycling. These targets will vary according to the current or planned public transport services and high-quality active travel routes. Do you agree with this?**

No. We agree with the aspiration to increase use of active and public transport. However, this is a vague question and it is not clear what we are being asked to agree to. Detail will be

important. It is disappointing that no indication is given of what will be proposed at the proposed LDP stage. The lack of any details prevents meaningful consultation at this stage.

We agree with the intention to increase use of active and public transport.

**6B. We want to use Place Briefs to set the targets for trips by walking, cycling and public transport based on current and planned transit interventions. This will determine appropriate parking levels to support high use of public transport. Do you agree with this?**

No. Again there is unfortunately scant detail on what is being proposed so it is not possible to ascertain whether this is something we would support. We set out some general commentary on the issue below.

Homes for Scotland recognises the ambition to decrease dependence on cars. However, even if residents have alternative forms of transport available for getting to work this will not be feasible for everyone including people who have to make multiple trips each morning such as some working parents. Further, many households will wish to retain a car for other travel as good public transport links are limited in Scotland away from major centers of population. We consider there is an important balance to be struck in the policy.

Low levels of parking can also be a source of community objections to planning applications. Care should also be exercised in viewing reduced levels of parking as a means to motivate greater use of public transport. There is a risk it will make the housing less marketable with implications for delivery of new housing or instead require residents to park elsewhere.

#### **Choice 7 - Supporting the reduction in car use in Edinburgh**

**7A. We want to determine parking levels in development based on targets for trips by walking, cycling and public transport. These targets could be set by area, development type, or both and will be supported by other measures to control on-street parking. Do you agree with this?**

No. As with the above policies there are very few details on which to base our response. It will be more important that any targets for trips are realistic. The appropriateness of this policy will be dependent the details.

**7B. We want to protect against the development of additional car parking in the city centre to support the delivery of the Council's city centre transformation programme. Do you agree with this?**

No Comment

**7C. We want to update our parking policies to control demand and to support parking for bikes, those with disabilities and electric vehicles via charging infrastructure. Do you agree with this?**

Yes. Broadly we agree, however, it will depend on the detail. It would have been preferable to see more detail about what this might entail.

We have concerns about the idea of controlling demand through parking spaces as we set out in response to Question 6B. Electric vehicle charging infrastructure also requires sufficient capacity in the electricity grid so it will require a comprehensive solution, recognising there may be limits to what can be provided on new developments and that

electric vehicles may be only part of the solution to low carbon travel as other technologies such as hydrogen are developed. Any policy therefore needs to be flexible in its ability to embrace new innovations as they emerge.

**7D. We want to support the city's park and ride infrastructure by safeguarding sites for new park and ride and extensions, including any other sites that are identified in the City Mobility Plan or its action plan. Do you agree with this?**

No comment – site specific

#### **Choice 8 - Delivering new walking and cycle routes**

**8A. We want to update our policy on the Cycle and Footpath Network to provide criteria for identifying new routes. Do you agree with this?**

No comment

**8B. As part of the City Centre Transformation and other Council and partner projects to improve strategic walking and cycling links around the city, we want to add the following routes (along with our existing safeguards) to our network as active travel proposals to ensure that they are delivered. Do you agree with this?**

No comment – site specific

**8C. We want City Plan 2030 to safeguard and add any other strategic active travel links within any of the proposed options for allocated sites. We also want the City Plan 2030 to include any new strategic active travel links which may be identified in the forthcoming City Plan 2030 Transport Appraisal, the City Mobility Plan, or which are identified through this consultation. Do you agree with this?**

No comment – site specific

#### **Choice 9 - Protecting against the loss of Edinburgh's homes to other uses**

**9A. We want to consult on designating Edinburgh, or parts of Edinburgh, as a 'Short Term Let Control Area' where planning permission will always be required for the change of use of whole properties for short-term lets. Do you agree with this approach?**

No comment

**9B. We want to create a new policy on the loss of homes to alternative uses. This new policy will be used when planning permission is required for a change of use of residential flats and houses to short-stay commercial visitor accommodation or other uses. Do you agree with this?**

No comment

#### **Choice 10 - Ensuring the better use of land**

**10A. We want to revise our policy on purpose-built student housing. We want to ensure that student housing is delivered at the right scale and in the right locations, helps create sustainable communities and looks after student's wellbeing. Do you agree with this?** No comment

**10B. We want to create a new policy framework which sets out a requirement for housing on all sites over a certain size coming forward for development. Do you agree with this?**

Yes. Homes for Scotland welcomes efforts to boost housing supply. However, this policy will not be applicable in all circumstances, particularly for industrial uses. A mixture of uses, particularly in the same building creates a number of complications and there is limited development of retail, office and industrial uses in any event at present.

We would suggest that such a policy may be worthwhile, but it should not be a strict requirement and could be subject to some caveats such as where a mix is appropriate and viable. The 2,500 sq. m threshold may also be worth reviewing.

**10C. We want to create a new policy promoting the better use of stand-alone out of centre retail units and commercial centres, where their redevelopment for mixed use including housing would be supported. Do you agree with this?**

Yes. Homes for Scotland supports efforts to increase housing supply. However, whether this approach is likely to actually work in practice will be dependent on site specific considerations and the aspirations of the owners. It should not be relied upon to deliver new supply. Such sites are often owned by institutional investors looking for long term revenue streams with limited appetite (and in many cases are forbidden from) undertaking debt-financed redevelopment. Even once a decision to redevelop is made it takes a significant amount of time to run down existing leases.

**Choice 11 - Delivering more affordable homes**

**11A. We want to amend our policy to increase the provision of affordable housing requirement from 25% to 35%. Do you agree with this approach?**

No. Homes for Scotland recognises that affordability is a major challenge in Edinburgh. Addressing this will require more housing to be delivered across all tenures and more effective land to be made available. At this stage there is insufficient clarity on how this 35% threshold may be implemented and the details of how this may be considered. Homes for Scotland would welcome the opportunity to discuss the delivery of affordable housing and the options for how this could be achieved with the Council. However, it is unclear at this stage that raising the threshold to 35% is part of an effective comprehensive strategy. Without increasing housing delivery across all tenures affordability will remain stretched.

This policy of introducing a 35% threshold combined with Housing Supply Option 1 (Brownfield Only) will likely reduce housing supply compared to even the current situation. According to our analysis (Appendix 1B) greenfield completions are expected to account for 41% of new supply between 2019-24. By the end of the period greenfield delivery on existing sites is expected to 275 dwellings per annum. Just 12% of the annual average of the lower of the identified housing supply targets (HST). The combination of not releasing new sites to refresh this supply and imposing a higher 35% threshold on brownfield land will reduce available supply through a combination of reduced land availability and creating viability challenges on brownfield sites. This currently preferred strategy will fail to deliver the new supply which is needed across all tenures. It is also not guaranteed to even boost the delivery of affordable homes.



We consider that before serious consideration can be given to the threshold set, that overall delivery needs to be dealt with in greater detail and more realistically. The threshold will be relatively academic if overall delivery of new homes cannot be substantially increased. Caution is also needed in moving away from the clear national 25% threshold set out in SPP. This threshold is well understood and achievable in most areas. Regional variations could add uncertainty and create distortions in the market for new housing land.

Before discussion over the threshold we would like to see more detailed and credible plans set out for addressing the overall tenure mismatch between supply and demand. The Rettie Analysis (Appendix 3) explains that the lack of home building in Scotland, especially in the main cities has caused significant affordability issues, especially for younger people, and has increased wealth inequalities. In addition to supporting a significant number of jobs, over 80,000 in Scotland, the higher levels of residential development have been shown to improve housing stock, health, educational attainment and social opportunities.

For years Edinburgh has had a significantly constrained housing land supply. The Council has not planned to meet the housing need and demand identified in its own evidence base. When housing supply targets were belatedly produced to support SESplan 1 in November 2014, the 2009-24 target for Edinburgh was just 61% of the figure set out in the Housing Need and Demand Assessment (HNDA, Table 5.1.2). SESPlan 2 only set out to meet 39% of need and demand arising between 2012-30 in Edinburgh.

It is unsurprising, though regrettable that this failure to plan to meet need and demand properly appears to be influencing some of the problems which are identified in the Main Issues Report. These include affordability and traffic problems as households have been required to move further afield to find a home which suits their requirements.

The correlation between overly restricted land supply and prices is supported by academic research. Christian Hilber of the London School of Economics and Wouter Vermuelen of cpb Netherlands Bureau for Economic Policy Analysis found that if south-east England had been as open to new construction as the north-east of England, house prices in the south-east would have been 25% lower in 2008. They found that hypothetically with no constraint the rise would have been 100% less in real terms between 1974 and 2008. While of course we do not advocate an absence of planning constraint, clearly planning more positively for all forms of new housing can play a significant role in dampening pressure on rents and prices in the medium to long term.

Homes for Scotland members are playing a key role in the delivery of affordable housing in Edinburgh. We would like to work with the Council to maintain this and help to increase delivery. The first step to reducing affordability and increasing affordable housing delivery will be to increase delivery of all tenures. This will require the allocation of effective sites for housing. The combination of a brownfield only approach and a 35% threshold will have an adverse impact on housing delivery.

**11B. We want City Plan 2030 to require a mix of housing types and tenures – we want the plan to be prescriptive on the required mix, including the percentage requirement for family housing and support for the Private Rented Sector. Do you agree with this?**

No. We support the provision of a wide variety of housing types and tenures. Affordable housing sizes will be informed by the Council's information on need and waiting lists. We support the focus on ensuring family housing is available. However, we do not consider it is

necessary to apply prescriptive targets for the mix of market housing. There needs to be sufficient flexibility to respond to variations in demand over time and across different locations. A degree of flexibility is consistent with SPP which states “Planning can help to address the challenges facing the housing sector by providing a positive and flexible approach to development.” (para. 109)

## **Choice 12 - Building our new homes and infrastructure**

### **12A . Which option do you support?**

#### **e.g. urban, greenfield or blended**

This question gives three answers but appears it should be a two staged question. Firstly how many homes should we plan for and what should be the level of generosity and secondly what should be the spatial strategy used to accommodate these. We address these below:

#### **How Many Homes?**

Homes for Scotland recognises that the policy context for the preparation of the LDP is unique. LDPs in areas covered by a Strategic Development Planning Authority (SDPA) are meant to be produced shortly after the Strategic Development Plan (SDP) has been adopted. However, the latest SDP was adopted in 2013 and does not include housing targets broken down by Local Authority beyond 2024. We firmly support the ambition of the Council to prepare a new plan despite this uncertainty. However, it poses a challenge in terms of what the appropriate evidence base is to work from.

When setting a housing supply target (HST) outwith an SDP area the starting point is the output of the Housing Need and Demand Assessment (SPP, paras. 113 – 115). Homes for Scotland considers that the HNDA methodology for assessing housing need and demand has serious shortcomings as a method of establishing the appropriate amount of new homes to plan for. It fails to make adequate adjustments to account for suppressed household formation, particularly during the last recession. This trend is clearly something we should plan to avoid perpetuating rather than subsume within the evidence base as is currently the case. Nevertheless, we consider at this stage HNDA 2 is a reasonable starting point, providing it is viewed in context.

The precise splits between tenures are sensitive to minor changes in variables. The variables can change significantly over time. We therefore consider that the all tenure output of the HNDA should be the primary piece of information which informs the HST. This approach was endorsed by the Reporter at the recent Falkirk LDP Examination (DPEA ref. LDP-240-2).

“I do however acknowledge that needs and demands for different tenures are likely to vary over the course of the plan period. Therefore I reiterate that it is the overall, all tenure housing supply target against which the number of completions and availability of effective land should ultimately be tested, regardless of tenure.” (Issue 2, para. 66)

Choices 2030 sets out two options for a housing target, as follows:

1. Preferred Option: 43,400 homes between 2019-32, comprised of 20,800 affordable homes and the market output for the HMDA 2 Wealth Distribution Scenario less completions between 2012 and 2019.

2. Alternative Option: 52,800 homes between 2019-32, comprised of 20,800 affordable homes and the market output for the HMDA 2 Wealth Distribution Scenario less completions between 2012 and 2019.

Both options fall some way short of meeting housing need and demand in full. The preferred option would meet just 65% of identified need and demand in the HNDA 2 Wealth Distribution Scenario, once completions to 2019 are accounted for. The alternative option would meet 79% of identified need and demand in the HNDA 2 Wealth Distribution Scenario or 65% of the Strong Economic Growth Scenario.

### *The Starting Point – Using the HNDA*

The Rettie Analysis at Appendix 3 points to the Wealth Distribution (middle) HNDA scenario as being the most appropriate. The starting point for the setting of the HST should therefore be 67,174 for the period 2019-32. Population growth and employment growth in Edinburgh have both been exceptional in a Scottish context and add further weight to the importance of dealing effectively with past undersupply.

1. The population of Edinburgh has grown by 13% between 2008-18 or 6,000 people per year and is continuing to grow at this rate. This is nearly 3 times the rate of change in Scotland's population over the same period;
2. Employment growth in Edinburgh is running at nearly 2.5% per annum over 2010-19, well in excess of any other area of Scotland - Glasgow is next at around 1.7%. (Appendix 3, part 4.1);
3. Edinburgh topped the most recent (2019) Lambert Smith Hampton Vitality Index, which assessed 66 UK towns and cities. This reflected strong wage growth which was expected to continue as well as house price growth.

This growth and economic strength combined with the relative lack of new housing in Edinburgh and lack of churn of second-hand stock has meant a sizeable movement of people into other parts of the Lothians. This is explained in the Rettie Analysis (Appendix 3), drawing on work done by the Fraser of Allander Institute.

While Edinburgh can export its housing need and demand to an extent, it cannot move jobs to neighbouring authorities. This has contributed significantly to Edinburgh's congestion issues. According to the 2011 Census, one third of people working in the city commute in from other local authority areas. This amounts to nearly 95,000 inward trips per day<sup>1</sup>. Failure to address need and demand within Edinburgh will therefore increase the level of in commuting.

Added to the HST should be an appropriate margin of generosity to provide the Housing Land Requirement (HLR). Choices suggests a generosity margin of 10%. This could be an appropriate uplift if proven forms of new housing supply are relied upon. However, if more unconventional forms of supply such as sites currently occupied by existing businesses make up a reasonable portion of supply a higher generosity margin will be necessary.

Applying a 10% generosity would give a HLR of 73,891. This HLR should serve as the starting point when considering the housing land supply.

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<sup>1</sup> Travel to Work : Commuting into, out of and within the City of Edinburgh (March 2016).

### Other Factors Influencing the Setting of the HST

Choices 2030 and the Housing Study do not adequately justify why housing need and demand cannot be met in full. There is a reference to the other factors involved in setting the housing target, a reference to paragraph 115 of SPP. However, it is not explained in any detail why a downward adjustment from the HNDA output is justified having regard to the “wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks” shown in SPP.

This is an important matter given the historic severe undersupply of housing and housing land in Edinburgh and merits further attention. It is not clear if the Council has considered in any detail how first the starting HLR identified above could be met before deciding a reduced HST was necessary. In this regard the HSTs in Choices could be seen to have been set using a somewhat back to front methodology. Recent appeal decision such as those at Falkirk and Stirling are instructive on this matter. The findings of the Falkirk Reporter are quoted below

“I agree with representees that this is not an appropriate approach for the council to have adopted; diagram 1 on page 30 of SPP makes clear that the setting of the housing supply target comes before the identification of land, as does a fair reading of SPP paragraph 120.” (Issue 2, para. 35)

“In my view it is illogical to take a supply-led approach to the setting of the housing land requirement. The housing land requirement is intended to be the driver for ensuring a sufficiently generous supply of land is available to meet the housing supply target. If the housing land requirement is derived from the identified supply, rather than the opposite way round, the housing land requirement cannot have directly informed decision-making over which sites ought to be allocated.” (Issue, para. 71)

Previously some authorities have argued that land has been made available but has not been built on. Whilst delays in programming do happen it is clear from the analysis above that Edinburgh has not been in a position recently where it has even attempted to allocate sufficient land to meet housing need and demand in full. This need and demand has consistently been redistributed in part to other authorities. Despite weaker wage and house price growth since the 2008 recession, compared to the period before, housing delivery has increased significantly particularly in East Lothian and Midlothian. This demonstrates the impact that making land available for development has had.

The main reason why the HNDA 2 output is not being met in full is because the Council consider that the 20,800 affordable homes target is the maximum which can be delivered. This may be a reasonable conclusion, it is unclear from the evidence provided. However, the conclusion that in the absence of affordable housing provision there is no possible substitute to addressing the identified affordable need identified in HNDA 2 and that it should be ignored is flawed.

Edinburgh is capable of delivering at above the average annual delivery rate of c.1,740 market homes assumed in the HST. This potential should be harnessed as addressing affordability generally will require increased supply of all tenures. This will deliver wider social benefits as explained in the Rettie Analysis (Appendix 3, Part 5.1.1). We do not therefore consider that constraints on the delivery of subsidised affordable housing is a reason for a downward adjustment to the HST and consequential reduction in the amount of

land available. This is a narrow focus which risks negative consequences for affordability in the longer term. Increasing the land supply would create opportunities for more housing development, creating more churn in the housing market and making it easier for people to move between houses and tenures.

In terms of deliverability we do consider that rapidly increasing the rate of delivery to what would be needed to satisfy the 67,174 homes HST would be challenging. This is not because we consider the rate of housebuilding this would require to be unachievable with the allocation of effective housing land. However, it will take time to get to this level of delivery from the current baseline. Lichfield's Start to Finish research examines this and shows that delivery on new allocations are subject to a reasonable lead in time (albeit in an English context)<sup>2</sup>.

Due to the challenge of increasing delivery at the rate required we do consider that may be some scope to reduce the HST from the HNDA derived figure of 67,174. However, the Council should very carefully consider the implications of any reduction in the HST against the HNDA derived figure. This reduction to the HST should only be pursued as part of a clear strategy to be able to comprehensively meet need and demand within Edinburgh's own boundary at the time of the next LDP. Whilst this plan may be positioned as a stepping-stone, it should allocate sufficient quantity and quality of land for a much higher rate of completions to be able to be sustained by second half of the plan period. These comments are, of course, heavily caveated on evidence being provided by the Proposed Plan stage that the proportion of Edinburgh's need and demand that Edinburgh will not be planning for will be picked up in full by neighbouring authorities.

### Conclusion

Taking these factors into consideration we consider that the higher Housing Supply Target (HST) of 52,800 between 2019-32 as a minimum may be an appropriate target. This equates to approximately 79% of the middle HNDA output. The Edinburgh housing market has selfcontainment in moves of between 81% and 90% according to HNDA 2. 79% is close to the lower threshold and similar to the representations HFS made to SESPlan 2. However, using this reduced target would require the Council to enter discussions with other authorities to ensure this unmet need and demand is dealt with. Edinburgh should not commit to promoting a Proposed Plan that seeks to under-serve its need and demand unless, by the Proposed Plan consultation stage, there is a clear, firm and binding agreement in place that commits Edinburgh's neighbouring authorities to picking up that need and demand which Edinburgh does not propose to meet within the city boundaries.

### **Housing Land Supply**

There are four components to the housing land supply; effective sites, constrained sites, brownfield urban capacity sites and new greenfield allocations. The assumptions for the delivery of the first two are the same for all three options set out in Choices 2030. For the latter two components they differ between each of the three options. These components of the land supply are reviewed below in turn.

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<sup>2</sup> <https://lichfields.uk/content/insights/start-to-finish>

## Effective Sites

Homes for Scotland agrees that all effective sites in the 2019 Housing Land Audit (HLA) should be included in the land supply. However, the contributions they can make to the land supply between 2019 and 2032 needs to be considered robustly as the largest sites will not be complete by 2032 according to our analysis (Appendix 1A).

Programming in the 2019 HLA was agreed with Homes for Scotland and covers the 7 year period from 2019/20 – 2025/26. The LDP period would cover a further 6 years 2026/27 – 2031/32. In Appendix 1A we have extrapolated these agreed rates of programming out for the remaining years until the site capacity is exhausted or until the end of the LDP period is reached.

We consider that this approach to programming is consistent with national policy. SPP requires

“Planning authorities should actively manage the housing land supply. They should work with housing and infrastructure providers to prepare an annual ‘#’#’#housing land audit as a tool to critically review and monitor the availability of effective housing land, the progress of sites through the planning process, and housing completions, to ensure a generous supply of land for house building is maintained and there is always enough effective land for at least five years.” (para. 123)

Planning Advice Note 2/2010 similarly explains the vital role of Housing Land Audits in LDP preparation

“Annual housing land audits are the established means for monitoring housing land. This information [in the audit] is vital to the preparation of the development plan and the audit process enables adjustments to the supply to be made in response to issues identified.” (para. 45).

Taken together these two policy documents set a clear expectation that the monitoring of land supply and programming should be done collaboratively with stakeholders and that Housing Land Audits will be central in informing any adjustments to supply when preparing local development plans. The extrapolated approach we have used was recently endorsed in the Reporter’s decision on the Aberdeen City and Shire SDP (DPEA ref. SDP-005-1).

“The approach used by Homes for Scotland where the programming of sites is extrapolated beyond the period stated in the housing land audit is well-evidenced with tables showing each site in each authority and market housing area. There will be instances where sites perform better and some which deliver less than the extrapolated method shows but it reasonably carries forward the last known (and agreed) programme of delivery on each site into the future. Therefore, I consider that it can be effectively used to predict the amount of the established supply that is considered to become effective during the periods 2027 to 2032 and 2033 to 2040.” (para. 26, p. 193, Issue 14)

Using this approach demonstrates that the contribution of effective sites in the period 2019 – 2032 would be 21,055 dwellings rather than the 22,696 identified in the Housing Land Study (Table 4 – Option A).

## Constrained Sites

Constrained sites by their nature have impediments to overcome and no clear identified solution. In some cases these constraints may be overcome. However, equally sites which are currently considered effective may become constrained over time. We consider that only

currently effective sites should be relied upon to contribute to the land supply and this approach was clearly endorsed by the Reporter in the Aberdeen City and Shire SDP quoted above.

## **Urban Capacity Brownfield Sites**

### Initial Comments

Homes for Scotland fully supports the reuse of brownfield land and our members have a strong track record of brownfield delivery across Scotland, often on complex sites. However, the preferred approach (12 C – Option 1) of seeking to meet all of Edinburgh’s housing need solely on brownfield land when just 11ha of vacant land has been identified through this study is unrealistic. The fact that after detailed investigation just 11ha of land, not all of it classified as suitable for development in the Housing Study could be found for residential development is clear evidence that further greenfield release is necessary. If the target density of 65dph could be achieved across these sites this would deliver 715 homes or just under two months’ supply when compared to the HNDA output for 2019-32.

The deliverability of these sites has not been considered in the Housing Study. Important basic information about the sites is apparently unknown including whether the owner is interested in selling / developing the site and who owns them. Despite this lack of information, it is assumed in Option 1 that each site identified in the Housing Study will deliver in full between 2019 and 2032, providing 16,900 new homes.

Even the limited assessment criteria considered in the Housing Study suggest this assumption is unrealistic. Just 6ha of land (capacity for 428 dwellings) is identified as suitable. A further 140ha is identified as being partially suitable for development (7,767 dwellings) and 127ha (8,406 dwellings) as unsuitable. To make up the 16,900, it has been assumed all of these sites, whatever their classification will be delivered in full, apparently disregarding the suitability review.

### Development Economics

The development economics behind the assumptions are also unclear. Of the 275ha of land just 11ha or 4% is vacant. The delivery of the land therefore assumes that the operation of existing businesses or public sector organisations will cease. For this to be the case residential development would need to create a land value in excess of the value of the premises in its current use and provide sufficient incentive for the landowner to sell. This has not been considered in the Housing Study and we do not consider this should be automatically assumed for the following reasons, amongst others:

1. The additional policy asks included for consideration in Choices 2030 will have a net negative impact on viability. The cumulative viability impact of these has not been assessed but given that the key considerations for landowners of identified sites will be the amount of money they can obtain by selling them compared to retaining them in current use it will be a crucial consideration which needs to be assessed.
2. Tight Industrial Market. Most sites identified are in some form of industrial use. The City Plan Industrial Property Market finds that vacancy rates are low in Edinburgh and rents are growing. This picture is similar in South East Scotland with Ryden’s 85<sup>th</sup> Scottish Property Review which noted that vacancies are at record low levels (p. 20). Moving location will be difficult for many operators and so they may well place a

particularly high value on sites for owner occupiers or outstanding lease periods for tenants. This will mean that asking prices, for those that may be willing to sell could also reflect valuations of the operating companies as a going concern.

Many of these sites will have already been considered by private developers with the landowners approached. It is for the Council to explain how despite having not come forward to date they will be delivered for housing, despite the financial burdens of planning policy being increased, reducing the land value which could be offered by a prospective developer.

### Lead In Time

The lead in times for many of the sites even if they are the single ownership and can be viably developed will be significant. Existing leases would need to be ran down, or bought out and this would add to viability challenges. Furthermore, many sites will have multiple freeholders complicating matters, particularly if opinion is divided on whether to sell for housing or maintain existing businesses.

If sites do not come forward for development as the Council hopes, then it has suggested Compulsory Purchase Order powers will be used. However, these are complex powers to use which take time with many hurdles to clear. They have rarely been used to facilitate housing development in Scotland and so proposing widespread use of such powers is unprecedented and risky.

The use of CPO is complicated still further by the fact that City Plan contemplates using it to acquire land used by currently operational businesses rather than say to deal with ransom strips or on vacant sites with multiple owners. This carries with it significant political risk and potential for negative headlines if businesses have to close.

The time taken to go through the process also should also not be underestimated. It will presumably be necessary to give the owners chance to bring them forward for development themselves. This could be a period of five years, but many sites may well have current leases lasting longer than this or be unprepared to sell. It would then be necessary to make efforts to obtain the sites on the open market. A CPO may be able to be ran alongside this, but the process would still take many years. For instance, in the process of redeveloping the St James Centre, approaches were first made to owners in 2008 and it will only be completed 12 years later (DPEA ref. CPO-EDB-005). Two years longer than the period from adoption of the LDP to its end.

The costs and logistics of running multiple contentious CPOs simultaneously will also likely be prohibitive. It would also appear questionable whether pursuing development on such costly and complex sites would be the best use of the Council's housing budget when other options could be made available.

### Affordable Housing Delivery

The Council's most optimistic assumptions about the delivery of existing sites would be that all effective and constrained sites delivery in full over the period and that all unconsented sites in this land supply deliver with 35% affordable housing. Even in this scenario 68% of the 16,900 dwellings in the urban capacity study would need to be affordable if Option 1 was pursued. With more realistic delivery assumptions for the existing supply we consider that the actual proportion would need to be nearer 80-85%. These are set out in Table 2 below.



To deliver affordable housing under Option 1 the Council could therefore find itself dependent on a strategy which would involve buying potentially over 100 sites with operational businesses at market value or by CPO. Significant money would need to be spent on purchase and professional fees before any work could begin. This would be a risky strategy with long lead in to delivery meaning achieving the target of 20,000 homes by 2027 would be harder than it would be with a more conventional approach. It is also questionable whether it would represent a cost-effective strategy.

We consider that the Council should focus more on the potential for delivery of affordable homes with homebuilder partners. The Rettie Analysis (Appendix 3) is clear on this matter noting that “it appears unquestionably the case that more market housing will be a requirement to deliver more affordable housing going forward” given the mutually beneficial relationship between the two tenures.

*Table 1 Urban Capacity Study Affordable Housing Delivery Scenarios.*

|   | Affordable Delivery from Extant Land Supply | Additional Affordable Dwellings to be Delivered | Proportion Affordable Required on Urban Capacity Sites |
|---|---|---|--|
| Maximum possible affordable delivery all unconsented (including constrained) sites delivering 35% in full | 9365  | 11435   | 68%  |
| All sites (including constrained) delivering at 25%   | 8445  | 12355   | 73%  |
| Effective sites delivering with unconsented effective sites delivering 35%                                | 7088  | 13712   | 81%  |
| Effective sites delivering with unconsented effective sites delivering at 25%                             | 6811  | 13990   | 83%  |
| Effective sites programmed to deliver by 2032 with unconsented sites at 25%                               | 6761  | 14039   | 83%  |
| Effective sites programmed to deliver by 2032 with unconsented sites at 35%                               | 6509  | 14292   | 85%  |

## Greenfield Sites

Given the strong job creation and population growth in the capital over the last 10 years the fact that it requires more land to be made available for development should not be a surprise. We consider that large scale greenfield release similar to the amount contemplated in Option 2 will be required. However, the Council should also consider options to increase housing supply quickly in the short term. In addition to the large strategic sites some smaller greenfield sites should be included in the housing land supply. These sites have a shorter lead in time as Lichfields analysis<sup>3</sup> shows and would allow delivery to be increased at a more rapid rate by providing a greater variety of sites.

<sup>3</sup> <https://lichfields.uk/content/insights/start-to-finish>

## Which Option

In accordance with paragraphs 119 / 120 and Diagram 1 in SPP we consider that the amount of new allocations required is to be calculated by subtracting existing “sites which are effective or expected to become effective in the plan period” (para. 119/120) from the Housing Land Requirement. This is considered in Table 3 below:

Table 2 Land Supply Review

|                                 |       |
|---------------------------------|-------|
| Housing Supply Target (2019-32) | 52800 |
| Generosity @ 10%                | 58080 |
| Effective Supply                | 21055 |
| Remaining Land to be Allocated  | 37025 |

Homes for Scotland favours a mix of brownfield and greenfield allocations as set out in Option 3. However, significantly more greenfield land will need to be allocated than shown in Option 3. We do not consider that it is realistic for the urban capacity sites to be delivered :in full over the LDP period. However, there is not enough information available about them such as ownership details and the intentions of the owners to estimate what scale of delivery which may be possible. The level of interest may become clearer if PANs and applications come forward on the sites over the coming months. Even if the delivery of 11,000 homes on the brownfield sites was possible as set out in Option 3, and we consider this remains very optimistic, greenfield release of approximately 28,000 homes as outlined in Option 2 would be necessary. As set out above we consider this will need to be augmented with some smaller greenfield sites deliverable in the short term.

### **12B. Do you support or object to any of the proposed greenfield areas? (Please tick all that apply)**

No Comment – Site Specific

### **12C. Do you have a greenfield site you wish us to consider in the proposed Plan?**

No Comment

### **12D. Do you have a brownfield site you wish us to consider in the proposed Plan?**

No Comment

## **Choice 13 - Supporting inclusive growth, innovation, universities, & culture**

**13A. We want to create a new policy that provides support for social enterprises, start-ups, culture and tourism, innovation and learning, and the low carbon sector, where there is a contribution to good growth for Edinburgh. Do you agree with this?**

No Comment

## **Choice 14 - Delivering West Edinburgh**

**14A. We want City Plan 2030 to support the best use of existing public transport infrastructure in West Edinburgh and accommodate the development of a mix of uses to support inclusive, sustainable growth. We will do this through ‘an area of search’**

**which allows a wide consideration of future uses within West Edinburgh without being tied to individual sites. Do you support this approach?**

No Comment – potentially site specific

**14B. We want to remove the safeguard in the existing plan for the Royal Highland Showground site to the south of the A8 at Norton Park and allocate the site for other uses. Do you agree with this approach?**

No Comment

**14C. We want City Plan 2030 to allocate the Airport’s contingency runway, the “crosswinds runway” for the development of alternative uses next to the Edinburgh Gateway interchange. Do you agree with this approach?**

No Comment

|   |
|---|
| <b>Choice 15 - Protecting our city centre, town and local centres</b> |
|---|

**15A. We want to continue to use the national ‘town centre first’ approach. City Plan 2030 will protect and enhance the city centre as the regional core of south east Scotland providing shopping, commercial leisure, and entertainment and tourism activities. Do you agree with this?**

No Comment

**15B . New shopping and leisure development will only be allowed within our town and local centres (including any new local centres) justified by the Commercial Needs study. Outwith local centres, small scale proposals will be permitted only in areas where there is evidence of a lack of food shopping within walking distance. Do you agree?**

No Comment

**15C. We want to review our existing town and local centres including the potential for new identified centres and boundary changes where they support walking and cycling access to local services in outer areas, consistent with the outcomes of the City Mobility Plan. Do you agree?**

No Comment

**15D. We want to continue to prepare and update supplementary guidance for our town centres to adapt to changing retail patterns and trends, and ensure an appropriate balance of uses within our centres to maintain their vitality, viability and deliver good placemaking. Instead we could stop using supplementary guidance for town centres and set out guidance within the plan. Which approach do you support?**

No Comment

**15E. We want to support new hotel provision in local, town, commercial centres and other locations with good public transport access throughout Edinburgh. Do you agree with this approach?**

No Comment

**15F. We could also seek to reduce the quantity of retail floorspace within centres in favour of alternative uses such as increased leisure provision and permit commercial centres to accommodate any growing demand. Do you agree with this approach?**

No Comment

**Choice 16 (part 1) - Delivering office floorspace**

**16A.1. We want to continue to support office use at strategic office locations at Edinburgh Park/South Gyle, the International Business Gateway, Leith, the city centre, and in town and local centres. Do you agree?**

No Comment

**16A.2. We want to support office development at commercial centres as these also provide accessible locations.**

No Comment

**16A.3. We want to strengthen the requirement within the city centre to provide significant office floorspace within major mixed-use developments. Do you agree?**

No. Vertical integration of uses within the same building is difficult both in terms of viability and practicalities.

**16A.4 . We want to amend the boundary of the Leith strategic office location to remove areas with residential development consent. Do you agree?**

No Comment

**16A.5. We want to continue to support office development in other accessible locations elsewhere in the urban area. Do you agree?**

No Comment

**16B. We want to identify sites and locations within Edinburgh with potential for office development. Do you agree with this?**

No Comment

**16C. We want to introduce a loss of office policy to retain accessible office accommodation. This would not permit the redevelopment of office buildings other than for office use, unless existing office space is provided as part of denser development. This would apply across the city to recognise that office locations outwith the city centre and strategic office locations are important in meeting the needs of the mid-market. Or we could introduce a 'loss of office' policy only in the city centre.**

No. This is excessive. Developing sites at increased density in central areas will be challenging given heritage constraints. It would be more reasonable to allow change of use if it could be demonstrated that the existing use was no longer marketable. More generally whilst the logic of more intensive land use may be attractive over recent years there have been multiple planning cause celebres where developers attempting this have ran into significant objections. There is a limit to what is realistic in terms of intensification of uses and more extensive land use will be necessary.

**Choice 16 (part 2) - Delivering Business and Industrial Space**

**16E. We want to identify proposals for new modern business and industrial sites to provide necessary floorspace at the following locations. Do you agree?**

No Comment

**16F. We want to ensure new business space is provided as part of the redevelopment of urban sites and considered in Place Briefs for greenfield sites. We want to set out the amount expected to be re-provided, clearer criteria on what constitutes flexible business space, and how to deliver it, including the location on-site, and considering adjacent uses, servicing and visibility. Do you agree?**

No Comment

**16G. We want to continue to protect industrial estates that are designated under our current policy on Employment Sites and Premises (Emp 8). Do you agree?**

No Comment

**16H. We want to introduce a policy that provides criteria for locations that we would support city-wide and neighbourhood goods distribution hubs. Do you agree?**

No Comment

Ends

Prepared by:  
Joe Larner, Principal Planning Advisor

Contact:  
Tammy Swift-Adams, Director of Planning

















# Why are ema qualified to comment?

- Architects and masterplanners specialising in residential sector
- Working in most Scottish local authority areas
- Working for the majority of housebuilders & developers
- More residential experience than most architects in Edinburgh
- Obtained consent for about 7,000 houses and flats in Edinburgh over the past 22 years on dozens of sites

Choice 2 - Improving the quality, density and accessibility of development

Development in Edinburgh must create great new places and contribute to our existing communities. Our design policies are generally strong and are largely fit for purpose, however we recognise that we don't always achieve the best outcomes for our city. We want to ensure a consistent approach to how we determine applications for new buildings and places and revise our policies on accessibility, connectivity including on how sites are laid out, public realm and open space and water management.

Our proposed changes:

A We want all development (including change of use), through a design and access statement, to demonstrate how their design will incorporate measures to tackle and adapt to climate change, their future adaptability and measures to address accessibility for people with varying needs, age and mobility issues as a key part of their layouts.

B We want to revise our policies on density. This is to ensure that we make best use of the limited space in our city and that sites are not under-developed.

- Across the city, on both urban area and greenfield sites, housing development must achieve a minimum of 65 dwellings per hectare.
- Where identified in the plan, higher density housing development with a minimum of 100 dwellings per hectare will be required.
- A vertical mix of uses to support the efficient use of land.

This is to provide for and to maximise the benefits of being close to public transport services and along high-quality active travel routes, provided that the design of such developments is of a high quality, respects amenity, and is of an appropriate character. Map 2 - Edinburgh's urban density

C We want to revise our design and layout policies to achieve better layouts for active travel and connectivity. To do this we want to ensure that the places, streets and road layouts we create in development reflects our Street Design Guidance and the six qualities of successful places in Scottish Planning Policy in

that they are safe and pleasant, easy to move around, are welcoming; adaptable, and are resource efficient.

D We want all development, including student housing, to deliver quality open space and public realm, useable for a range of activities, including drying space, whilst allowing for higher densities.

Instead of making this change:

E We could continue using our existing policy on housing density which seeks an appropriate density based on the characteristics of the surrounding area, not based on maximising the benefits of achieving higher densities and being close to high quality public transport services.

F We could continue to use our existing policies on development quality, site layouts, public realm and landscape, and on open spaces and private spaces. However, we do not consider these policies to be strong enough to deliver changes we want to make to the creation of new places in Edinburgh.

Edinburgh Local Development Plan (2016) policies under revision:

Design Quality and Context (Des 1)

Development Design (Des 3)

Sustainable Buildings (Des 6)

Housing Density (Hou 4)

Layout Design (Des 7)

Public Realm and Landscape (Des 8)

Open Space in New Development (Env 20)



- B** We want to revise our policies on **density**. This is to ensure that we make best use of the limited space in our city and that sites are not under-developed.
- Across the city, on both urban area and greenfield sites, housing development must achieve a minimum of 65 dwellings per hectare.
  - Where identified in the plan, higher **density** housing development with a minimum of 100 dwellings per hectare will be required.
  - A vertical mix of uses to support the efficient use of land.

# Definition of a hectare

- 1 **Gross Site Area** – includes structural landscaping which is different on every site and therefore not appropriate for calculating density ❌
- 2 **Net Developable Area** – Housebuilder interpretation excluding single sided roads and incidental open space is widely used by the industry to calculate density ❌
- 3 **Developable Area** – The area of all buildings and associated roads, footpaths and incidental open space (East Lothian LDP definition) ✅



# Examples

- Range of sites excluding wholly flatted sites
- Density ranges from 34 to 145 units per hectare on developable area



| Site     | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|----------|------------|----------|-------|---------------|-------------|
| Frogston | 30.26      | 18.70    | 633   | 20.92         | 33.85       |

# Frogston / Broomhills





| Site    | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|---------|------------|----------|-------|---------------|-------------|
| Agilent | 14.98      | 13.08    | 450   | 30.04         | 34.4        |

# Agilent, South Queensferry





| Site          | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|---------------|------------|----------|-------|---------------|-------------|
| Burdiehouse 3 | 6.80       | 3.30     | 116   | 17.05         | 35.15       |

# Burdiehouse Phase 3





| Site  | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|-------|------------|----------|-------|---------------|-------------|
| Cammo | 29.13      | 18.83    | 655   | 22.48         | 34.78       |

# Cammo, Maybury Road





| Site            | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|-----------------|------------|----------|-------|---------------|-------------|
| Gilmerton South | 22.10      | 17.15    | 609   | 27.55         | 35.51       |

# Gilmerton South





| Site        | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|-------------|------------|----------|-------|---------------|-------------|
| Duddingston | 4.59       | 4.13     | 180   | 39.21         | 43.58       |

# Duddingston Park South

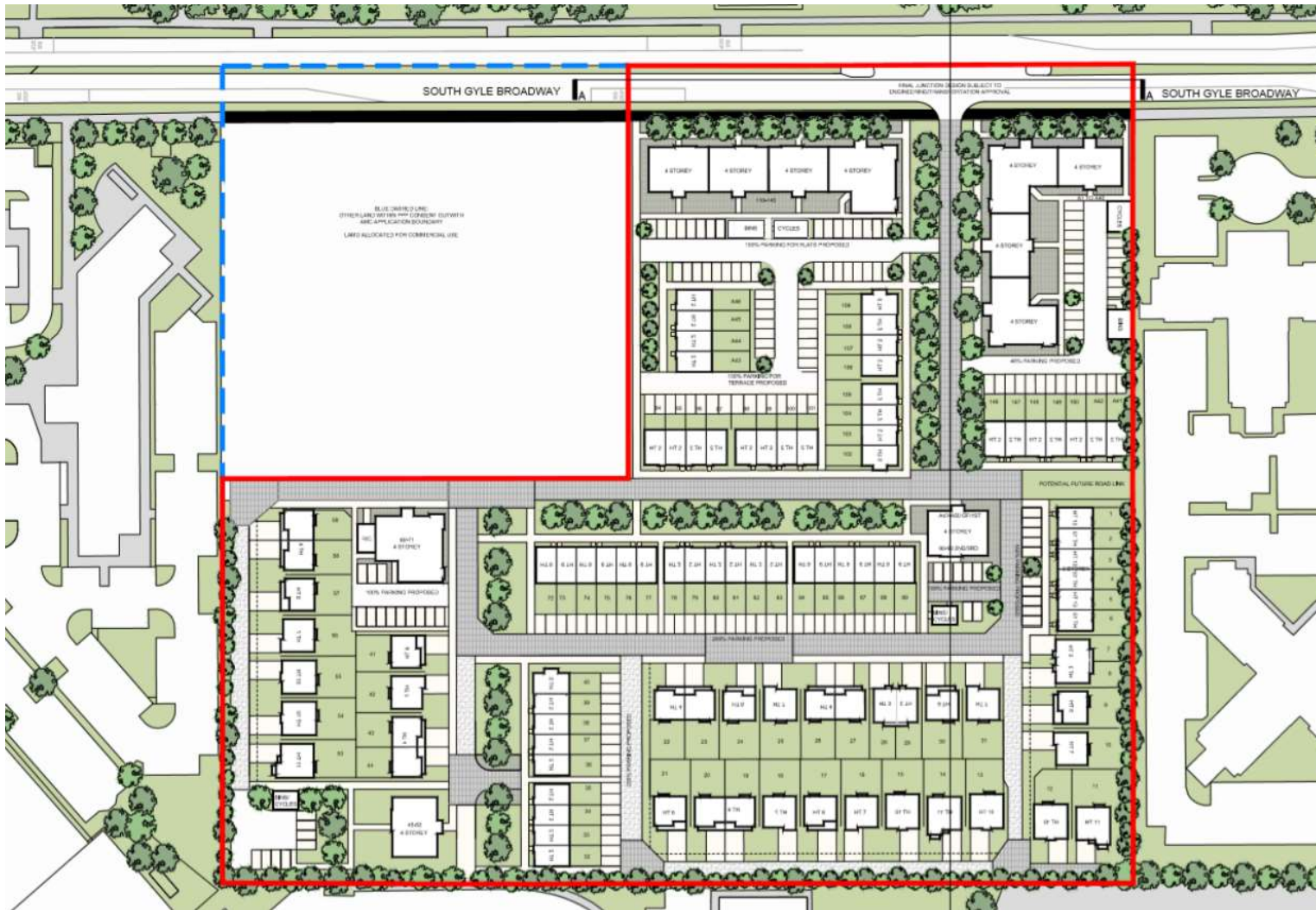




| Site       | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|------------|------------|----------|-------|---------------|-------------|
| Edmonstone | 27.44      | 14.96    | 696   | 25.36         | 46.52       |

# Edmonstone Policies





| Site       | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|------------|------------|----------|-------|---------------|-------------|
| South Gyle | 3.58       | 3.32     | 196   | 54.75         | 59.04       |

# South Gyle Broadway



| Site        | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|-------------|------------|----------|-------|---------------|-------------|
| Baileyfield | 4.84       | 3.87     | 435   | 89.9          | 112.4       |

# Baileyfield South





| Site       | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|------------|------------|----------|-------|---------------|-------------|
| Waterfront | 3.22       | 3.20     | 422   | 131.05        | 131.87      |

# Waterfront Plaza



| Site       | Gross Area | Net Area | Units | Density/Gross | Density/Net |
|------------|------------|----------|-------|---------------|-------------|
| Bonnington | 1.380      | 1.380    | 201   | 145.6         | 145.6       |

# Bonnington Road Lane

# Conclusions

- 1 Family housing with predominantly detached units will only ever generate about 35 units/ha.**
- 2 Sites with a mix of 3 storey flats & houses will generate between 35 and 45 units/ha.**
- 3 Sites with a 50/50 mix of 4 storey flats and 2 storey housing will generate 65 units/ha, but only if 2/3 of the housing is terraced.**

# Conclusions

- 4 Sites incorporating 6 storey flats will generate up to or over 100 units/ha.
- 5 Critical that the density is calculated on net areas and not gross.
- 6 Sites with landscape or height constraints on the edge of the city will not be able to comply with the target density.



## **RESEARCH & CONSULTANCY**

### **INFORMING RESPONSE TO EDINBURGH MAIN ISSUES REPORT**

#### **HOMES FOR SCOTLAND**

#### **PRIVATE AND CONFIDENTIAL**

DATE OF REPORT: 19<sup>TH</sup> MARCH 2020



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# 1 INTRODUCTION

Homes for Scotland want to update and expand on a report conducted by Rettie & Co. in 2016 relating to housing targets and findings in the City of Edinburgh Council's Main Issues Report (MIR) and SESPlan Housing Needs and Demand Assessment (HNDA) 2.

As part of this, they have commissioned Rettie & Co. to prepare a report that provides an update on their previous 2016 report and addresses other key questions within the study objectives.

## 1.1 STUDY OBJECTIVES

The main objectives of this assignment are as follows.

1. To assess whether the conclusions of the Rettie work in November 2016 remain valid.
2. To identify new market housing could potentially address some of the HNDA output identified for affordable products given Edinburgh is planning to meet less than 50% of its affordable need.
3. To analyse changes in mortgage availability since HNDA 2 and the implications of these on the ability of households to buy.
4. To assess the evidence for the 35% affordable housing target set by CEC and consider the merits of an 'all tenure' target.
5. Provide commentary on the general functioning of the housing market, in particular the benefits of new market supply and the wider linkages this has in increasing transactions and facilitating movement in the market, e.g. through 'right-sizing'.

## 1.2 SOURCES

We have used a range of sources to provide this data analysis including:

- Office for National Statistics (ONS)
- Nomis
- Registers of Scotland
- Scottish Neighbourhood Statistics
- Scottish Government
- General Register Office for Scotland
- Scottish Census
- National Records of Scotland
- Scottish Household Survey
- City of Edinburgh Council
- Bank of England
- Citylets.

## 2 KEY FINDINGS

### 2.1 HOUSING MARKET OPERATIONS

- The Scottish housing market has experienced numerous interventions and events in recent years that have impacted on market operations.
- Politically, Brexit and economic and political uncertainty have impacted on consumer sentiment and confidence, contributing to slowing transactions over 2018 and 2019.
- However, the market continues to grow and has been on an upward trajectory since 2013.
- The introduction of Land & Buildings Transaction Tax (LBTT) has materially increased transaction costs for higher value properties, which has most keenly affected the Edinburgh family housing market, leading to a downturn in activity and market churn and concerns over potential over-occupation of housing stock due to lack of incentives to downsize.
- There has been a recent uplift in housing supply numbers in most parts of Scotland, including the SESPlan area. This has been supported by a substantial Scottish Government Affordable Housing Supply Programme (AHSP).

### 2.2 GROWTH SCENARIOS

- A review of the key indicators of house price growth, economic growth, migration and households, and income growth has shown that the SESPlan region is achieving above the Steady Recovery scenario for many indicators.
- Household growth rates in the SESPlan and Edinburgh areas have been around the previous and current principal projections, which would support the Wealth Distribution scenario.
- The highest growth rates have occurred in Midlothian and West Lothian, which have also seen the highest build rates per capita.
- Edinburgh and the wider SESPlan region have seen steady house price growth, akin to the modest recovery supported by the Wealth Distribution scenario.
- Income growth in the SESPlan area and Edinburgh would support both the Steady Recovery and Wealth Distribution scenarios, lying between each.
- Changes in income distribution across the SESPlan area as a whole points towards 'creeping equality' and the Wealth Distribution scenario, while changes in Edinburgh point towards 'creeping inequality' and the Strong Recovery scenario.
- Housing market affordability in most SESPlan local authority areas, including Edinburgh, evidence 'creeping inequality', which supports the Strong Recovery scenario.

## 2.3 AFFORDABLE HOUSING

- Under the Edinburgh Choice 2030 Local Development Plan, it has been acknowledged that to meet the ambitious new housing and affordable housing targets for the city, a blended approach using market housing (at 35% affordable) with new greenfield release will be the most likely way to meet targets.
- The current allocation, or reliance on brownfield supply, would likely create a shortfall in housing supply and not meet the identified housing need in the city. The introduction of a 35% affordable rate may have the unintended consequence of disincentivising brownfield development by impacting viability.
- Recent evidence has shown substantial demand for affordable alternative housing tenures and more innovative ways of building affordable housing that is not as subsidy dependent.

## 2.4 CHANGES IN MORTGAGE AVAILABILITY

- Since the Mortgage Market Review (MMR) in 2014, lending criteria has been constrained and this has limited changes to mortgage lending and market growth.
- Since the MMR in 2014, there have been product innovations to encourage and enable first time buyers (FTBs) to enter the market and to accommodate limited companies, responding to changes in the Buy to Let (BTL) sector.
- Overall, since 2014, FTB lending has increased by c.19% and overall mortgage lending by c.2% within Scotland.
- Trends in mortgage lending show that, since 2014, there has been a trend for higher loan to value (LTV) and income multiples for both single and joint applications in the UK.
- Schemes such as Help to Buy have been fundamental in unlocking transactions and stimulating market activity through reduced deposits and equity loans. The Government's new First Home Fund has the potential to continue this positive market intervention.

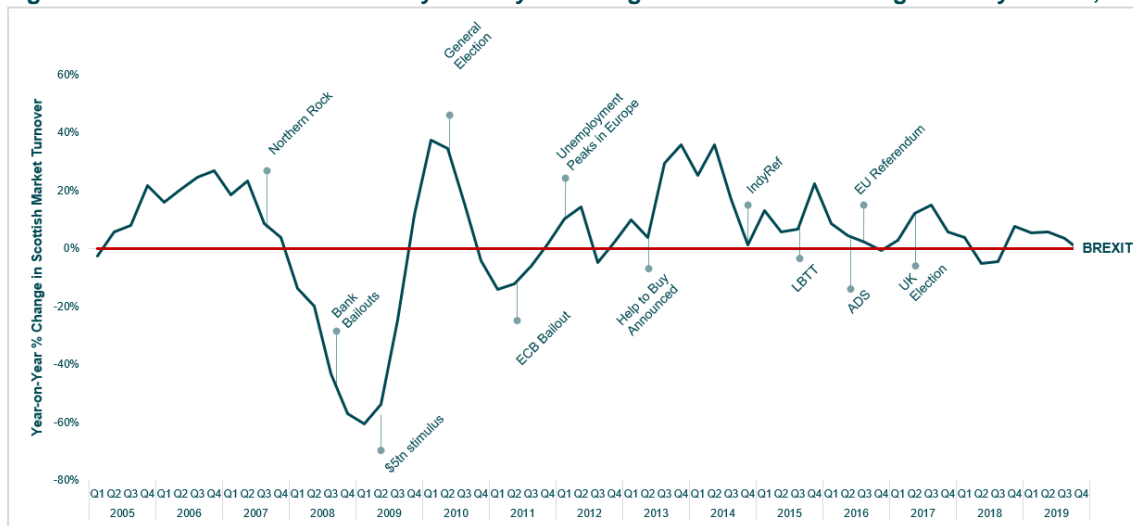
### 3 HOUSING MARKET PERFORMANCE

The Scottish housing market has experienced a number of events and interventions over the past few years that have shaped transaction activity.

The rise in activity leading up to 2008 is clearly evident from Figure 3.1, as is the size of the fall. The market lost over two-thirds of its turnover from Q3 2007 to Q1 2009. After a rise in activity in 2010, the recovery thereafter was flat until the tail-end of 2013, when stronger economic growth and packages such as Help to Buy accelerated sales. However, there have been significant economic and political headwinds since that have curtailed growth, although the market was still growing at the end of 2019.

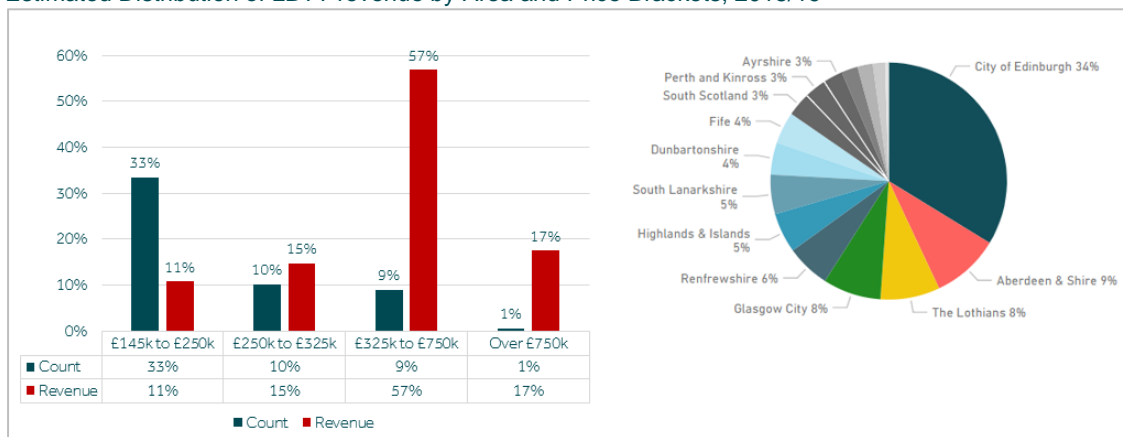
The introduction of Land & Buildings Transaction Tax (LBTT) in 2015 increased costs for higher value transactions and this has notably slowed transaction activity in higher value locations, such as the family market in Edinburgh. The cash requirement to transact in these markets is impacting households that may be ‘asset rich’ but ‘cash poor’ or see the costs of transacting as poor value compared to not moving or renovating. Key among these groups are downsizers and ‘empty nesters.’ Such groups generally over-occupy housing stock as they are disincentivised from ‘right-sizing’ and this can have implications on property availability, affordability and upward movement in chains.

**Figure 3.1 Timeline of SESPlan area year-on-year change in market turnover against key events, 2005-19**



Source: Rettie & Co.

**Figure 3.2 LBTT is a geographical tax that has impacted Edinburgh & higher values sales**  
 Estimated Distribution of LBTT revenue by Area and Price Brackets, 2018/19



Source: Rettie & Co.

Price growth in the SESPlan region has been strongest in the most accessible commuter regions surrounding the capital as demand has been displaced from the city due to a lack of affordable family homes.

Extensive new build in the Lothians has delivered larger family housing stock, moving values within the regions up faster than in Edinburgh. This price growth has supported overall growth in market turnover.

Notably, transaction performance has been mixed levels, especially for the capital, where transaction activity change over the past five years has been lower than other regions within the SESPlan area and Scotland as a whole. The combination of limited new supply, rising values for existing housing stock and interventions such as LBTT have driven down market churn. This has meant that Edinburgh has recorded the lowest transaction growth over five years in the SESPlan area and lower than the Scottish average, as well as recording the only decline in transactions over three years across the SESPlan area.

**Figure 3.3 Changes in Average House Price, Count of Sales and Market Turnover in SESPlan Area**

**Average House Price**

| Year        | City of Edinburgh | East Lothian | Fife     | Midlothian | Scottish Borders | West Lothian | SESPlan  | Scotland |
|-------------|-------------------|--------------|----------|------------|------------------|--------------|----------|----------|
| 2007/08 Max | £225,960          | £211,527     | £146,564 | £173,931   | £175,672         | £146,401     | £176,076 | £160,155 |
| 2009        | £202,724          | £191,209     | £135,871 | £166,124   | £163,389         | £138,046     | £171,708 | £150,333 |
| 2014        | £227,023          | £209,962     | £139,663 | £173,513   | £168,331         | £147,628     | £187,951 | £163,544 |
| 2015        | £238,241          | £215,626     | £147,749 | £183,985   | £172,941         | £160,301     | £198,157 | £169,295 |
| 2016        | £234,409          | £213,221     | £150,306 | £192,696   | £173,825         | £159,369     | £197,403 | £166,069 |
| 2019        | £266,789          | £256,684     | £160,428 | £225,400   | £174,205         | £180,441     | £219,592 | £181,279 |
| From Peak   | 18%               | 21%          | 9%       | 30%        | -1%              | 23%          | 25%      | 13%      |
| 10 Year     | 32%               | 34%          | 18%      | 36%        | 7%               | 31%          | 28%      | 21%      |
| 5 Year      | 18%               | 22%          | 15%      | 30%        | 3%               | 22%          | 17%      | 11%      |
| 3 Year      | 12%               | 19%          | 9%       | 23%        | 1%               | 13%          | 11%      | 7%       |

**Count of Sales**

| Year      | City of Edinburgh | East Lothian | Fife  | Midlothian | Scottish Borders | West Lothian | SESPlan | Scotland |
|-----------|-------------------|--------------|-------|------------|------------------|--------------|---------|----------|
| 2007      | 16372             | 3010         | 11117 | 1970       | 3081             | 5082         | 40632   | 155241   |
| 2009      | 7122              | 1222         | 4667  | 895        | 1385             | 1811         | 17102   | 69623    |
| 2014      | 11072             | 1732         | 6221  | 1584       | 1757             | 2802         | 25168   | 93531    |
| 2015      | 11880             | 1846         | 6420  | 1636       | 1845             | 3041         | 26668   | 96707    |
| 2016      | 12161             | 1915         | 6491  | 1893       | 1966             | 3138         | 27564   | 99469    |
| 2019      | 11349             | 2411         | 7032  | 1850       | 2022             | 3269         | 27933   | 102930   |
| From Peak | -31%              | -20%         | -37%  | -6%        | -34%             | -36%         | -31%    | -34%     |
| 10 Year   | 59%               | 97%          | 51%   | 107%       | 46%              | 81%          | 63%     | 48%      |
| 5 Year    | 3%                | 39%          | 13%   | 17%        | 15%              | 17%          | 11%     | 10%      |
| 3 Year    | -4%               | 31%          | 10%   | 13%        | 10%              | 7%           | 5%      | 6%       |

**Market Turnover**

| Year      | City of Edinburgh | East Lothian | Fife           | Midlothian   | Scottish Borders | West Lothian | SESPlan        | Scotland        |
|-----------|-------------------|--------------|----------------|--------------|------------------|--------------|----------------|-----------------|
| 2007      | £1,722,778,274    | £283,280,174 | £648,547,798   | £170,992,407 | £216,893,609     | £283,607,887 | £1,722,778,274 | £23,681,983,351 |
| 2009      | £1,443,800,275    | £233,656,891 | £634,111,872   | £148,680,733 | £226,293,949     | £250,001,018 | £2,936,544,738 | £10,466,659,827 |
| 2014      | £2,513,595,738    | £363,654,966 | £868,842,946   | £274,843,871 | £295,757,952     | £413,652,470 | £4,730,347,942 | £15,296,413,492 |
| 2015      | £2,830,305,050    | £398,046,201 | £948,549,580   | £300,999,707 | £319,075,614     | £487,475,683 | £5,284,451,836 | £16,372,059,797 |
| 2016      | £2,850,649,967    | £408,317,447 | £975,635,685   | £364,774,179 | £341,740,787     | £500,098,941 | £5,441,217,006 | £16,518,669,000 |
| 2019      | £3,027,784,601    | £618,865,745 | £1,128,131,733 | £416,990,566 | £352,242,419     | £589,860,627 | £6,133,875,691 | £18,659,039,940 |
| From Peak | 76%               | 118%         | 74%            | 144%         | 62%              | 108%         | 256%           | -21%            |
| 10 Year   | 110%              | 165%         | 78%            | 180%         | 56%              | 136%         | 109%           | 78%             |
| 5 Year    | 20%               | 70%          | 30%            | 52%          | 19%              | 43%          | 30%            | 22%             |
| 3 Year    | 7%                | 55%          | 19%            | 39%          | 10%              | 21%          | 16%            | 14%             |

Source: Registers of Scotland

## 4 ECONOMIC GROWTH SCENARIOS

Rettie & Co was asked to consider the economic scenarios – Steady Recovery (low end forecast), Wealth Distribution (mid forecast) and Strong Economic Growth (high end forecast) that were used in the HNDA and the variables used to explain them.

To do this, Rettie & Co. considered the key assumptions underpinning these scenarios, e.g. on population, migration, earnings and housing. Movements in key indicators were assessed to ascertain which of the scenarios best matched recent socioeconomic conditions. Broadly, the economic scenarios can be set out as follows.

- **Steady Recovery** – Modest economic and employment growth throughout the region together with modest population and household growth. Predicated on business confidence taking longer to return post-recession and large-scale developments drifting out in time as a consequence.
- **Wealth Distribution** – Anticipates a wider distribution of wealth in the region, creating more high and low skilled jobs and increasing economic activity throughout the working age population.
- **Strong Economic Growth** – Characterised by increasing economic wealth and productivity and includes significant population growth and innovation, raising economic output and employment. The Edinburgh City Region in this scenario would be one of the fastest growing regions of the UK in terms of population, drawing in workers from across the country. This facilitates strong economic and income growth.

Figure 4.1 compares the defined variables in the SESplan Study (supporting HNDAs document) by Oxford Economics against the variables described in SESplan HNDAs 2 Final Report. While many of the scenarios remain unchanged from our 2016 report, household projections have acknowledged the growth within Midlothian.



**Figure 4.1 Comparison of scenarios in 2016 vs current HNDA SESPlan 2 figures**

| Variable                                 | Source  | Steady Recovery  | Wealth Distribution  | Strong Economic Growth                                 |
|--|---|--|--|--|
| Household Projections                    | Variable used for HNDA based Alternative Futures                            | Low Migration' using 2012 based projections  | Principal' using 2012 based projections  | High Migration' using 2012 based household projections |
|  | HNDA Tool Scenarios Used to Construct Alternative Futures for SESplan HNDA2 | Alternative Headship with 'Low Migration with High Migration for Midlothian                    | Alternative headship (alternative headship with high migration for Midlothian) | Alternative headship with high migration               |
| Existing Clearance Period                | Variable used for HNDA based Alternative Futures                            | 10 Years   | 10 Years   | 5 Years  |
|  | HNDA Tool Scenarios Used to Construct Alternative Futures for SESplan HNDA2 | 10 Years   | 10 Years   | 5 Years  |
| Average (Median) Household Income Growth | Variable used for HNDA based Alternative Futures                            | No Real Growth (Inflation Target)  | Modest Increases   | Reasonable Growth                                      |
|  | HNDA Tool Scenarios Used to Construct Alternative Futures for SESplan HNDA2 | No Real Growth (Inflation Target)  | Modest Increases   | Reasonable Growth                                      |
| Change in Income Distribution            | Variable used for HNDA based Alternative Futures                            | Flat (No Change)   | Creeping Equality  | Creeping Inequality                                    |
|  | HNDA Tool Scenarios Used to Construct Alternative Futures for SESplan HNDA2 | Flat (No Change)   | Creeping Equality  | Creeping Inequality                                    |
| Projected House Prices                   | Variable used for HNDA based Alternative Futures                            | No Real Growth' (Inflation target) OBR Estimates for CEC and Modest Increases for West Lothian | Modest Increase with strong recovery for Edinburgh and West Lothian            | Strong Recovery  |
|  | HNDA Tool Scenarios Used to Construct Alternative Futures for SESplan HNDA2 | No Real Growth' (Inflation target) OBR Estimates for CEC and Modest Increases for West Lothian | Modest Increase with strong recovery for Edinburgh and West Lothian            | Strong Recovery  |

Source: Alternative Futures / SESPlan 2

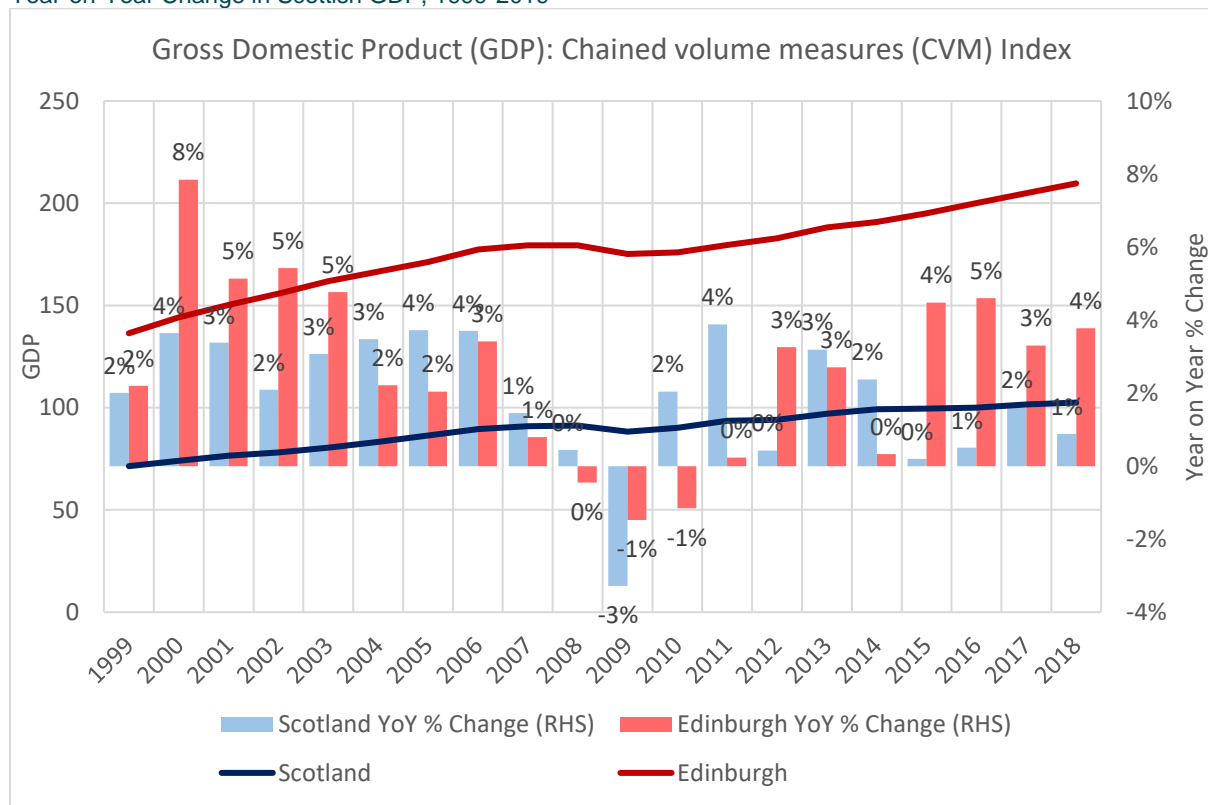
The variables for which we have quality time series data will be considered over the last 12 and 20 years to provide a benchmark for the time ranges considered by the HNDA and SESplan housing delivery targets (2012-32 and 2018-30 respectively) and compared against updated data available up to 2019.

The 'Post HNDA Economic Commentary Review' included in the Housing Background paper reflected on change over a relatively narrow period of time and this was used to justify a relatively downbeat assessment of the future of the Scottish economy and therefore a low to mid end recovery scenarios on which to base supply targets.

However, as noted in the previous report, economic cycles are typically longer than a few years and any assessment of future performance should consider what is likely to happen over economic peaks as well as slumps, which can be reflected on if we consider the performance of these variables over the previous 12 and 20 year periods.

This is justified not just because it contains the sort of time periods used in the HNDA and SESplan targets, but because economic growth fluctuates significantly over this sort of interval, as highlighted below. GDP has averaged 1.4% growth per annum since 1999 but ranged from -2.4% to 3.4%.

**Figure 4.2 GDP growth in Scotland has averaged 1.4% pa since 1999**  
 Year-on-Year Change in Scottish GDP, 1999-2019



Source: Scottish Government

## 4.1 MIGRATION AND HOUSEHOLD NUMBERS

Household growth rates over the past ten years are in line with current principal projection rates, with household growth rate over the past two years aligning within the 2016 high projections.

Over 2016 to 2018, household estimates for the SESPlan region have reported household growth running at 0.9% per annum, with the strongest growth occurring in East Lothian (1.4%) and Midlothian (1.8%). Edinburgh has recorded 0.9% annual growth in households.

The rise in other parts of the Lothians is largely due to the Edinburgh economy. Employment growth in Edinburgh is running at nearly 2.5% per annum over 2010-19, well in excess of any other area of Scotland - Glasgow is next at around 1.7%. The relative lack of new housing in Edinburgh and lack of churn of second-hand stock has meant a sizeable movement of people into other parts of the Lothians<sup>1</sup>.

This would align Edinburgh and the wider region with the Wealth Distribution scenario based on current projections if these growth rates persist as projected, i.e. growth in line with the principal projection from 2012, which is not markedly different from that of 2016 and in line with actual rate of growth since 2012.

A comparison of household projections from 2012 and 2016 shows that, across the SESPlan region, overall household numbers have not seen much movement across Low, Principal and High variants. In each of the variants, there has been a slight downward moderation of -0.1% between the two projections (see

Figure 4.3). For Edinburgh, this reduction is in the range of -0.1% to -0.4%. However, current 2016 household projections have been lowered compared to previous projections for most of Scotland to reflect changes in population projections and household formation and composition<sup>2</sup>.

In Edinburgh, a reason for the reduction in future households has been a decline of expected household formation and a rise in average household size, both of which are likely to have been at least partly driven by a lack of supply in the city (see Figure 4.5).

**Figure 4.3 Household growth rates have been reduced between the 2012 and 2016 household projections**  
Average Annual Percentage Change in Household Projections in the SESPlan Area, 2012-37 vs 2016-41

<sup>1</sup> <https://fraserofallander.org/scottish-economy/the-economic-rise-of-the-east-scotlands-powerhouse-region/>

<sup>2</sup> <https://www.nrscotland.gov.uk/files/statistics/household-projections/16/household-proj-16-pub.pdf>

| 2012 Projections |         |         |         | 2016 Projections |         |         |         | Difference |         |         |
|------------------|---------|---------|---------|------------------|---------|---------|---------|------------|---------|---------|
| Low              | 2012-24 | 2012-35 | 2012-37 | 2016-24          | 2016-35 | 2016-37 | 2016-41 | 2016-24    | 2016-35 | 2016-37 |
| East Lothian     | 0.9%    | 0.9%    | 0.9%    | 1.1%             | 0.9%    | 0.9%    | 0.8%    | 0.2%       | 0.0%    | 0.0%    |
| Edinburgh        | 1.2%    | 1.1%    | 1.1%    | 0.8%             | 0.7%    | 0.7%    | 0.6%    | -0.4%      | -0.4%   | -0.4%   |
| Fife             | 0.5%    | 0.4%    | 0.3%    | 0.4%             | 0.3%    | 0.2%    | 0.2%    | -0.1%      | -0.1%   | -0.1%   |
| Midlothian       | 0.8%    | 0.7%    | 0.7%    | 1.4%             | 1.2%    | 1.2%    | 1.1%    | 0.6%       | 0.5%    | 0.5%    |
| West Lothian     | 0.7%    | 0.6%    | 0.5%    | 0.9%             | 0.7%    | 0.7%    | 0.6%    | 0.2%       | 0.1%    | 0.2%    |
| Scottish Borders | 0.3%    | 0.2%    | 0.1%    | 0.4%             | 0.2%    | 0.2%    | 0.2%    | 0.1%       | 0.0%    | 0.1%    |
| All Area         | 0.8%    | 0.7%    | 0.7%    | 0.7%             | 0.6%    | 0.6%    | 0.5%    | -0.1%      | -0.1%   | -0.1%   |

| Principal        |         |         |         | 2016-24 |         |         |         | 2016-35 |         |         | 2016-37 |         |         |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Low              | 2012-24 | 2012-35 | 2012-37 | 2016-24 | 2016-35 | 2016-37 | 2016-41 | 2016-24 | 2016-35 | 2016-37 | 2016-24 | 2016-35 | 2016-37 |
| East Lothian     | 1.0%    | 1.0%    | 0.9%    | 1.2%    | 1.0%    | 1.0%    | 0.9%    | 0.2%    | 0.0%    | 0.1%    | 0.2%    | 0.0%    | 0.1%    |
| Edinburgh        | 1.4%    | 1.3%    | 1.3%    | 1.1%    | 1.0%    | 1.0%    | 0.9%    | -0.3%   | -0.3%   | -0.3%   | -0.3%   | -0.3%   | -0.3%   |
| Fife             | 0.6%    | 0.5%    | 0.5%    | 0.5%    | 0.4%    | 0.4%    | 0.3%    | -0.1%   | -0.1%   | -0.1%   | -0.1%   | -0.1%   | -0.1%   |
| Midlothian       | 0.9%    | 0.8%    | 0.8%    | 1.5%    | 1.3%    | 1.3%    | 1.3%    | 0.6%    | 0.5%    | 0.5%    | 0.6%    | 0.5%    | 0.5%    |
| West Lothian     | 0.7%    | 0.7%    | 0.6%    | 1.0%    | 0.8%    | 0.8%    | 0.7%    | 0.3%    | 0.1%    | 0.2%    | 0.3%    | 0.1%    | 0.2%    |
| Scottish Borders | 0.5%    | 0.3%    | 0.3%    | 0.5%    | 0.4%    | 0.3%    | 0.3%    | 0.0%    | 0.1%    | 0.0%    | 0.0%    | 0.1%    | 0.0%    |
| All Area         | 0.9%    | 0.9%    | 0.9%    | 0.9%    | 0.8%    | 0.8%    | 0.7%    | 0.0%    | -0.1%   | -0.1%   | 0.0%    | -0.1%   | -0.1%   |

| High             |         |         |         | 2016-24 |         |         |         | 2016-35 |         |         | 2016-37 |         |         |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Low              | 2012-24 | 2012-35 | 2012-37 | 2016-24 | 2016-35 | 2016-37 | 2016-41 | 2016-24 | 2016-35 | 2016-37 | 2016-24 | 2016-35 | 2016-37 |
| East Lothian     | 1.6%    | 1.6%    | 1.6%    | 1.2%    | 1.1%    | 1.1%    | 1.1%    | -0.4%   | -0.5%   | -0.5%   | -0.4%   | -0.5%   | -0.5%   |
| Edinburgh        | 1.1%    | 1.1%    | 1.1%    | 1.4%    | 1.3%    | 1.2%    | 1.2%    | 0.3%    | 0.2%    | 0.1%    | 0.3%    | 0.2%    | 0.1%    |
| Fife             | 0.6%    | 0.6%    | 0.6%    | 0.6%    | 0.5%    | 0.5%    | 0.5%    | 0.0%    | -0.1%   | -0.1%   | 0.0%    | -0.1%   | -0.1%   |
| Midlothian       | 0.9%    | 0.9%    | 0.8%    | 1.6%    | 1.4%    | 1.4%    | 1.4%    | 0.7%    | 0.5%    | 0.6%    | 0.7%    | 0.5%    | 0.6%    |
| West Lothian     | 0.8%    | 0.7%    | 0.7%    | 1.1%    | 0.9%    | 0.9%    | 0.9%    | 0.3%    | 0.2%    | 0.2%    | 0.3%    | 0.2%    | 0.2%    |
| Scottish Borders | 0.6%    | 0.5%    | 0.4%    | 0.6%    | 0.5%    | 0.5%    | 0.4%    | 0.0%    | 0.0%    | 0.1%    | 0.0%    | 0.0%    | 0.1%    |
| All Area         | 1.1%    | 1.1%    | 1.0%    | 1.1%    | 1.0%    | 0.9%    | 0.9%    | 0.0%    | -0.1%   | -0.1%   | 0.0%    | -0.1%   | -0.1%   |

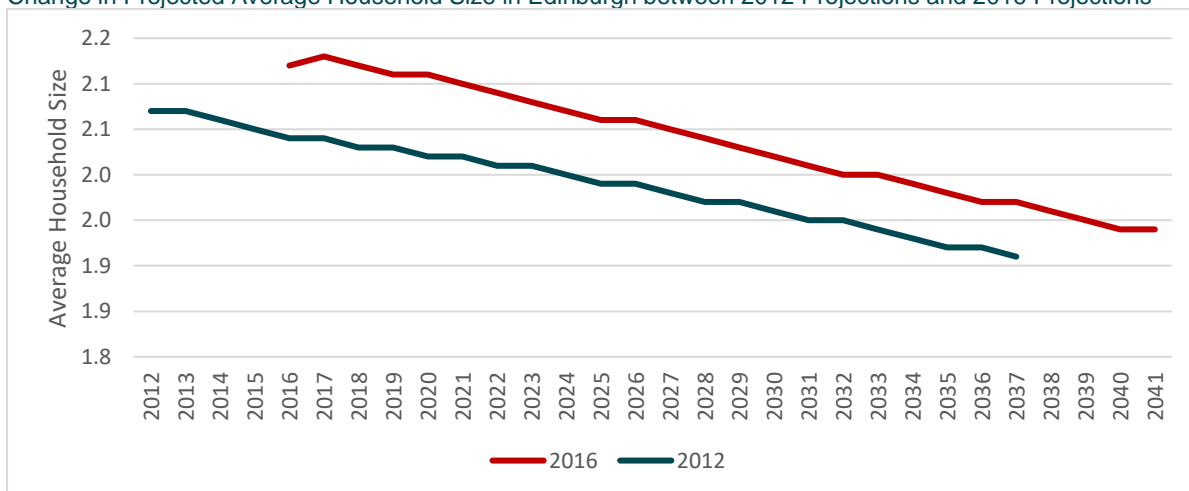
Source: NRS Scotland

**Figure 4.4 Household estimate growth rates align with Wealth Distribution scenario**  
Household Projections vs Household Estimates in SESPlan Area for Selected Time Periods

| Area            | 2016-41 |           |      | Actual  |         | 2008-2018 Diff to 2016 Projections |           |       | 2016-18 Diff to 2016 Projections |           |       |
|-----------------|---------|-----------|------|---------|---------|------------------------------------|-----------|-------|----------------------------------|-----------|-------|
|                 | Low     | Principal | High | 2008-18 | 2016-18 | Low                                | Principal | High  | Low                              | Principal | High  |
| East Lothian    | 0.8%    | 0.9%      | 1.1% | 1.0%    | 1.4%    | 0.2%                               | 0.0%      | -0.1% | 0.6%                             | 0.4%      | 0.3%  |
| Edinburgh       | 0.6%    | 0.9%      | 1.2% | 0.7%    | 0.9%    | 0.1%                               | -0.2%     | -0.5% | 0.3%                             | 0.0%      | -0.3% |
| Fife            | 0.2%    | 0.3%      | 0.5% | 0.6%    | 0.6%    | 0.4%                               | 0.2%      | 0.1%  | 0.4%                             | 0.3%      | 0.2%  |
| Midlothian      | 1.1%    | 1.3%      | 1.4% | 1.5%    | 1.8%    | 0.4%                               | 0.2%      | 0.1%  | 0.7%                             | 0.5%      | 0.4%  |
| West Lothian    | 0.6%    | 0.7%      | 0.9% | 0.8%    | 0.9%    | 0.1%                               | 0.0%      | -0.1% | 0.2%                             | 0.1%      | 0.0%  |
| Scottish Border | 0.2%    | 0.3%      | 0.4% | 0.6%    | 0.6%    | 0.4%                               | 0.2%      | 0.1%  | 0.4%                             | 0.3%      | 0.1%  |
| All Area        | 0.5%    | 0.7%      | 0.9% | 0.7%    | 0.9%    | 0.2%                               | 0.0%      | -0.2% | 0.4%                             | 0.2%      | 0.0%  |

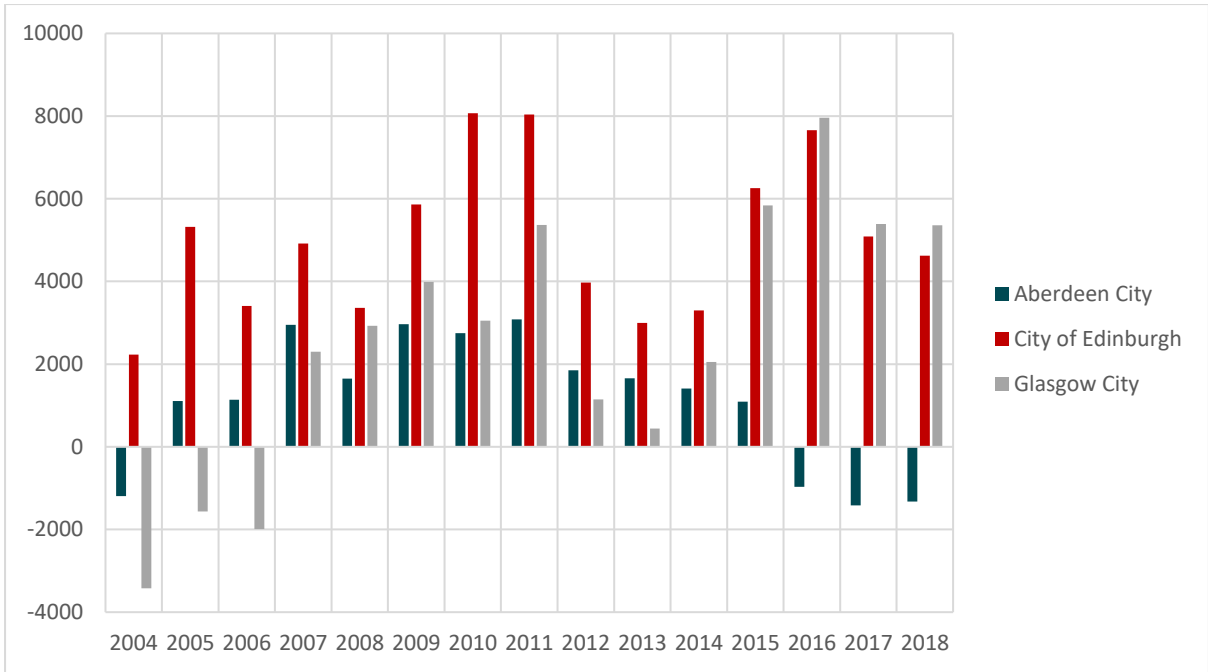
Source: NRS

**Figure 4.5 Average household size projections have been moved up between projection periods**  
Change in Projected Average Household Size in Edinburgh between 2012 Projections and 2016 Projections



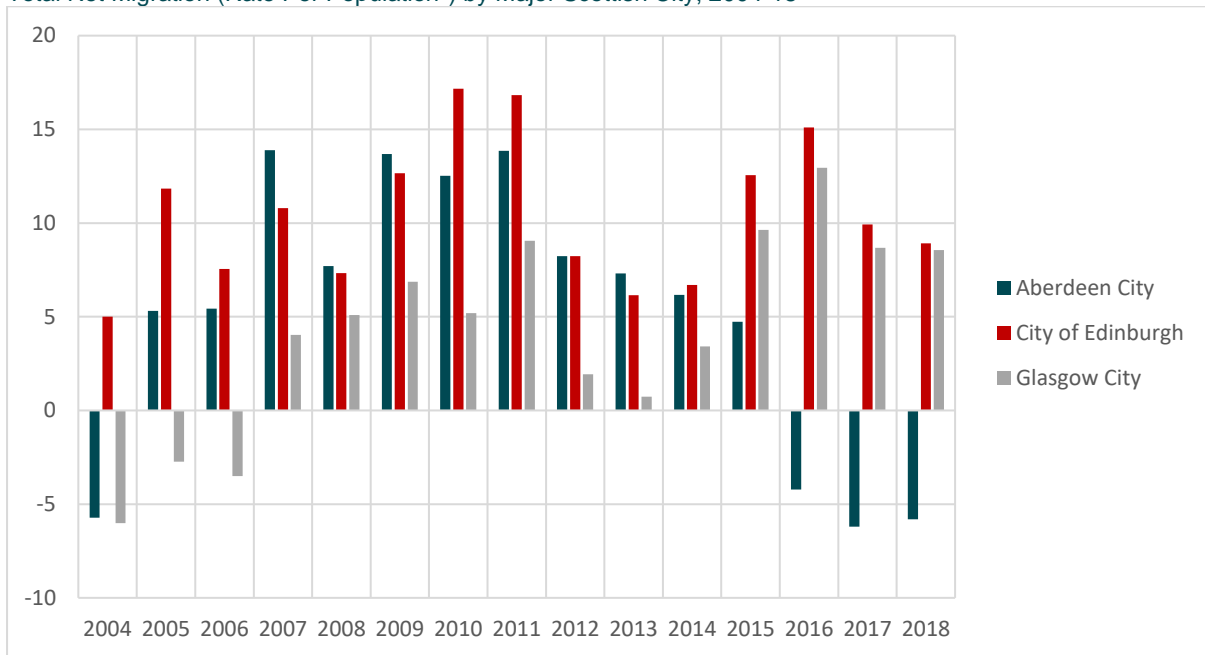
Source: NRS

**Figure 4.6 Edinburgh has experienced higher nominal in-migration than other major Scottish cities**  
Total Net Migration (Count) by Major Scottish City, 2004-18



Source: Scottish Government

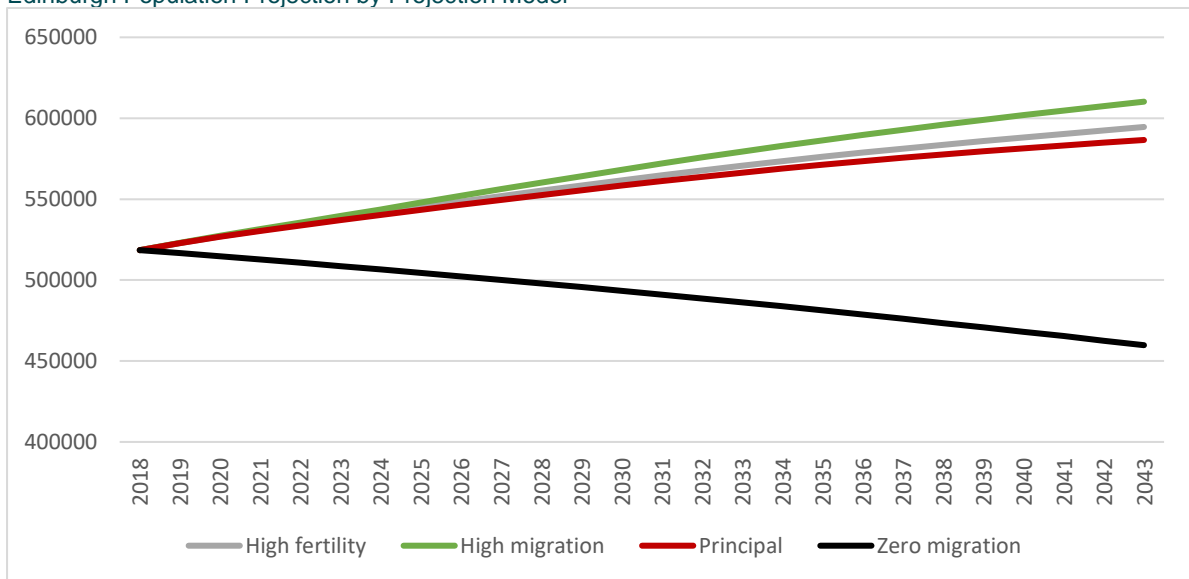
**Figure 4.7 Based on population size Edinburgh has consistently seen great in-migration than other cities**  
 Total Net Migration (Rate Per Population\*) by Major Scottish City, 2004-18



Source: Scottish Government

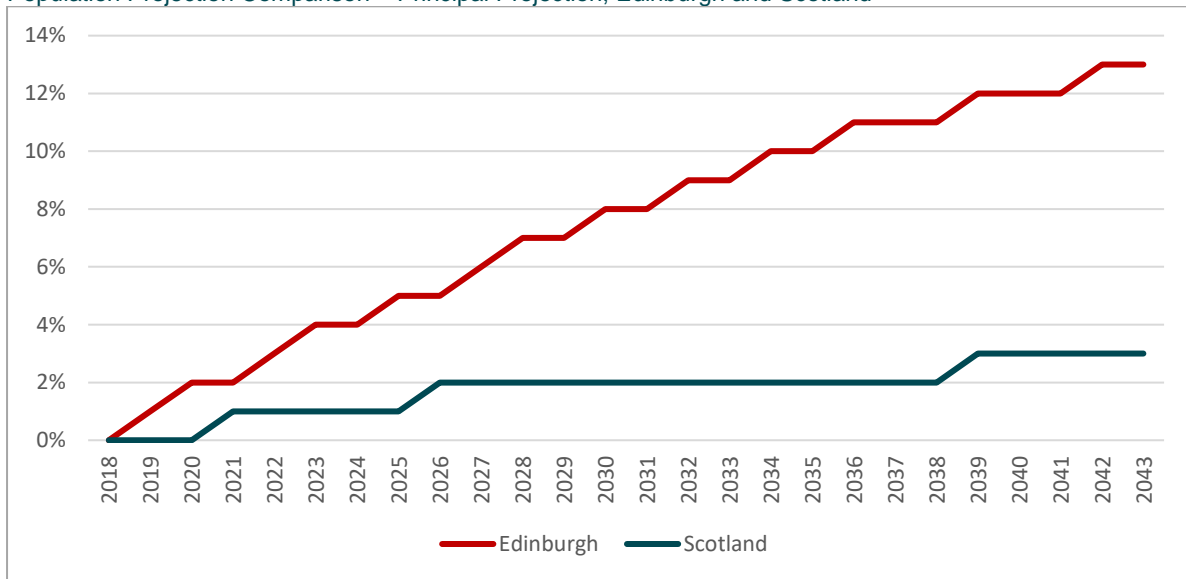
\*Rate per population refers to the rate per 1,000 of the resident population for that area at the mid-year (as at 30 June) of the relevant year.

**Figure 4.8 In-migration is the main driver of population growth in Edinburgh**  
 Edinburgh Population Projection by Projection Model



Source: Scottish Government

**Figure 4.9 Edinburgh’s population projection is significantly above national averages**  
 Population Projection Comparison – Principal Projection, Edinburgh and Scotland



Source: Scottish Government

## 4.2 INCOME GROWTH

The assumption under the Steady Recovery scenario assumes that there will be no real growth in income, i.e. following the Bank of England inflation target of 2% per annum (based on the median).

The CHMA provided 'moderate' and 'reasonable' income growth projections of around 3-4% and 3-6% respectively over the period up to 2030, which are aligned with the Wealth Distribution and Strong Economic Growth scenarios.

**Figure 4.10 CHMA income growth rate projections, 2013-41**

|                   | 2013  | 2014  | 2015  | 2016  | 2020  | 2030 | 2030-2041 (Avg PA) |
|-------------------|-------|-------|-------|-------|-------|------|--------------------|
| Inflation Target  | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.5% | 2.5%               |
| Modest Increase   | 4.0%  | 4.0%  | 4.0%  | 4.0%  | 4.0%  | 3.0% | 3.0%               |
| Flat              | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 2.5% | 2.5%               |
| Reasonable Growth | 5.0%  | 6.0%  | 6.0%  | 6.0%  | 6.0%  | 3.0% | 2.7%               |
| Slow Decline      | -1.0% | -1.0% | -1.0% | -1.0% | -1.0% | 2.0% | 2.4%               |

Source: CHMA

Across the SESPlan region as a whole, the most recent income growth figures from 2016-19 show median income increasing by 2.4% per annum. Over a longer time period (2002-19), the increase is 2.6% per annum. For Edinburgh, the long-term growth rate is 2.1% per annum. This would be between the CHMA's flat and modest increase definitions and would align above the Steady Recovery scenario and below the Wealth Distribution scenario. This said, sub regions areas such as East Lothian, Midlothian and West Lothian have seen higher rates of growth, especially at the lower quartile as earnings and employment move out of the city.

Overall, in the SESPlan area the lowest quartile has had a 3.3% annual growth rate over the past three years, faster than other groups, which would point towards the 'creeping equality' scenario. This is not uniform however, as within Edinburgh the fastest growth rate (also at 3.3%) has been in the upper quartile of employees, pointing to 'creeping inequality' within the city. This offers some further support for the Wealth Distribution scenario in the SESPlan context and a Strong Economic Growth scenario for Edinburgh.



**Figure 4.11 SESPlan and Edinburgh income rises have been positive and modest overall**

Annual pay - Gross (£) - For All Employee Jobs, Actual and Year-on-Year % Change for Scotland and SESPlan Local Authority Areas, 2002-19

| City of Edinburgh     | Years   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         | Compound Annual Growth Rate |           |           |           |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------|-----------|-----------|-----------|
|                       | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| 25th Percentile       | £10,616 | £11,577 | £11,630 | £12,246 | £13,259 | £12,625 | £14,516 | £14,318 | £14,521 | £14,350 | £14,625 | £14,431 | £14,575 | £15,292 | £16,303 | £16,425 | £16,243 | £16,773 | 2.9%                        | 2.8%      | 2.7%      | 1.0%      |
| Median                | £18,422 | £19,191 | £19,075 | £21,028 | £22,167 | £22,008 | £22,894 | £23,238 | £23,175 | £23,758 | £23,749 | £24,204 | £24,204 | £24,636 | £25,618 | £25,943 | £25,725 | £26,187 | 2.5%                        | 1.9%      | 2.1%      | 0.7%      |
| Mean                  | £21,204 | £22,153 | £22,767 | £24,818 | £26,135 | £27,201 | £28,116 | £28,594 | £28,211 | £29,316 | £29,339 | £30,986 | £28,879 | £29,703 | £32,729 | £34,341 | £33,315 | £33,968 | 3.1%                        | 2.8%      | 2.8%      | 1.2%      |
| 75th Percentile       | £27,120 | £28,506 | £29,404 | £31,517 | £32,479 | £32,855 | £33,251 | £34,731 | £34,646 | £34,954 | £35,663 | £37,059 | £37,148 | £37,885 | £38,046 | £40,115 | £39,004 | £41,973 | 2.2%                        | 1.6%      | 2.6%      | 3.3%      |
| East Lothian          | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |                             |           |           |           |
| 25th Percentile       | £10,911 | £10,047 | £10,514 | £12,583 | £12,573 | £13,254 | £13,430 | £13,336 | £14,377 | £12,981 | £12,780 | £12,909 | -       | £14,342 | £13,565 | £14,005 | £15,278 | -       | 2.1%                        | 1.5%      |           |           |
| Median                | £16,611 | £16,456 | £17,568 | £18,753 | £18,739 | £19,468 | £20,857 | £21,980 | £21,783 | £21,147 | £21,491 | £22,081 | -       | £23,245 | £22,916 | £22,988 | £24,516 | £25,716 | 2.2%                        | 1.6%      | 2.6%      | 3.9%      |
| Mean                  | £18,919 | £19,017 | £20,032 | £21,372 | £21,894 | £23,911 | £25,668 | £28,000 | £28,701 | £26,618 | £26,104 | £27,639 | £25,469 | £25,810 | £26,645 | £27,770 | £28,480 | £29,044 | 2.4%                        | 0.5%      | 2.6%      | 2.9%      |
| 75th Percentile       | £25,081 | £24,947 | £26,141 | £28,132 | £27,878 | £29,497 | -       | -       | £32,669 | £32,429 | £32,148 | £33,267 | -       | £33,040 | £35,000 | £36,138 | £35,349 | -       | 2.5%                        | 2.1%      |           |           |
| Fife                  | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| 25th Percentile       | £10,058 | £10,700 | £10,398 | £10,877 | £11,194 | £11,647 | £12,076 | £12,146 | £12,246 | £11,997 | £12,616 | £13,314 | £13,193 | £13,741 | £14,227 | £14,041 | £15,194 | £15,537 | 2.6%                        | 3.0%      | 2.6%      | 3.0%      |
| Median                | £15,518 | £15,979 | £16,373 | £17,035 | £17,872 | £18,259 | £19,452 | £19,623 | £20,147 | £19,982 | £20,585 | £20,814 | £20,977 | £21,682 | £23,011 | £22,038 | £23,475 | £23,850 | 2.9%                        | 2.8%      | 2.6%      | 1.2%      |
| Mean                  | £17,747 | £18,360 | £19,482 | £20,035 | £20,300 | £21,342 | £22,794 | £22,998 | £23,013 | £23,148 | £23,751 | £24,117 | £24,568 | £25,347 | £26,050 | £25,178 | £26,713 | £26,645 | 2.5%                        | 2.3%      | 2.4%      | 0.8%      |
| 75th Percentile       | £23,301 | £23,278 | £24,612 | £25,525 | £26,109 | £27,822 | £29,483 | £29,869 | £30,265 | £30,866 | £30,985 | £31,022 | £32,094 | £33,635 | £34,011 | £32,459 | £35,000 | £34,864 | 2.7%                        | 2.4%      | 2.4%      | 0.8%      |
| Midlothian            | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| 25th Percentile       | £9,662  | £10,532 | £11,224 | £11,799 | £11,245 | -       | £13,612 | £13,552 | £13,124 | £13,430 | £11,960 | -       | £13,500 | £13,994 | £14,921 | £14,475 | £15,536 | £16,911 | 2.4%                        | 5.7%      | 3.3%      | 4.3%      |
| Median                | £14,400 | £15,544 | £16,150 | £16,504 | £17,663 | -       | £18,807 | £19,047 | £20,319 | £19,517 | £20,148 | £20,275 | £20,442 | £21,955 | £22,643 | £23,283 | £23,237 | £24,074 | 2.9%                        | 3.0%      | 3.1%      | 2.1%      |
| Mean                  | £18,145 | £19,289 | £20,080 | £21,083 | £22,591 | £22,103 | £23,770 | £23,638 | £23,928 | £23,941 | £23,945 | £23,057 | £25,961 | £27,409 | £25,998 | £26,628 | £26,491 | £27,950 | 2.2%                        | 2.1%      | 2.6%      | 2.4%      |
| 75th Percentile       | £21,792 | £23,949 | £24,909 | -       | £26,553 | -       | £28,528 | £28,612 | £29,687 | £28,741 | £28,514 | -       | £29,607 | £31,746 | £32,786 | £34,456 | £34,442 | £36,279 | 2.3%                        | 3.6%      | 3.0%      | 3.4%      |
| Scottish Borders      | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| 25th Percentile       | £8,916  | £9,773  | £9,066  | £10,405 | £10,925 | £11,608 | £12,018 | £11,093 | £11,740 | £11,431 | £12,211 | £11,542 | £12,728 | £12,970 | -       | £16,232 | £15,232 | £15,239 |                             |           | 3.2%      |           |
| Median                | £13,171 | £14,468 | £14,409 | £16,335 | £17,278 | £18,303 | £18,954 | £18,551 | £18,937 | £18,856 | £18,458 | £20,012 | £20,645 | £21,207 | £21,258 | £22,748 | £22,458 | £22,938 | 3.3%                        | 3.6%      | 3.3%      | 2.6%      |
| Mean                  | £17,871 | £18,905 | £17,988 | £20,320 | £21,505 | £22,416 | £24,158 | £23,156 | £23,136 | £21,678 | £22,828 | £23,325 | £24,228 | £25,004 | £25,985 | £28,679 | £27,027 | £26,777 | 3.1%                        | 3.3%      | 2.4%      | 1.0%      |
| 75th Percentile       | £23,170 | £24,014 | £22,119 | £25,219 | £25,583 | £29,109 | £31,724 | -       | £28,830 | £27,406 | £28,099 | £29,733 | £30,222 | £31,492 | -       | £34,250 | £34,189 | £34,577 |                             |           | 2.4%      |           |
| West Lothian          | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| 25th Percentile       | £11,539 | £11,765 | £11,513 | £12,233 | £12,940 | £13,758 | £12,839 | £13,888 | £14,795 | £13,846 | £15,045 | £15,296 | £15,121 | £15,502 | £15,032 | £16,309 | £16,807 | £17,137 | 2.2%                        | 0.0%      | 2.4%      | 4.5%      |
| Median                | £17,014 | £16,724 | £16,984 | £17,994 | £18,474 | £19,420 | £18,524 | £19,754 | £20,448 | £21,011 | £22,351 | £21,887 | £22,581 | £22,312 | £22,371 | £24,002 | £23,931 | £25,080 | 2.3%                        | 0.0%      | 2.3%      | 3.9%      |
| Mean                  | £18,685 | £18,972 | £20,664 | £21,948 | £22,588 | £22,949 | £22,335 | £23,832 | £24,174 | £27,274 | £29,283 | £26,291 | £26,392 | £26,605 | £26,181 | £27,404 | £27,726 | £29,552 | 2.0%                        | -2.8%     | 2.7%      | 4.1%      |
| 75th Percentile       | £24,162 | £23,451 | £25,329 | £27,276 | £27,691 | £28,245 | £28,074 | £29,341 | £29,566 | £30,113 | £31,900 | £32,089 | £32,708 | £32,359 | £32,783 | £34,322 | £34,754 | £36,488 | 2.2%                        | 0.7%      | 2.5%      | 3.6%      |
| SESPlan Arth Avg      | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2004-2016                   | 2012-2016 | 2002-2019 | 2016-2019 |
| Total 25th Percentile | £10,284 | £10,732 | £10,724 | £11,691 | £12,023 | £12,578 | £13,082 | £13,056 | £13,467 | £13,006 | £13,206 | £13,498 | £13,823 | £14,307 | £14,810 | £15,248 | £15,715 | £16,319 | 2.7%                        | 2.9%      | 2.8%      | 3.3%      |
| Total Median          | £15,856 | £16,394 | £16,760 | £17,942 | £18,699 | £19,492 | £19,915 | £20,366 | £20,802 | £20,712 | £21,130 | £21,546 | £21,770 | £22,506 | £22,970 | £23,500 | £23,890 | £24,641 | 2.7%                        | 2.1%      | 2.6%      | 2.4%      |
| Total Mean            | £18,762 | £19,449 | £20,169 | £21,596 | £22,502 | £23,320 | £24,474 | £25,036 | £25,194 | £25,329 | £25,875 | £25,903 | £25,916 | £26,646 | £27,265 | £28,333 | £28,292 | £28,989 | 2.5%                        | 1.3%      | 2.6%      | 2.1%      |
| Total 75th Percentile | £24,104 | £24,691 | £25,419 | £27,534 | £27,716 | £29,506 | £30,212 | £30,638 | £30,944 | £30,752 | £31,218 | £32,634 | £32,356 | £33,360 | £34,525 | £35,290 | £35,456 | £36,836 | 2.6%                        | 2.5%      | 2.5%      | 2.2%      |

Source: ASHE

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## 4.3 HOUSE PRICES

The housing need assessment, outlined in the SESPlan Housing Background Paper, considered three likely market scenarios in relation to house prices.

- The Steady Recovery scenario assumed 'no real growth', which, in effect, is 2% nominal growth (based on an inflation target of 2%). The only qualifiers to this are use of the Office of Budget Responsibility (OBR) targets for Edinburgh (around 4% on average) and 'modest increases' for West Lothian (around 5% up to 2020 and dropping to 2.5% longer term).
- The Wealth Distribution scenario assumes 'modest increases' across the SESplan area as a whole, with 'strong recovery' for Edinburgh and West Lothian. As shown in the CHMA table below, this implies an average annual rate of change across the area of around 2.5%-5% and a higher level of upward movement in Edinburgh and West Lothian, at least up to 2020.
- The Strong Recovery scenario assumes 'strong recovery' across the whole SESplan area, which, again from the table below, suggests an average annual long-term growth rate of 2.5%-8%, with the higher levels of growth in the period up to 2020.

**Figure 4.12 CHMA Growth Rate Forecasts, House Prices, All Areas**

|                                   | 2013  | 2014  | 2015  | 2016  | 2020  | 2030 | 2030-2041 (Avg PA) |
|-----------------------------------|-------|-------|-------|-------|-------|------|--------------------|
| OBR Estimates (Core)              | 1.6%  | 3.6%  | 3.9%  | 4.0%  | 4.5%  | 4.5% | 4.5%               |
| No Real Growth (Inflation Target) | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.5% | 2.5%               |
| Flat                              | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 2.5% | 2.5%               |
| Modest Increase                   | 5.0%  | 5.0%  | 5.0%  | 5.0%  | 5.0%  | 2.5% | 2.5%               |
| Strong Recovery                   | 5.0%  | 6.0%  | 7.0%  | 8.0%  | 8.0%  | 2.5% | 2.5%               |
| Gradual Decline                   | -1.0% | -2.0% | -2.0% | -4.0% | -1.0% | 2.5% | 2.5%               |

Source: CHMA

The rapid growth of house prices in the years up to the 2008 market crash was frequently in double digits each year, but the crash had a far greater impact on transactions than house prices as people were generally able to 'sit tight' due to low mortgage rates and little appetite from the banks to repossess. Since stronger market recovery from 2014, house price growth has been steady but not spectacular.

Over the past three years, average house prices in the SESPlan region have averaged 3.6% compound annual growth (CAGR), higher than the long-term 15-year average (2004-19) of 3.2%.

The strongest growth has occurred in the key commuter areas of East Lothian and Midlothian, where new build supply has combined with displaced demand from Edinburgh families to support housing demand. House price growth in Edinburgh has averaged 4.4% CAGR over 2016-19. All other SESPlan local authority areas (with the exceptions of the Scottish Borders and Fife) have seen price growth above 4%, with East Lothian and Midlothian showing the strongest increases.

This would support a Wealth Distribution scenario across the SESPlan region as a whole, rather than the Steady Recovery scenario, which expected the strongest growth concentrated only in Edinburgh and West Lothian.

**Figure 4.13 Year-on-Year % house price change by SESPlan area, 2004-19**

| Year              | Edinburgh | East Lothian | Fife | Midlothian | Scottish Borders | West Lothian | SESPlan |
|-------------------|-----------|--------------|------|------------|------------------|--------------|---------|
| 2004              | 11%       | 11%          | 15%  | 8%         | 19%              | 14%          | 12%     |
| 2005              | 6%        | 8%           | 9%   | 8%         | 4%               | 5%           | 6%      |
| 2006              | 10%       | 8%           | 10%  | 12%        | 12%              | 13%          | 11%     |
| 2007              | 10%       | 16%          | 12%  | 12%        | 13%              | 12%          | 11%     |
| 2008              | 1%        | -3%          | 5%   | 3%         | 2%               | 0%           | 2%      |
| 2009              | -6%       | -2%          | -4%  | -3%        | -3%              | -3%          | -4%     |
| 2010              | 8%        | 10%          | 0%   | 3%         | 4%               | 3%           | 6%      |
| 2011              | -1%       | -6%          | 0%   | -4%        | 2%               | 1%           | -1%     |
| 2012              | 0%        | 0%           | -3%  | 3%         | -6%              | -3%          | -1%     |
| 2013              | -1%       | 3%           | 0%   | 5%         | -1%              | 0%           | 0%      |
| 2014              | 6%        | 4%           | 5%   | -2%        | 3%               | 6%           | 5%      |
| 2015              | 5%        | 3%           | 6%   | 6%         | 3%               | 9%           | 5%      |
| 2016              | -2%       | -1%          | 2%   | 5%         | 1%               | -1%          | 0%      |
| 2017              | 7%        | 7%           | 3%   | 4%         | 5%               | 0%           | 5%      |
| 2018              | 7%        | 5%           | 4%   | 9%         | 0%               | 8%           | 5%      |
| 2019              | 0%        | 7%           | 0%   | 4%         | -4%              | 5%           | 1%      |
| Average 2004-2019 | 3.8%      | 4.3%         | 3.9% | 4.5%       | 3.3%             | 4.3%         | 3.9%    |
| CAGR 15 Yr        | 3.2%      | 3.7%         | 3.1% | 4.1%       | 2.2%             | 3.5%         | 3.3%    |

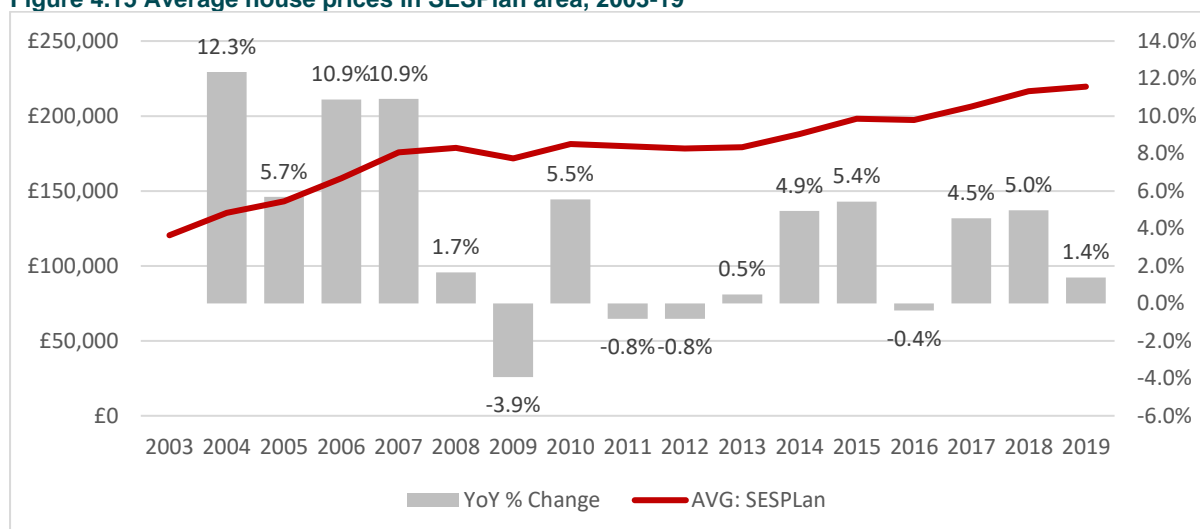
Source: Registers of Scotland

**Figure 4.14 Summary of house price growth rates by SESPlan area over different time periods**

|                   | 3yr% | 3yr CAGR | 10yr % | 10yr CAGR | 15yr % | 15yr CAGR |
|-------------------|------|----------|--------|-----------|--------|-----------|
| City of Edinburgh | 14%  | 4.4%     | 32%    | 2.8%      | 61%    | 3.2%      |
| East Lothian      | 20%  | 6.4%     | 34%    | 3.0%      | 73%    | 3.7%      |
| Fife              | 7%   | 2.2%     | 18%    | 1.7%      | 59%    | 3.1%      |
| Midlothian        | 17%  | 5.4%     | 36%    | 3.1%      | 83%    | 4.1%      |
| Scottish Borders  | 0%   | 0.1%     | 7%     | 0.6%      | 38%    | 2.2%      |
| West Lothian      | 13%  | 4.2%     | 31%    | 2.7%      | 67%    | 3.5%      |
| SESPlan           | 11%  | 3.6%     | 28%    | 2.5%      | 62%    | 3.3%      |

Source: Registers of Scotland

**Figure 4.15 Average house prices in SESPlan area, 2003-19**



Source: Registers of Scotland

## 4.4 HOUSING MARKET AFFORDABILITY

The impact of rising rents and house prices alongside earnings has altered the affordability dynamic within the regional market. Most areas have seen the ratio of average house prices to earnings, or percentage of gross average income against average rents, increase and become less affordable. The exceptions in the SESPlan area are in the Scottish Borders and West Lothian, where affordability ratios have improved. These figures cover broad geographies and the specifics of local neighbourhood markets can vary significantly.

Based on 2019 average house prices and median and mean earnings, Edinburgh and East Lothian are the most unaffordable SESPlan locations, with median earnings to house price ratios of over 10, compared to West Lothian where the mean ratio is 7.2.

Comparing this to 2016 ratios, Edinburgh, East Lothian, Fife and Midlothian have all become less affordable, suggesting 'creeping inequality', while the Scottish Borders and West Lothian have seen marginally improved affordability measures.

**Figure 4.16 Affordability pressures have generally increased in most SESPlan areas**

Average Rent and House Price vs Average Earnings in SESPlan Areas, 2019 v 2016

| Description       | 2019 Avg Earning |         | 2019 Avg House Price | House Price to Average Earning Ratio |      | 2019 Avg Rent | Gross  |      |
|-------------------|------------------|---------|----------------------|--------------------------------------|------|---------------|--------|------|
|                   | Median           | Mean    |                      | Median                               | Mean |               | Median | Mean |
| East Lothian      | £25,716          | £29,044 | £256,684             | 10.0                                 | 8.8  | £880          | 41%    | 36%  |
| City of Edinburgh | £26,187          | £33,968 | £266,789             | 10.2                                 | 7.9  | £1,103        | 51%    | 39%  |
| Fife              | £23,850          | £26,645 | £160,428             | 6.7                                  | 6.0  | £634          | 32%    | 29%  |
| Midlothian        | £24,074          | £27,950 | £225,400             | 9.4                                  | 8.1  | £813          | 41%    | 35%  |
| Scottish Borders  | £22,938          | £26,777 | £174,205             | 7.6                                  | 6.5  | £599          | 31%    | 27%  |
| West Lothian      | £25,080          | £29,552 | £180,441             | 7.2                                  | 6.1  | £665          | 32%    | 27%  |

| Description       | 2016 Avg Earning |         | 2016 Avg House Price | House Price to Average Earning Ratio |      | 2016 Avg Rent | Gross  |      |
|-------------------|------------------|---------|----------------------|--------------------------------------|------|---------------|--------|------|
|                   | Median           | Mean    |                      | Median                               | Mean |               | Median | Mean |
| East Lothian      | £22,916          | £26,645 | £213,118             | 9.3                                  | 8.0  | £750          | 39%    | 34%  |
| City of Edinburgh | £25,618          | £32,729 | £234,226             | 9.1                                  | 7.2  | £970          | 45%    | 36%  |
| Fife              | £23,011          | £26,050 | £150,399             | 6.5                                  | 5.8  | £595          | 31%    | 27%  |
| Midlothian        | £22,643          | £25,998 | £192,950             | 8.5                                  | 7.4  | £745          | 39%    | 34%  |
| Scottish Borders  | £21,258          | £25,985 | £173,195             | 8.1                                  | 6.7  | £565          | 32%    | 26%  |
| West Lothian      | £22,371          | £26,181 | £159,221             | 7.1                                  | 6.1  | £622          | 33%    | 29%  |

Source: ASHE / Registers of Scotland / Citylets

## 5 HOUSING MARKET SUPPLY

With an ambitious Scottish Government target set for affordable housing delivery of 50,000 in a 5-year period from 2016 and the City of Edinburgh Council’s own ambitious housing targets, set out in the Choices 2030 paper (22,600 units of market housing and 20,800 of affordable homes over 2019-32), there is a requirement to increase housing delivery significantly to meet these goals.

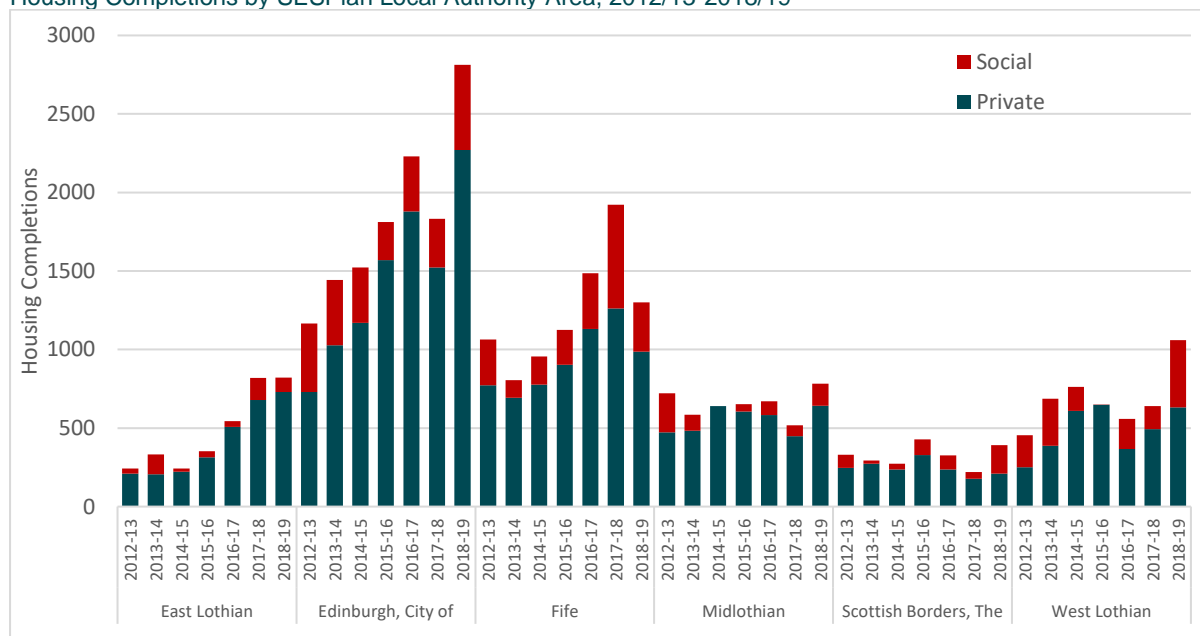
To deliver 43,400 homes in the period between 2019 and 2032, would require an annual delivery rate in Edinburgh of c.3,338 homes per annum. Only once in the past 20 years has Edinburgh exceeded this target, with 3,588 completions 2004/05. Over the past ten years, completions in Edinburgh have averaged 1,650 per annum and, in the last five years, this has been 2,042 per annum. To meet the affordable target alone of 1,600 units per annum, Edinburgh would have to be building affordable housing at near the same rate as its 20-year average for all housing.

In recent years, the proportion of new homes being delivered by the social sector has increased to just under one quarter, with current delivery running at 1,699 a year across the region. This is a marked increase from the 13% of delivery recorded in 2015/16.

It is clear that the rise in housing delivery in recent years has been of both private and social housing numbers, unsurprising as the delivery of affordable is often dependent on the delivery of market housing.

**Figure 5.1 There has been a rise in housing completions in the SESPlan area**

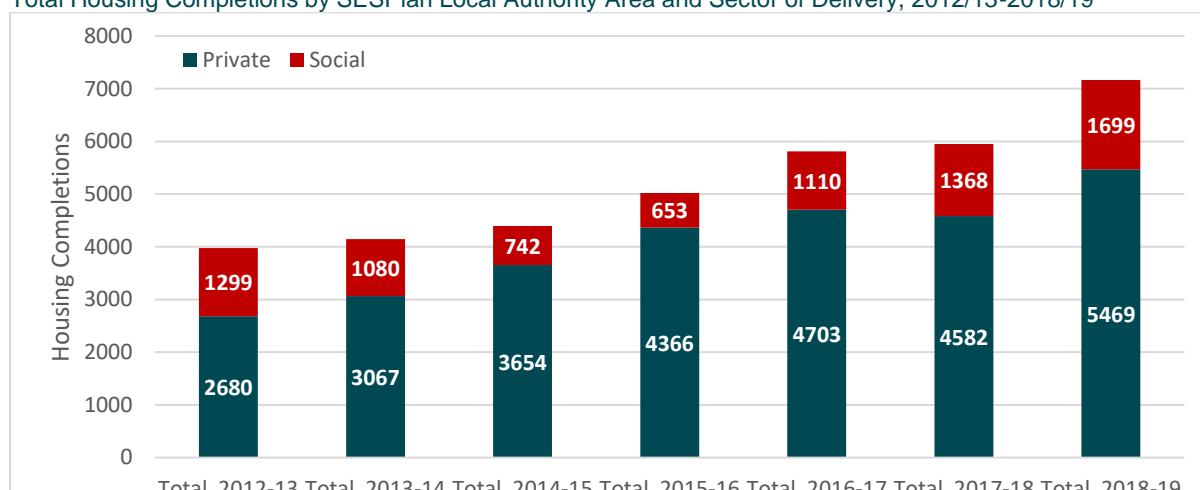
Housing Completions by SESPlan Local Authority Area, 2012/13-2018/19



Source: Scottish Government Housing Figures

**Figure 5.2 There have been rise in both market and affordable housing delivery**

Total Housing Completions by SESPlan Local Authority Area and Sector of Delivery, 2012/13-2018/19



Source: Scottish Government Housing Figures

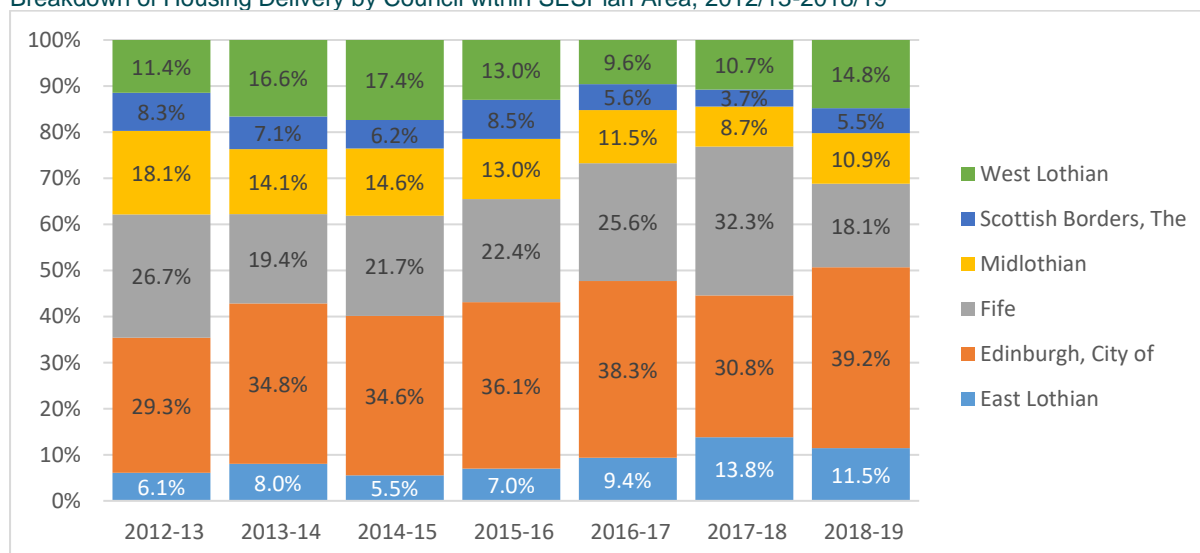
Currently, Midlothian and East Lothian are delivering new housing at the fastest rate relative to their size within the SESPlan region, with a ratio of 20 and 17.9 new homes per 1,000 households respectively.

However, while these areas are experiencing strong relative growth, they each only represent around 11% of housing completions within the SESPlan area, with Edinburgh and Fife representing the largest new housing delivery areas. Edinburgh's share of new housing completions in the SESPlan area has expanded to over 39% of completions in 2018/19, up from around 36% in 2015/16.

In terms of delivery, the SESPlan local authority areas are performing relatively well in a Scottish context, with most well above national rates, and still in the top half of the league table of all local authority areas.

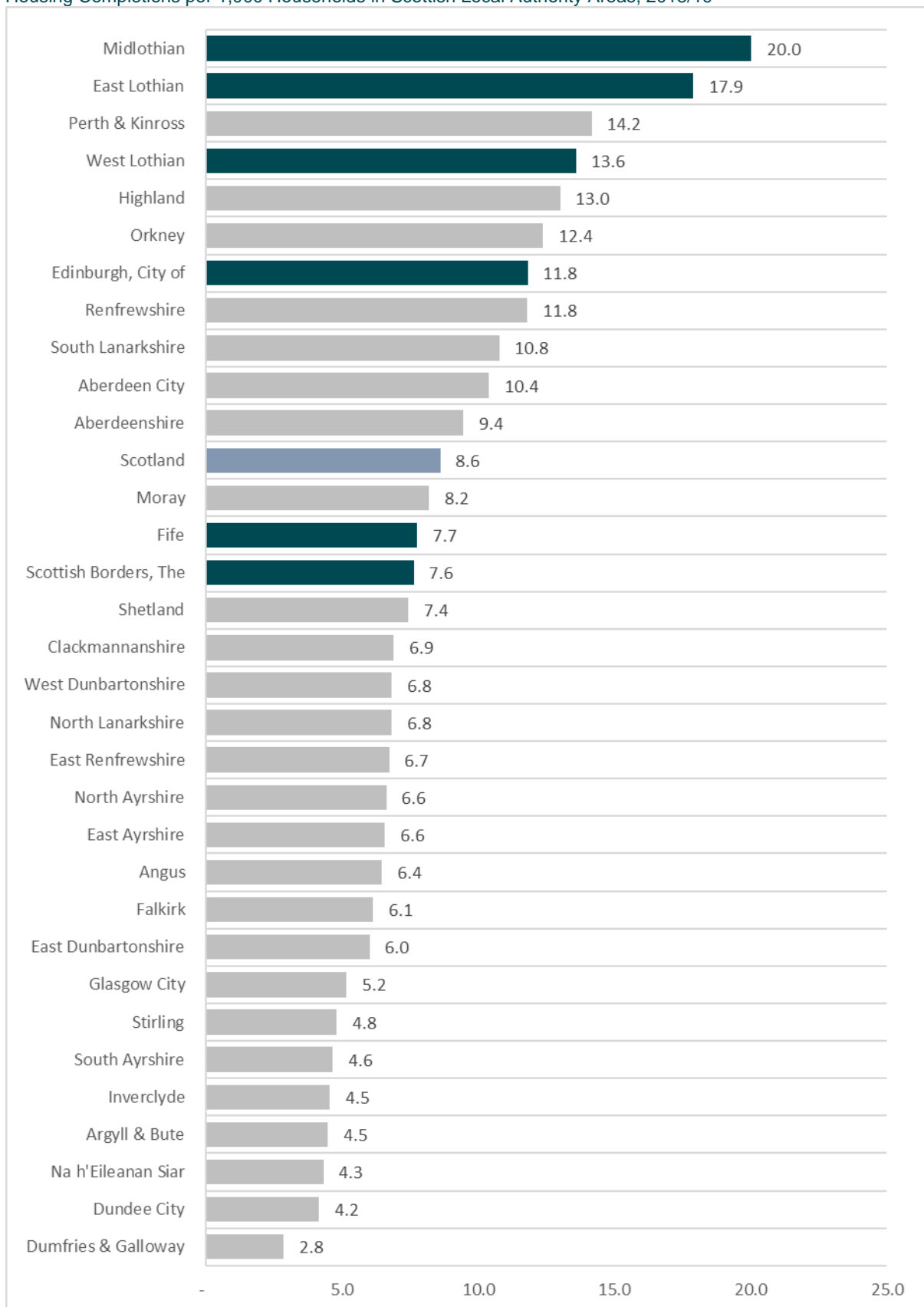
**Figure 5.3 Edinburgh's share of new housing in the SESPlan Area has risen to over 39%**

Breakdown of Housing Delivery by Council within SESPlan Area, 2012/13-2018/19



Source: Scottish Government Housing Figures

**Figure 5.4 Midlothian and East Lothian have been delivering a high volume of new build properties**  
 Housing Completions per 1,000 Households in Scottish Local Authority Areas, 2018/19



Source: Scottish Government Housing Figures

### 5.1.1 Benefits of increased supply

As evidenced in the recent Homes for Scotland report<sup>3</sup>, the lack of home building in Scotland, especially in the main cities, has caused significant affordability issues, especially for younger people, and has increased wealth inequalities.

It has also created difficulties for older people, with a dearth of suitable quality housing for a rapidly increasing older population. Substantial savings in health and social care could also be generated through providing more of this accommodation and, additionally, it can free up currently inefficiently used housing stock.

The benefits of housebuilding are clear in economic terms – housebuilding currently provides around 80,000 jobs in Scotland and could support another 20,000 if numbers once again reached pre-recession levels. Residential development also stokes public finances through LBTT, Corporation Tax, PAYE, landfill tax, business rates, VAT, Council Tax and section 75 agreements.

There are also wider social benefits. Higher levels of residential development have been shown to improve the housing stock, health, educational attainment and social opportunities. Housing development has also been shown to improve places and regenerate entire areas that have been in long-term decline.

With the Scottish Government's commitment to inclusive growth, also enthusiastically adopted by many local authority areas including Edinburgh, it seems clear that higher levels of housing completions should be a major element of any such approach.

## 5.2 AFFORDABLE HOUSING DELIVERY

A notable shift in the delivery of affordable homes within the SESPlan area over the past few years has been the diversification of delivery via alternative tenure models. Examples such as Mid Market Rent (MMR), Open Market Share Equity (OMSE), National Housing Trust (NHT) and LAR Housing Trust have all supplemented traditional social rent and contributed to delivery over the past four years; some of these models being new innovations since 2015-16.

If the Scottish Government and local councils wish to hit their affordable housing targets, embracing alternative tenure models such as MMR will be key to increasing capacity and investment in affordable housing without relying solely on the capacity of the council and RSL sectors. With institutional rental investment in Scotland increasing in recent years, models such as this offer the potential to attract private investment to supplement available government and grant funding.

However, the bulk of affordable housing delivery in the region remains social rent, currently around 61% of all affordable delivery, up from 35% in 2015/16. It is clear that much of the new Government funding has gone into social rent, as the Government had intended. Of concern, has been the drop back of other affordable delivery in 2018/19 despite the available funding.

The sustainability of this delivery post-2021 is a major issue. The programme from 2016 has been made possible by generous levels of Government grant funding, in the order of £3 billion. It is not known whether this will be sustained.. Alternative and innovative sources of funding and delivery mechanisms therefore have to be considered and it appears unquestionably the case that more market housing will be a requirement to deliver more affordable housing going forward.

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<https://www.homesforscotland.com/Portals/HomesForScotland/THE%20VALUE%20OF%20RESIDENTIAL%20DEVELOPMENT%20-%20Review%20of%20Literature%20180919.pdf?ver=2019-09-18-090743-993>



**Figure 5.5 Alternative tenure models allow for more affordable housing to be delivered than by grant funding alone**

Affordable Housing Supply in SESPlan Area, 2015/16-2018/19

| Year  | 2015-16     | 2016-17     | 2017-18     | 2018-19     |
|---|-------------|-------------|-------------|-------------|
| RSL Rent                                    | 393         | 540         | 544         | 1080        |
| Council House (Rent)                        | 353         | 773         | 831         | 870         |
| Town Centre Empty Homes (RSL Rent)          |             | 0           | 6           | 0           |
| Town Centre Houingsg Fund (RSL Rent)        |             | 14          |             |             |
| Home Owners Support Fund (Rent)             | 24          | 15          | 7           | 3           |
| <b>Total Social Rent</b>                    | <b>770</b>  | <b>1342</b> | <b>1392</b> | <b>1953</b> |
| Mid Market Rent (MMR)                       |             | 350         | 511         | 308         |
| National Housing Trust                      | 105         | 130         | 80          | 169         |
| New Supply Share Equity (NSSE)              |             | 69          | 54          | 29          |
| Open Market Shared Equity (OMSE)            | 784         | 935         | 788         | 712         |
| Local Affordable Rentad Housing Trust (LAR) |             | 0           | 38          | 26          |
| Partnership Support for Regeneration (PSR)  |             | 0           | 16          | 0           |
| Rural and Islands Housing Fund              |             |             | 0           | 0           |
| Town Centre Housing Fund                    |             | 4           |             |             |
| Town Centre Empty Home Fund                 |             | 0           |             |             |
| Shared Ownership (LCHO)                     |             | 0           | 0           |             |
| Homeownership                               | 0           |             | 0           |             |
| Empty Homes Loan Fund                       | 1           |             |             |             |
| Homes Owners Support Fund                   | 1           |             |             |             |
| Other Suppliers Rent                        | 453         |             |             |             |
| Rural Home Ownership Grant (RHOG)           |             |             |             |             |
| Improvement & Repair                        |             |             |             |             |
| Council House Build Shared Equity           |             |             |             | 0           |
| <b>Total Affordable</b>                     | <b>1416</b> | <b>1488</b> | <b>1487</b> | <b>1247</b> |
| <b>Grand Total</b>                          | <b>2186</b> | <b>2830</b> | <b>2879</b> | <b>3200</b> |

Source: Affordable Housing Supply Programme Monitoring

The ability for alternative affordable tenures to supplement traditional social housing provision will be a crucial element of increasing capacity and investment in the sector. The potential of the sector can be seen in the uptake and characteristics of applicants in the case study at Harbour Gateway in Western Harbour Edinburgh.

### 5.2.1 Harbour Gateway Case Study

With a household income cap of £39,000, the Harbour Gateway development received over 3,700 applicants for the 138 MMR apartments. The average applicant age was 35 years-old, with just under 90% of applicants being economically active and 82% in full-time employment. Around 80% were in the PRS or informal PRS (living with parents or friends).

In terms of motivation for applying, 89% of applicants rated 'rental affordability' as very important. Also receiving a high positive response was 'setting up home for the first time', with 85% saying this was very important or quite important.

On average, applicants were paying around £550 pcm in rent in their current tenures, with those in the PRS paying slightly higher at around £626 pcm.

In terms of property aspirations 43% were after a 1-bed apartment and 49% wanted a 2-bed apartment. With a ratio of over 27 applicants per property, the demand demonstrated for affordable rental homes from economically active residents, mainly coming from the PRS and being driven by affordability, is clearly demonstrated in this case study.

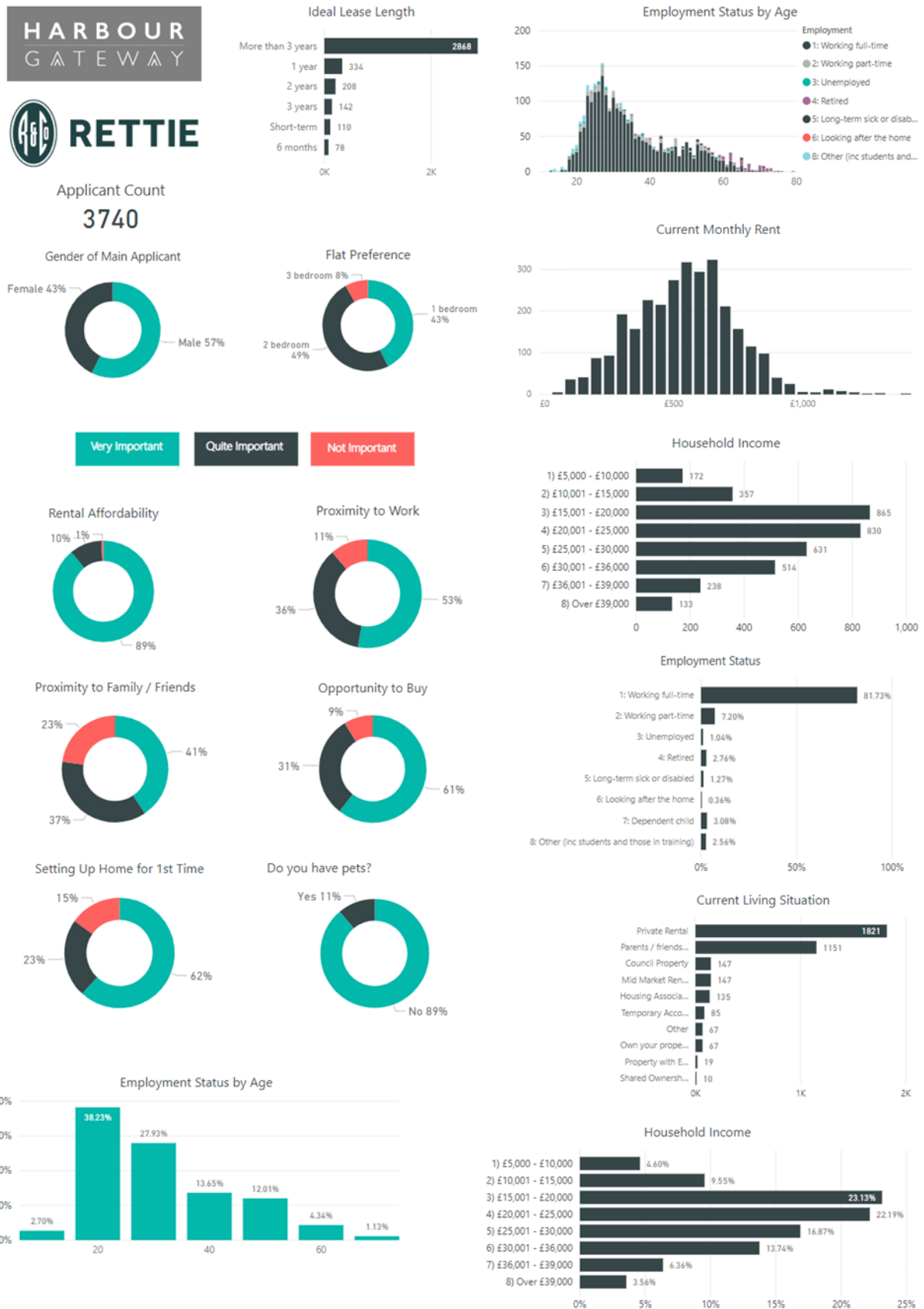
This scheme was delivered under NHT, i.e. it had a significant element of government subsidy but considerably less than would have been required under grant funding of the units. MMR is now being delivered without subsidy, as evidenced by schemes in Edinburgh (such as Build to Rent schemes) and at Dunbar<sup>4</sup>. The Building Scotland Fund has also made Government loan funding available for MMR (backing Places for People Capital with a £47.5 million loan, helping it to leverage in a total fund of £150 million, and Sigma with a £30 million loan to leverage £43 million of total funding to provide affordable rented accommodation for families).

Schemes like Harbour Gateway show the ample demand for this type of product and schemes are emerging now that are more innovative in terms of sourcing funding and repaying of Government funding so that it can be recycled. These types of initiatives have the potential to accelerate affordable housing provision in Scotland going forward.

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<sup>4</sup> <https://www.scottishconstructionnow.com/article/scotland-s-first-affordable-rented-homes-built-without-government-subsidy-launched>

Figure 5.6 Breakdown of applicant profile for Harbour Gate development in Western Harbour



Source: Rettie & Co

## 5.2.2 Affordable Housing Target of 35%

Within the Edinburgh Choices 2030 paper, there is a proposed increase in affordable housing contribution from 25% of total units to 35% of total units for all developments over 12 units, including conversions. This level is similar to the measure introduced in London in 2016 and would represent a significant change to the current development landscape in the city. The Council instructed the District Valuer to model the impact of changes to affordable housing policy on development viability in Edinburgh. The conclusions of this work suggest that land values in Edinburgh are high enough to support a much higher affordable housing requirement than the current 25%. An analysis suggests that 35% could be achievable<sup>5</sup>. However, it should be noted that this appraisal has not been made publicly available. We understand this appraisal of viability is high level and does not include the viability impact of other policy requirements, which may be introduced through the Local Development Plan review.

The current Edinburgh Housing Land Audit (HLA) 2019 has identified total effective supply of 24,781 units in Edinburgh, of which 7,851 are affordable. This represents an affordable to market percentage of c.32%. The future delivery programme has the effective affordable housing supply identified at 29% to 32% of total upcoming supply from 2021/22 to 2023/24.

Under the Choices 2030 paper, the Council has acknowledged that to meet the ambitious market and affordable housing targets under the current established land supply, then a blended approach using market housing to facilitate affordable delivery would be required. This will also likely require a release of greenfield land as the current brownfield supply would not be capable of supporting the desired level of affordable delivery at current approved or allocated levels.

It should be noted that the introduction of a 35% affordable housing rate may have the unintended consequence of making brownfield sites, which are already often more challenging, less viable and drive development toward greenfield sites. This may not support the Council's ambition to utilise brownfield sites as effectively as possible and may also have a detrimental effect on delivering high density urban sites.

**Figure 5.7 The supply programme set out in the HLA for effective affordable capacity does not cover 35% affordable ambitions for market land**  
Edinburgh Future Supply Programme

|                                 | Total Site Capacity | Total Affordable | All Completions | Total Dwellings | 2019/20      | 2020/21      | 2021/22      | 2022/23      | 2023/24      | Total 2019/24 | 2024/25      | 2025/26      | Post 2026    |
|---------------------------------|---------------------|------------------|-----------------|-----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Under Construction              | 8,969               | 2,949            | 2,083           | 6,886           | 2,507        | 2,267        | 1,156        | 504          | 161          | 6,595         | 182          | 50           | 59           |
| Consent                         | 7,471               | 2,385            | 0               | 7,471           | 54           | 406          | 1,203        | 1,367        | 1,118        | 4,202         | 948          | 607          | 1,714        |
| No Consent                      | 8,022               | 2,407            | 0               | 8,022           | 0            | 115          | 508          | 934          | 1,077        | 2,634         | 1,030        | 760          | 3,598        |
| Small Sites                     | 319                 | 2                | 2               | 317             | 63           | 64           | 63           | 64           | 63           | 317           | 0            | 0            | 0            |
| <b>Total Effective Supply</b>   | <b>24,781</b>       | <b>7,743</b>     | <b>2,085</b>    | <b>22,696</b>   | <b>2,624</b> | <b>2,852</b> | <b>2,930</b> | <b>2,869</b> | <b>2,419</b> | <b>13,748</b> | <b>2,160</b> | <b>1,417</b> | <b>5,371</b> |
| Market                          | 16,930              | 0                | 1,592           | 15,338          | 1,485        | 1,903        | 2,090        | 2,040        | 1,639        | 9,157         | 1,389        | 995          | 3,837        |
| Affordable                      | 7,851               | 7,851            | 497             | 7,358           | 1,139        | 1,003        | 840          | 829          | 780          | 4,591         | 771          | 462          | 1,534        |
| Effective Affordable Ratio      | 32%                 | 101%             | 24%             | 32%             | 43%          | 35%          | 29%          | 29%          | 32%          | 33%           | 36%          | 33%          | 29%          |
| Constrained                     | 7,841               | 1,595            | 373             | 7,468           |              |              |              |              |              |               |              |              |              |
| <b>Total Established Supply</b> | <b>32,622</b>       | <b>9,446</b>     | <b>2,462</b>    | <b>30,164</b>   |              |              |              |              |              |               |              |              |              |

Source: Edinburgh HLA

<sup>5</sup> City Plan 2030, Housing Study Part 1

## 6 THE VALUE OF THE ALL TENURE APPROACH

With high levels of housing need within Scotland and ambitious housing targets under pressure, the delivery of homes via all tenures and leveraging public sector capacity and finance is essential. The all tenure approach aims to provide homes in the open market, intermediate and social rented sectors.

This all tenure approach allows for a broad range of affordability, aspiration and need to be met. The delivery of open market homes, which has built the majority of new homes since the late 1970s (see

Figure 6.1), meets the aspirations of many home owners and provides new private rental homes, while also contributing to the delivery of intermediate and affordable homes through Section 75 and affordable housing contributions. The delivery of intermediate tenures, such as affordable rental homes or low-cost home ownership, allows households with constrained affordability to access higher quality homes or access tenures that would be out of reach in the open market. Such tenures can also assist in the reduction of in-work housing benefits. The social rented tenure is then available to support those in housing need, reduce welfare dependency and contribute to overall housing supply.

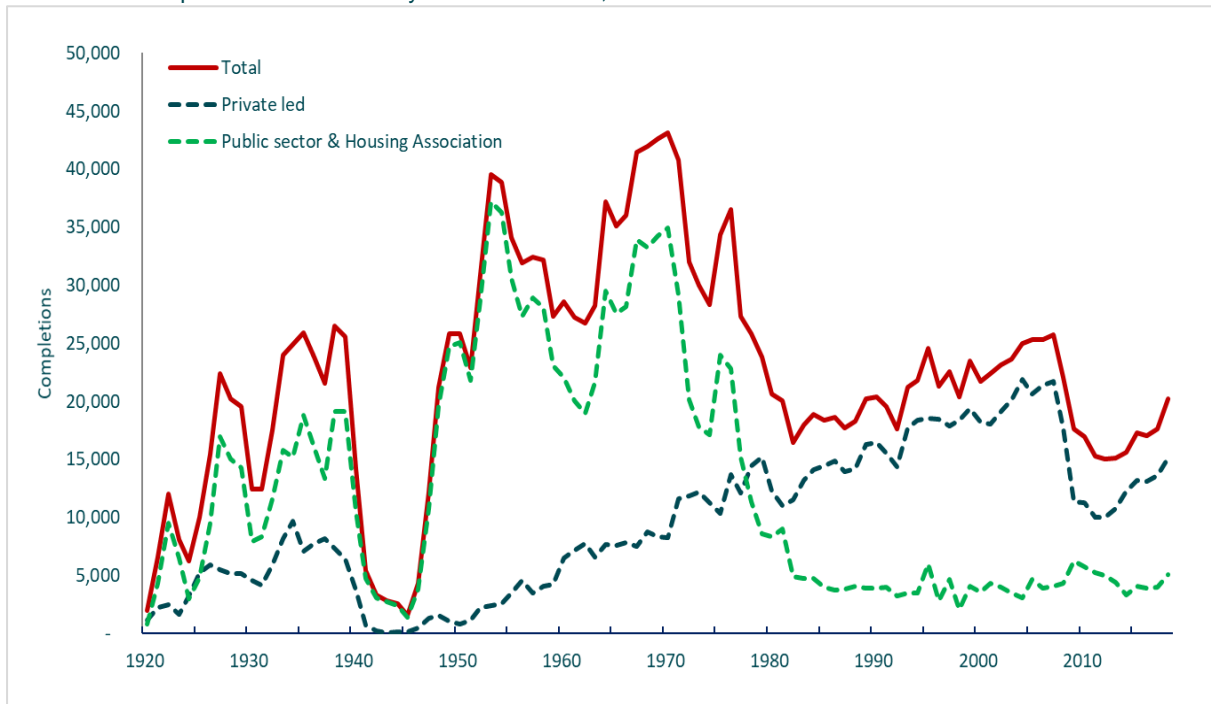
The Scottish market has seen significant change in tenure over the past 25 years (see Figure 6.3) with role of local authorities dropping significantly from over one-third of households in local authority owned housing in the early 90s to c.12% now. Conversely, the number of households in the PRS has doubled over that period. This increasing diversity of housing options and the flexibility people need supports an all tenure approach where private, intermediate and social options to buy, rent or live exist and allow for the transition between tenures.

The diversification of models and tenures in the affordable housing sector has been one that has proven successful in recent years (see

Figure 6.2). While the traditional RSL rent model has fluctuated over the past 20 years, the greatest increases in new affordable housing supply has come from council house new build, affordable rental and open market shared equity.

The case studies in Section 6.1 demonstrate how private developers and the public sector are working together to deliver market and affordable housing. The provision of affordable housing will require market mechanisms and the provision of private housing to facilitate affordable delivery. An all tenure target that recognises that the provision of all types of housing is needed and should be done flexibly in line with need and demand is superior in our view to separate targets for private and affordable housing, which may not take proper account of the synergies between the two or the flexibility required to achieve the right blend of tenures.

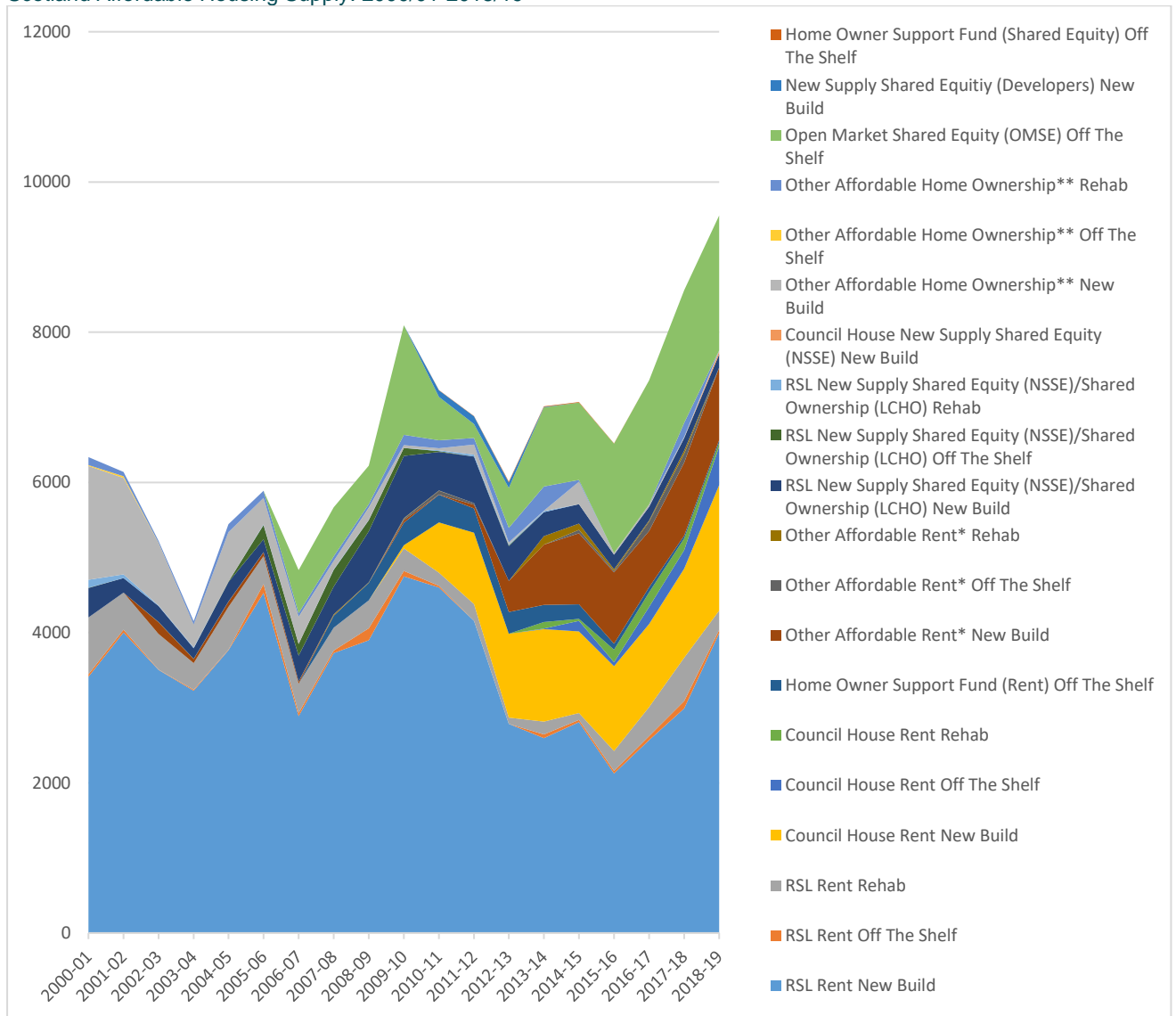
**Figure 6.1 The delivery of new housing has changed dramatically over the past century**  
New Home Completions in Scotland by Sector and Year, 1920-2020



Source: Scottish Government

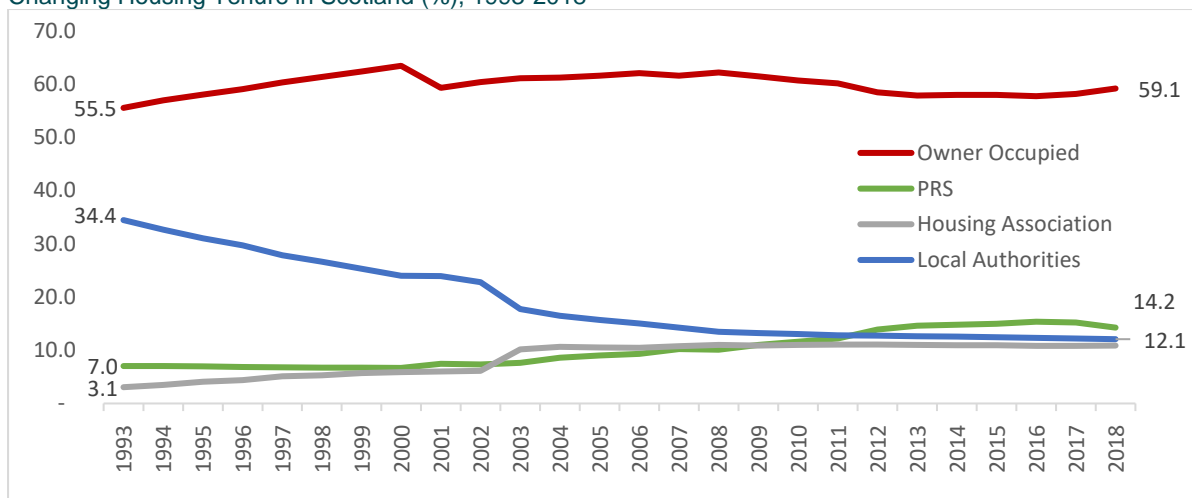


**Figure 6.2 Diversification of affordable tenures has supported affordable housing delivery in Scotland**  
Scotland Affordable Housing Supply. 2000/01-2018/19



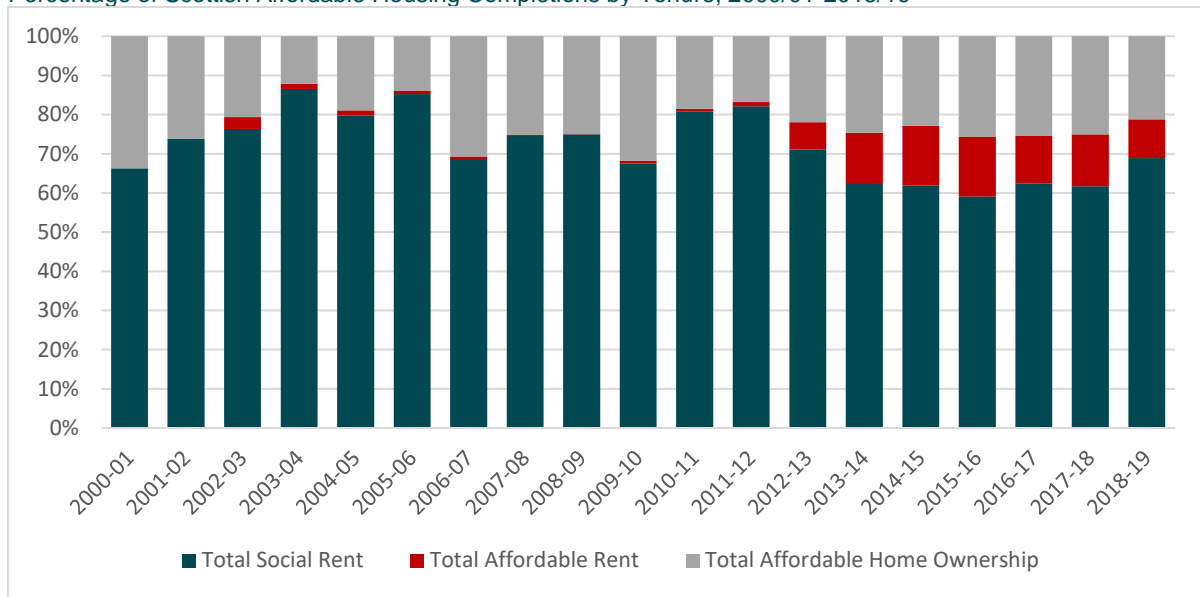
Source: Scottish Government

**Figure 6.3 The role of local authorities and the PRS has changed dramatically over the past 25 years**  
Changing Housing Tenure in Scotland (%), 1993-2018



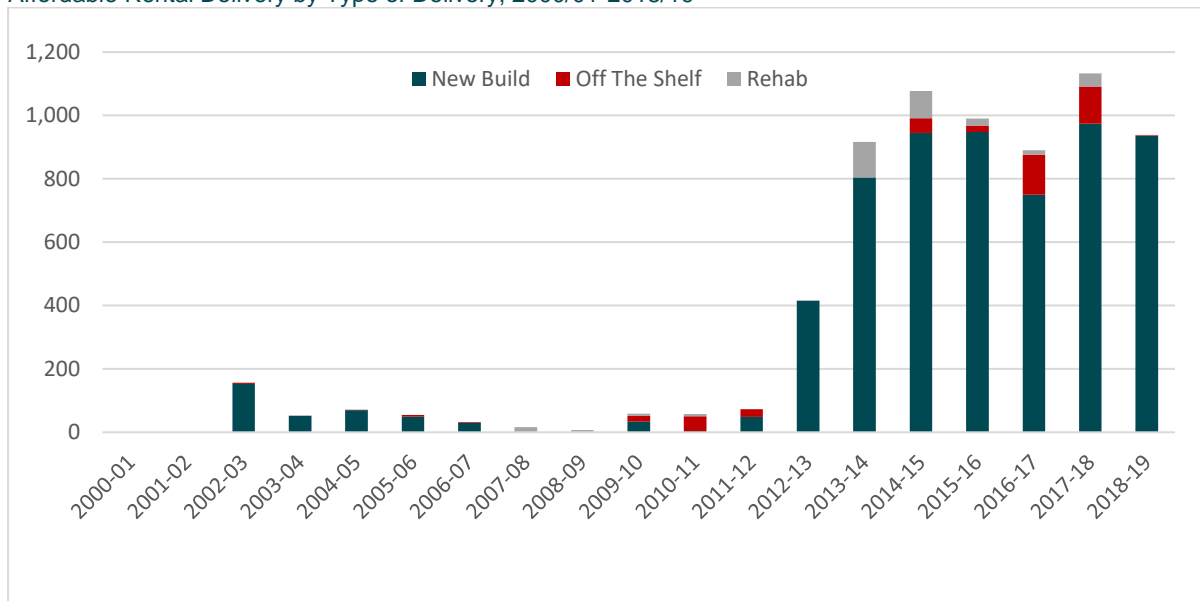
Source: Scottish Government

**Figure 6.4 In recent years affordable rent has risen to 10%-15% of total affordable delivery**  
 Percentage of Scottish Affordable Housing Completions by Tenure, 2000/01-2018/19



Source: Scottish Government

**Figure 6.5 Affordable rent has mainly been driven by new build delivery**  
 Affordable Rental Delivery by Type of Delivery, 2000/01-2018/19



Source: Scottish Government

## 6.1 PRIVATE AFFORDABLE CASE STUDIES

The following cases studies provide examples where private development and investment is delivering affordable homes within communities.

### 6.1.1 Development in Hallhill, Dunbar<sup>6</sup>

50 homes are being provided for rent at mid-market rates without subsidy, funded using private sector investment, while 10 will be for social rent, funded using the council's capital budget with Scottish Government grant support.

The development has been facilitated by the investment by the Co-op Pension Fund via their fund managers, PGIM and their partners 3H York. The Co-op will acquire and hold the 50 mid-market affordable homes as a long-term investment following practical completion and lease the new affordable homes to ELC.

All 50 properties will revert to council ownership at the end of the lease period at no cost to the council.

This methodology means:

- The private sector takes responsibility for acquiring land, procurement, programming and funding.
- The Co-op holds the properties as a long-term investment.
- The Council receives revenue for the right to market, let, manage and maintain the houses.
- The local authority lets to qualifying residents at agreed affordable rents.
- Local residents get new, high-quality homes at affordable rents in a good location with good schools, public transport links, amenities and facilities.
- There is a no reliance on grant funding to build these new homes.
- The Council can accelerate its programme for much needed projects where no alternative funding solution exists.
- The Council acquires the homes at the end of the lease for £1, resulting in ownership of a significant asset with no corresponding capital cost.

Cabinet Secretary for Economy and Finance Derek Mackay said: *"I am pleased to see work starting today on 60 affordable rented homes in Dunbar. 50 of these units will be built without any Government subsidy, with this innovative funding model accessing an ethical pension fund."*

Neil McCormick, managing director, Robertson Capital Projects said: *"We have been working incredibly hard for the last two years to make this delivery and funding model a reality because we understood the need for private sector support in order for local authorities to meet their key housing targets. I am confident that it will be the first of many. We are deeply proud to have played such a significant role in what will be deemed as a game changer in the affordable rental housing market for many other local authorities across Scotland."*

Ken Ross, CEO at Ross Developments and Renewables Ltd and Chair of 3H York said: *"We are delighted to be working in Scotland with a number of councils using this innovative funding model, which does not require a penny of public subsidy. This means that the private sector takes responsibility for acquiring land, procurement, programming and funding and there is no reliance on grant funding to deliver these new affordable homes."*

<sup>6</sup> <https://www.eastlothian.gov.uk/news/article/12894/first-affordable-homes-built-without-government-subsidy-in-east-lothian>

## 6.1.2 PfP Capital MMR Fund

The Places for People Capital Fund aims to provide investors with stable CPI-linked returns through the development of 1,000 MMR homes in Scotland. MMR is tied to BRMA 30th percentile levels and can be increased by CPI each year.

The target is to achieve a 4.5%- 5% yield together with long-term capital appreciation over the life of the Fund. The Scottish Government has backed the Fund and pledged £47.5 million as part of its commitment to deliver 50,000 affordable homes across the country by 2021, with the Fund looking to reach around £150 million through leveraging in other investment.

To date, the Fund has confirmed the purchase of two sites. Working in partnership with UK housebuilder Keepmoat Homes, the first development site in Paisley was acquired with a gross development cost of £7.3 million and will deliver 66 new homes. The first 28 homes were completed during March-April 2019 and the remainder will be developed throughout 2019/2020.

The second site was acquired in Edinburgh and planning consent has already been secured for 85 new homes. These will be delivered by Edinburgh based developer Hopefield Partnership and CCG Construction. The brownfield redevelopment site, formerly Oxfangs Primary School, will have a gross delivery cost of £15.5 million, giving PfP Capital a combined investment of over £22 million across both east and west of Scotland.

There are further sites purchased and awaiting public announcement.

### **Main Benefit**

The PFP Capital Fund represents a significant step combining a soft loan from the government and private equity for the delivery of additional affordable units. It is a genuine public/private sector collaboration to accelerate affordable delivery with public funds repaid so they can be recycled into other schemes.

### **Downsides / Risks**

The targets and rules of the Fund mean that the model of the fund is not viable in all locations, particularly where there is a dislocation between BRMA 30th percentile in the broad regional area and actual rents in the local area that contains the site, making sourcing the volume of units challenging within the target timescales.

### 6.1.3 Sigma Capital

While not strictly an alternative affordable housing tenure, Sigma Capital are looking for opportunities in Scotland to deliver their affordable family BTR model north of the border. The Sigma Scottish PRS Fund, with total resources estimated at £43 million was enabled by a £30 million revolving credit facility from the Scottish Government's Building Scotland Fund.

The provision of BTR homes specifically targeting family occupation in areas outside prime urban locations represents an alternative housing model that has not been seen within the Scottish market. Having proven successful in England, this family-orientated rental model has the potential to replicate the demand found down south across Scotland.

Sigma has announced a deal with Springfield to deliver PRS units in Dundee, Edinburgh, Perth, Stirling and Inverness, which will operate under Sigma's 'Simple Life' brand. These will be part of larger developments providing private housing for sale.

#### **Main Benefit**

Open market rental stock targeting family households whose earnings and life stage stability offer stable rental incomes. Delivered as part of open market sales masterplans creating mixed communities.

#### **Downsides / Risks**

Untested in the Scottish market and not delivering affordable homes by any strict definition. Sigma are yet to deliver a development in Scotland.

## 7 MORTGAGE AVAILABILITY & HOUSING SUPPLY

At the time of SESPlan 1, the economic and mortgage environment was materially different, with the housing market experiencing a severe downturn and mortgage lending heavily constrained.

Since this time, and the subsequent Mortgage Market Review (MMR) in 2014, there have been clear changes in the mortgage lending landscape.

The previous HNDA, and earlier 2010 household projections, assumed restricted mortgage finance, limiting households' ability to purchase property and a slower rate of household formation. Since then, mortgage availability and lending levels have increased, with the low interest rate environment supporting affordability.

Mortgage lenders have been increasingly innovating product and criteria to attract borrowers. This has seen an increase in 95% loan to value (LTV) products available for first time buyers (FTBs), split mortgages for FTBs who are being financially supported by their parents, as well as products targeting contractor workers. Buy to Let (BTL) mortgages for limited companies has also seen an increase in volume of products and market participants.

The low interest environment has seen the effective interest rate fall below 2%. The combination of greater mortgage competition and low interest rates is making home ownership relatively affordable in an historic context, if the deposit requirements can be met by buyers, especially FTBs.

Over the past few years, there have been new mortgage lenders entering the market, however, 50% of new lending is made by the Top 4 lenders, which also account for 50% of all outstanding borrowing. Around 50% of new and outstanding BTL lending is done by the Top 5 lenders. Fuller details are in the Appendix.

Overall, since 2014, FTB lending has increased by c.19% and overall mortgage lending by c.2% within Scotland, although the rate of growth has slowed in recent years.

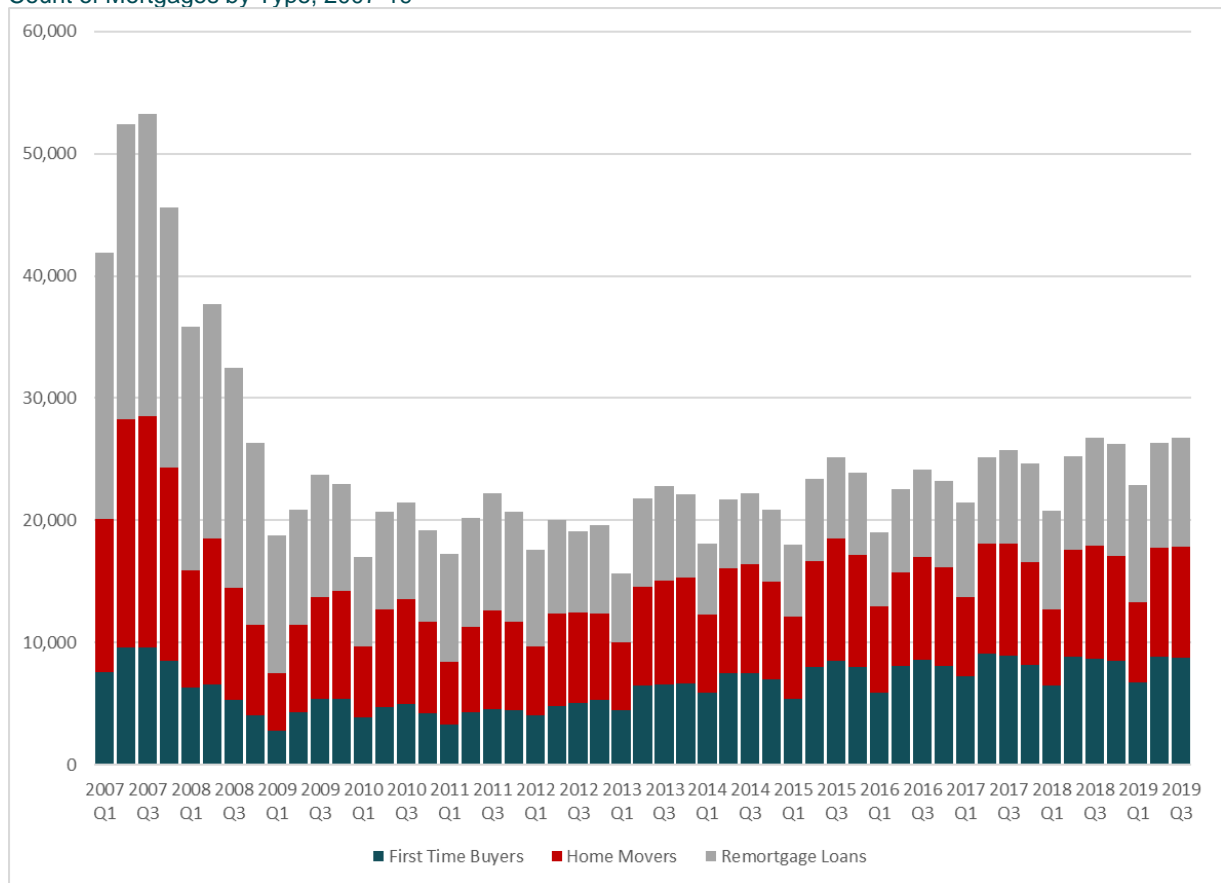
Trends in mortgage lending show that, since 2014, there has been a trend for higher loan to value (LTV) and income multiples for both single and joint applications in the UK.

**Figure 7.1 The overall rate for new lending is now under 2%**  
 New Mortgage Lending Rates in UK, 2004-20



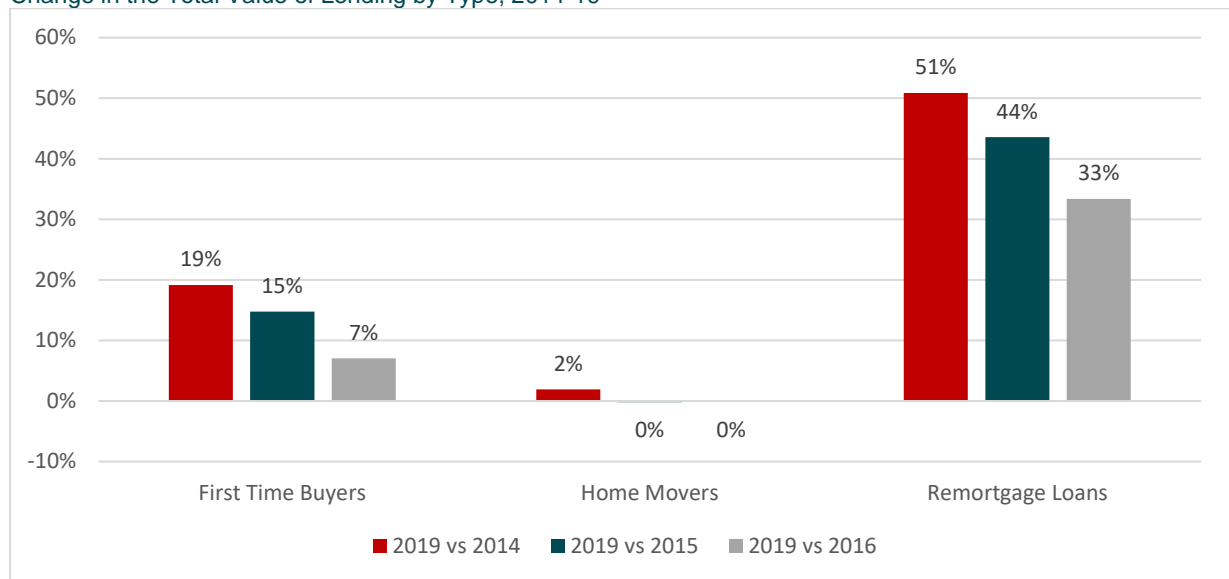
Source: Bank of England

**Figure 7.2 Mortgage lending in Scotland has increased modestly over the past 3 years**  
 Count of Mortgages by Type, 2007-19



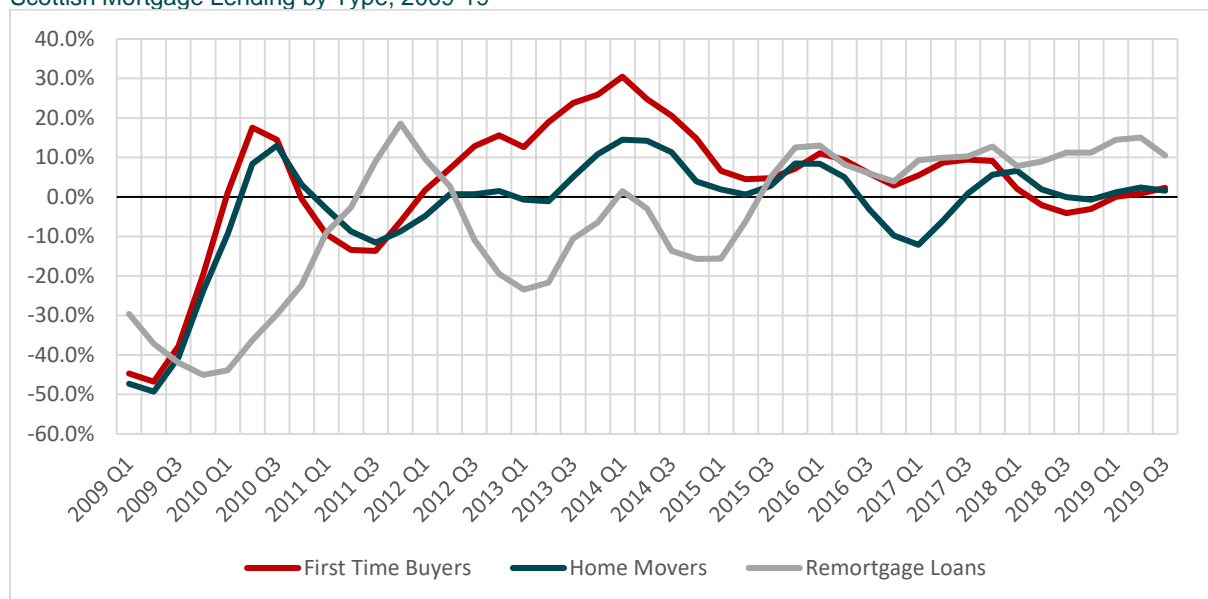
Source: UK Finance

**Figure 7.3 Since 2014 FTB have seen a 19% increase in lending**  
 Change in the Total Value of Lending by Type, 2014-19



Source: UK Finance

**Figure 7.4 New lending to FTBs and home movers slowed over late 2018 and early 2019**  
 Scottish Mortgage Lending by Type, 2009-19

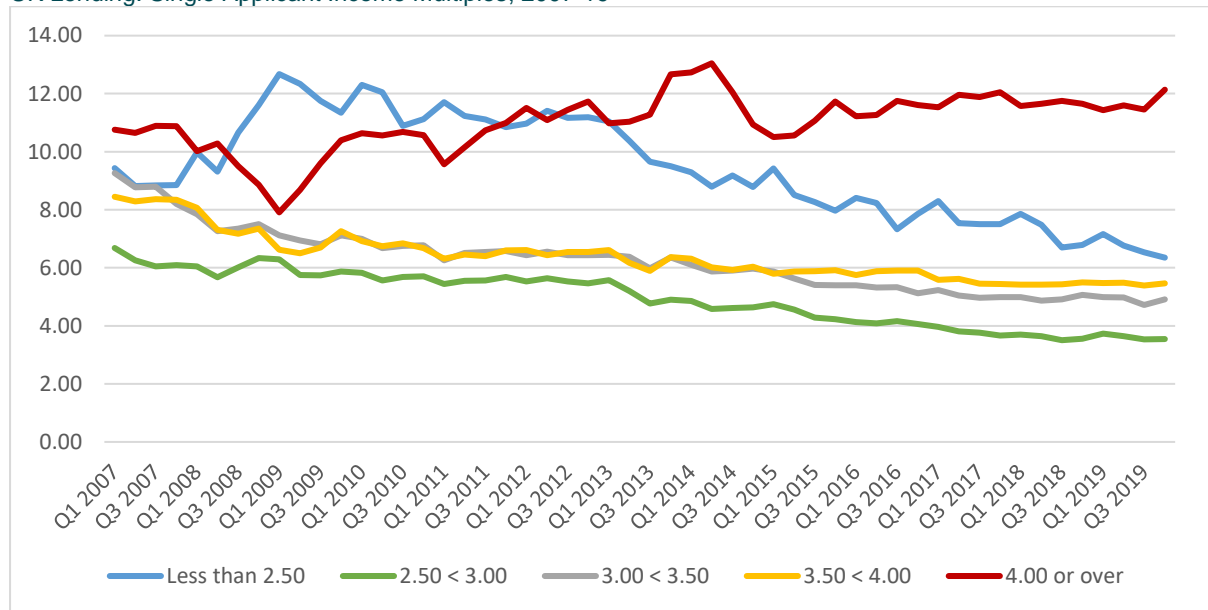


Source: UK Finance



**Figure 7.5 Higher income multiples have become more common in mortgage lending**

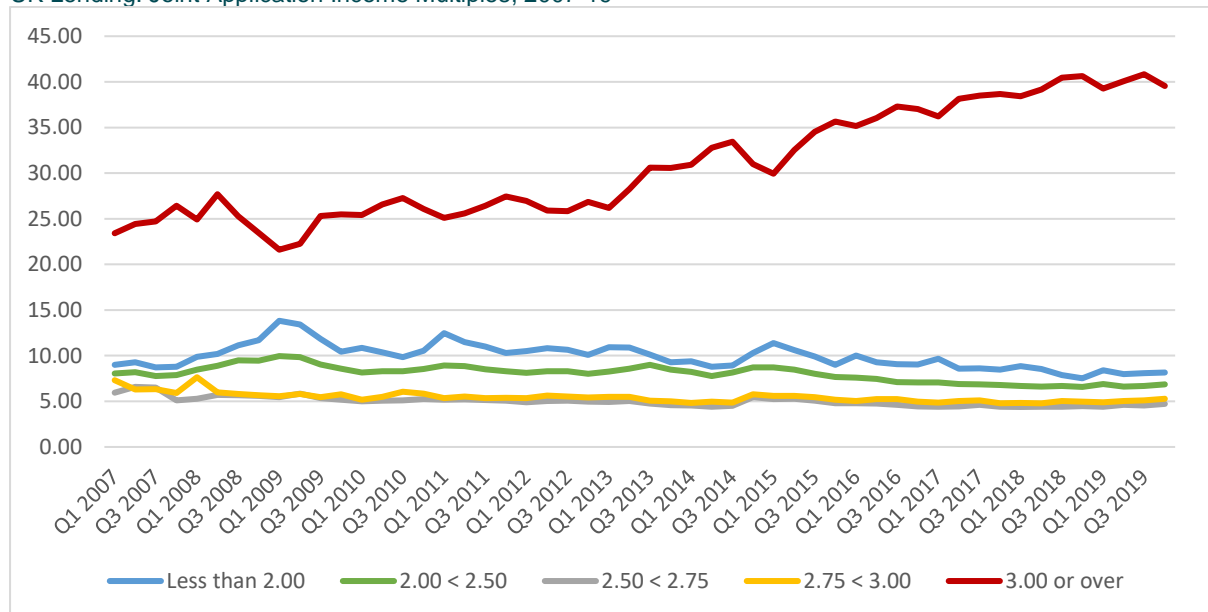
UK Lending: Single Applicant Income Multiples, 2007-19



Source: Bank of England: MLAR

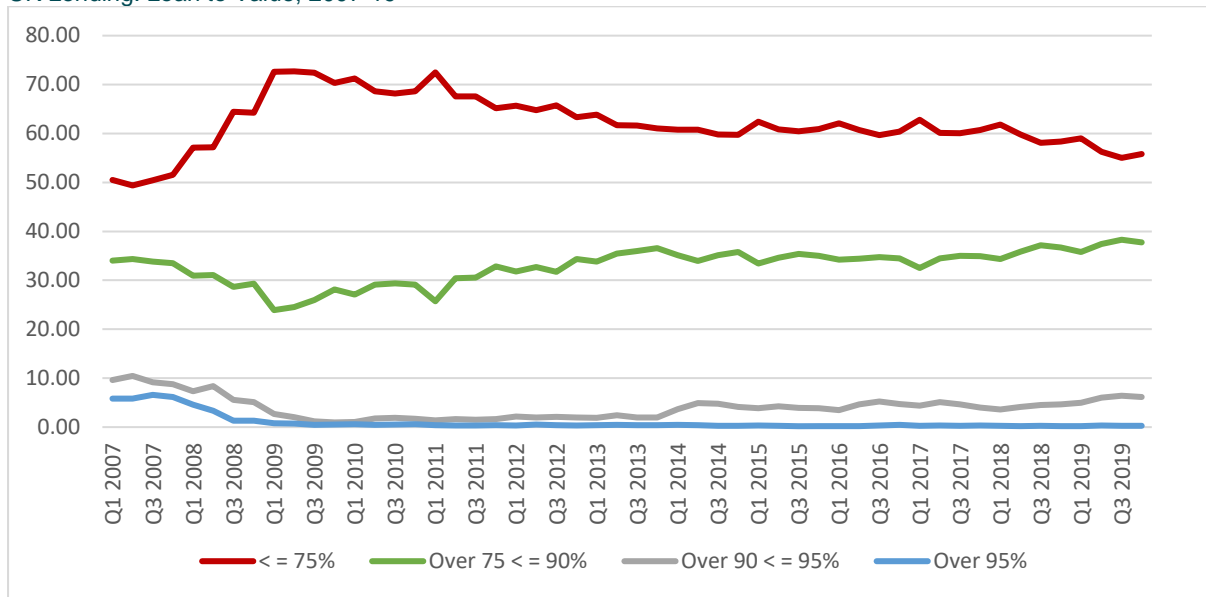
**Figure 7.6 Higher income multiples for joint applicants have risen significantly from 2013 onwards**

UK Lending: Joint Application Income Multiples, 2007-19



Source: Bank of England: MLAR

**Figure 7.7 There has been a rising trend in higher LTV ratios**  
 UK Lending: Loan to Value, 2007-19



Source: Bank of England: MLAR

**Figure 7.8 Higher LTVs and income multiples have been on the rise**  
 UK Lending: Over 90 <= 95% - Higher Multiple Lending, 2007-19



Source: Bank of England: MLAR

## 7.1 GOVERNMENT SCHEMES

Government schemes have been at the heart of stimulating lending in the housing market by reducing the level of deposit required and providing an equity loan to facilitate purchase.

### 7.1.1 Help to Buy

Help to Buy has been a significant intervention on the housing market, with 4,100 sales being supported by the scheme in the SESPlan area from its introduction in 2013 through to 2018/19. This has equated to over £134 million in Government funding being invested into the market, at an average stake of £32,751, to enable an average purchase of £186,190.

In total, there has been over £760 million worth of property transactions assisted by Help to Buy in the SESPlan region from 2013.

The scheme is for new build properties only but limited available funds have constrained the scheme's impact. However, the scheme has certainly had impact, not just in the direct sales that it has facilitated but also in other sales through chain effects in the market.

The key role of schemes such as Help to Buy and the new First Home Fund is in their ability to unlock further transactions within the chain and facilitate market activity. The impact of this can be seen in Figure 3.1, when the introduction of Help to Buy triggered a dramatic increase in overall market activity, far outweighing the direct impact of the scheme in financial terms.

**Figure 7.9 Help to Buy Monitoring Figures**

| HtB Funding by Local Authority | 2013-2016 Total |                                    |  |   |   |
|--------------------------------|-----------------|------------------------------------|--|---|---|
|                                | Sales           | Scottish Government Funding (£000) | Total Value of Property Purchased (£000) | Average Scottish Government HtB Stake (£) | Average Value of Property Purchased (£) |
| East Lothian                   | 150             | 5,900,000                          | 29,367,000                               | 39,070                                    | 195,780                                 |
| Edinburgh                      | 540             | 21,650,000                         | 110,089,800                              | 40,470                                    | 203,870                                 |
| Fife                           | 450             | 15,720,000                         | 80,095,500                               | 35,330                                    | 177,990                                 |
| Midlothian                     | 580             | 21,950,000                         | 111,383,200                              | 38,180                                    | 192,040                                 |
| The Scottish Borders           | 60              | 2,110,000                          | 10,528,200                               | 34,640                                    | 175,470                                 |
| West Lothian                   | 470             | 18,390,000                         | 91,776,900                               | 38,870                                    | 195,270                                 |

| HtB Funding by Local Authority | 2016-17 to 2018-19 Total |                                    |  |   |   |
|--------------------------------|--------------------------|------------------------------------|--|---|---|
|                                | Sales                    | Scottish Government Funding (£000) | Total Value of Property Purchased (£000) | Average Scottish Government HtB Stake (£) | Average Value of Property Purchased (£) |
| East Lothian                   | 200                      | 5,410,000                          | 37,260,000                               | 27,050                                    | 186,300                                 |
| Edinburgh                      | 510                      | 13,200,000                         | 90,330,000                               | 25,880                                    | 177,120                                 |
| Fife                           | 340                      | 8,950,000                          | 60,040,000                               | 26,320                                    | 176,590                                 |
| Midlothian                     | 350                      | 9,230,000                          | 61,690,000                               | 26,370                                    | 176,260                                 |
| The Scottish Borders           | 60                       | 1,220,000                          | 9,710,000                                | 20,330                                    | 161,830                                 |
| West Lothian                   | 390                      | 10,550,000                         | 71,110,000                               | 27,050                                    | 182,330                                 |

| HtB Funding by Local Authority | COMBINED TOTAL |                                    |  |   |   |
|--------------------------------|----------------|------------------------------------|--|---|---|
|                                | Sales          | Scottish Government Funding (£000) | Total Value of Property Purchased (£000) | Average Scottish Government HtB Stake (£) | Average Value of Property Purchased (£) |
| East Lothian                   | 350            | 11,310,000                         | 66,627,000                               | 32,314                                    | 186,300                                 |
| Edinburgh                      | 1,050          | 34,850,000                         | 200,419,800                              | 33,190                                    | 177,120                                 |
| Fife                           | 790            | 24,670,000                         | 140,135,500                              | 31,228                                    | 176,590                                 |
| Midlothian                     | 930            | 31,180,000                         | 173,073,200                              | 33,527                                    | 176,260                                 |
| The Scottish Borders           | 120            | 3,330,000                          | 20,238,200                               | 27,750                                    | 161,830                                 |
| West Lothian                   | 860            | 28,940,000                         | 162,886,900                              | 33,651                                    | 182,330                                 |

|                    |              |                     |                     |                |                 |
|--------------------|--------------|---------------------|---------------------|----------------|-----------------|
| <b>Grand Total</b> | <b>4,100</b> | <b>£134,280,000</b> | <b>£763,380,600</b> | <b>£32,751</b> | <b>£186,190</b> |
|--------------------|--------------|---------------------|---------------------|----------------|-----------------|

Source: Scottish Government

### 7.1.2 First Home Fund

The Scottish Government has recently announced a new First Home Fund. This Fund will provide assistance for up to 6,000 FTBs in Scotland via a £150 million fund, i.e. around three times the size of Help to Buy.

Through this shared equity scheme, FTBs will be able to access up to £25,000 to assist in the purchase of their property. The maximum contribution from the Scottish Government is £25,000 or 49% of the property valuation figure or the purchase price (whichever is lower). If a buyer purchases a property for less than the valuation figure, the maximum Scottish Government contribution is £25,000 or 49% of the purchase price.

Differing from Help to Buy, the First Home Fund can be used for both new build and existing properties, which will open-up a wider range of transactions in different locations and markets. This may assist in unlocking chains for second movers and provide BTL investors with greater buyer demand if they are planning on divesting from the sector.

Based on the uptake from Help to Buy, the SESPlan area accounted for over 25% of all HTB purchases over the lifetime of the scheme. Based on this level of uptake, the SESPlan region could expect to see c.1,500 sales of the 6,000 being targeted under the First Home Fund.

## 8 APPENDIX

**Figure 8.1 UK Finance members, value of mortgages outstanding, UK**

| Lender                        | Rank<br>(2018) | Balances (€bn)<br>(2018) | Market share<br>(2018) | Rank<br>(2017) | Balances (€bn)<br>(2017) | Market share<br>(2017) |
|-------------------------------|----------------|--------------------------|------------------------|----------------|--------------------------|------------------------|
| Lloyds Banking Group          | 1              | 287.5                    | 20.4%                  | 1              | 290.3                    | 21.2%                  |
| Nationwide BS                 | 2              | 183.9                    | 13.0%                  | 2              | 176.0                    | 12.8%                  |
| Santander UK                  | 3              | 157.6                    | 11.2%                  | 3              | 154.3                    | 11.3%                  |
| Royal Bank of Scotland        | 4              | 138.4                    | 9.8%                   | 4              | 136.3                    | 9.9%                   |
| Barclays                      | 5              | 136.2                    | 9.7%                   | 5              | 131.3                    | 9.6%                   |
| HSBC Bank                     | 6              | 90.6                     | 6.4%                   | 6              | 82.2                     | 6.0%                   |
| Coventry BS                   | 7              | 39.2                     | 2.8%                   | 7              | 35.8                     | 2.6%                   |
| Yorkshire BS                  | 8              | 35.5                     | 2.5%                   | 8              | 34.0                     | 2.5%                   |
| Virgin Money                  | 9              | 35.1                     | 2.5%                   | 9              | 33.5                     | 2.4%                   |
| TSB Bank                      | 10             | 27.7                     | 2.0%                   | 10             | 28.1                     | 2.1%                   |
| Clydesdale Bank plc           | 11             | 24.8                     | 1.8%                   | 11             | 23.9                     | 1.7%                   |
| Bank of Ireland               | 12             | 19.3                     | 1.4%                   | 12             | 19.9                     | 1.5%                   |
| Skipton BS                    | 13             | 16.6                     | 1.2%                   | 13             | 15.2                     | 1.1%                   |
| Co-operative Bank plc         | 14             | 16.0                     | 1.1%                   | 15             | 14.7                     | 1.1%                   |
| Leeds BS                      | 15             | 15.9                     | 1.1%                   | 14             | 14.8                     | 1.1%                   |
| Topaz Finance                 | 16             | 11.2                     | 0.8%                   | 53             | 0.7                      | 0.1%                   |
| Paragon Group                 | 17             | 10.4                     | 0.7%                   | 17             | 9.8                      | 0.7%                   |
| Metro Bank                    | 18             | 9.9                      | 0.7%                   | 22             | 6.3                      | 0.5%                   |
| Kensington Mortgages          | 19             | 8.8                      | 0.6%                   | 18             | 8.8                      | 0.6%                   |
| Aviva Equity Release          | 20             | 8.5                      | 0.6%                   | 19             | 7.9                      | 0.6%                   |
| Principality BS               | 21             | 7.5                      | 0.5%                   | 21             | 6.8                      | 0.5%                   |
| NRAM plc                      | 22             | 6.3                      | 0.4%                   | 20             | 7.4                      | 0.5%                   |
| Precise Mortgages             | 22             | 6.3                      | 0.4%                   | 25             | 5.0                      | 0.4%                   |
| Just Retirement               | 24             | 6.1                      | 0.4%                   | 23             | 5.3                      | 0.4%                   |
| OneSavings Bank               | 25             | 5.9                      | 0.4%                   | 24             | 5.1                      | 0.4%                   |
| Aldermore Bank                | 26             | 5.3                      | 0.4%                   | 26             | 4.8                      | 0.4%                   |
| West Bromwich BS              | 27             | 4.4                      | 0.3%                   | 27             | 4.4                      | 0.3%                   |
| Bradford & Bingley plc        | 28             | 3.8                      | 0.3%                   | 16             | 10.3                     | 0.8%                   |
| Tesco Bank                    | 29             | 3.7                      | 0.3%                   | 29             | 2.8                      | 0.2%                   |
| Nottingham BS                 | 30             | 3.4                      | 0.2%                   | 28             | 3.3                      | 0.2%                   |
| Legal & General Home Finance  | 31             | 3.1                      | 0.2%                   | 36             | 1.8                      | 0.1%                   |
| Danske Bank                   | 32             | 2.6                      | 0.2%                   | 32             | 2.2                      | 0.2%                   |
| Pepper (UK)                   | 33             | 2.5                      | 0.2%                   | 32             | 2.2                      | 0.2%                   |
| UBS                           | 34             | 2.4                      | 0.2%                   | 30             | 2.4                      | 0.2%                   |
| More 2 Life                   | 35             | 2.2                      | 0.2%                   | 42             | 1.2                      | 0.1%                   |
| Newcastle BS                  | 35             | 2.2                      | 0.2%                   | 34             | 2.1                      | 0.2%                   |
| Atom Bank                     | 37             | 2.1                      | 0.1%                   | 45             | 0.9                      | 0.1%                   |
| Bank of America Merrill Lynch | 37             | 2.1                      | 0.1%                   | 31             | 2.3                      | 0.2%                   |
| Foundation Home Loans         | 39             | 1.8                      | 0.1%                   | 42             | 1.2                      | 0.1%                   |
| Shawbrook Bank                | 39             | 1.8                      | 0.1%                   | 38             | 1.5                      | 0.1%                   |
| Cumberland BS                 | 41             | 1.6                      | 0.1%                   | 37             | 1.6                      | 0.1%                   |
| Family BS                     | 41             | 1.6                      | 0.1%                   | 40             | 1.4                      | 0.1%                   |
| Progressive BS                | 43             | 1.5                      | 0.1%                   | 38             | 1.5                      | 0.1%                   |
| CHL Mortgages                 | 44             | 1.4                      | 0.1%                   | 35             | 1.9                      | 0.1%                   |
| Fleet Mortgages               | 45             | 1.3                      | 0.1%                   | 44             | 1.0                      | 0.1%                   |
| Sainsburys Bank               | 45             | 1.3                      | 0.1%                   | 71             | 0.2                      | 0.0%                   |
| AIB Group (UK)                | 47             | 1.2                      | 0.1%                   | 41             | 1.3                      | 0.1%                   |
| Vida HomeLoans                | 47             | 1.2                      | 0.1%                   | 60             | 0.4                      | 0.0%                   |
| Ahli United Bank              | 49             | 0.9                      | 0.1%                   | 45             | 0.9                      | 0.1%                   |
| Canada Life Home Finance      | 49             | 0.9                      | 0.1%                   | 56             | 0.6                      | 0.0%                   |
| Monmouthshire BS              | 49             | 0.9                      | 0.1%                   | 47             | 0.8                      | 0.1%                   |
| Newbury BS                    | 49             | 0.9                      | 0.1%                   | 47             | 0.8                      | 0.1%                   |
| Bank of China                 | 53             | 0.8                      | 0.1%                   | 53             | 0.7                      | 0.1%                   |
| Furness BS                    | 53             | 0.8                      | 0.1%                   | 47             | 0.8                      | 0.1%                   |
| Hodge Lifetime                | 53             | 0.8                      | 0.1%                   | 53             | 0.7                      | 0.1%                   |
| Leek United BS                | 53             | 0.8                      | 0.1%                   | 47             | 0.8                      | 0.1%                   |
| Pure Retirement               | 53             | 0.8                      | 0.1%                   | 58             | 0.5                      | 0.0%                   |
| Saffron BS                    | 53             | 0.8                      | 0.1%                   | 47             | 0.8                      | 0.1%                   |
| Hinckley and Rugby BS         | 59             | 0.7                      | 0.0%                   | 56             | 0.6                      | 0.0%                   |
| Butterfield Mortgages         | 60             | 0.6                      | 0.0%                   | 60             | 0.4                      | 0.0%                   |
| Darlington BS                 | 61             | 0.5                      | 0.0%                   | 58             | 0.5                      | 0.0%                   |
| Market Harborough BS          | 62             | 0.4                      | 0.0%                   | 60             | 0.4                      | 0.0%                   |
| Together Money                | 62             | 0.4                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Axis Bank UK Limited          | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Dudley BS                     | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Hampshire Trust Bank          | 64             | 0.3                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Hanley Economic BS            | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Morgan Stanley Bank           | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Scottish BS                   | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Tipton & Coseley BS           | 64             | 0.3                      | 0.0%                   | 64             | 0.3                      | 0.0%                   |
| Cynergy Bank Limited          | 71             | 0.2                      | 0.0%                   | 78             | 0.1                      | 0.0%                   |
| Harpden BS                    | 71             | 0.2                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Landbay Partners              | 71             | 0.2                      | 0.0%                   | 84             | -                        | 0.0%                   |
| Manchester BS                 | 71             | 0.2                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Masthaven                     | 71             | 0.2                      | 0.0%                   | 84             | -                        | 0.0%                   |
| OneFamily                     | 71             | 0.2                      | 0.0%                   | 78             | 0.1                      | 0.0%                   |
| Stafford Railway BS           | 71             | 0.2                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Swansea BS                    | 71             | 0.2                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Vernon BS                     | 71             | 0.2                      | 0.0%                   | 71             | 0.2                      | 0.0%                   |
| Castle Trust Capital plc      | 80             | 0.1                      | 0.0%                   | 78             | 0.1                      | 0.0%                   |
| Ecology BS                    | 80             | 0.1                      | 0.0%                   | 78             | 0.1                      | 0.0%                   |
| Hampden & Co                  | 80             | 0.1                      | 0.0%                   | 78             | 0.1                      | 0.0%                   |
| Secure Trust Bank             | 80             | 0.1                      | 0.0%                   | 84             | -                        | 0.0%                   |
| State Bank of India UK        | 80             | 0.1                      | 0.0%                   | 84             | -                        | 0.0%                   |

**Figure 8.2 UK Finance members, value of BTL mortgages outstanding, UK**

| Lender                        | Rank (2018) | Balances (£bn) (2018) | Market share (2018) | Rank (2017) | Balances (£bn) (2017) | Market share (2017) |
|-------------------------------|-------------|-----------------------|---------------------|-------------|-----------------------|---------------------|
| Lloyds Banking Group          | 1           | 50.97                 | 20.3%               | 1           | 52.51                 | 21.8%               |
| Nationwide BS                 | 2           | 31.16                 | 12.4%               | 2           | 30.74                 | 12.8%               |
| Barclays                      | 3           | 16.53                 | 6.6%                | 6           | 13.77                 | 5.7%                |
| Coventry BS                   | 4           | 15.72                 | 6.3%                | 5           | 13.88                 | 5.8%                |
| Virgin Money                  | 5           | 14.57                 | 5.8%                | 4           | 14.19                 | 5.9%                |
| Royal Bank of Scotland        | 6           | 12.87                 | 5.1%                | 3           | 14.89                 | 6.2%                |
| Topaz Finance                 | 7           | 10.32                 | 4.1%                | 44          | 0.15                  | 0.1%                |
| Paragon Group                 | 8           | 10.31                 | 4.1%                | 7           | 9.74                  | 4.0%                |
| Santander UK                  | 9           | 8.27                  | 3.3%                | 9           | 6.81                  | 2.8%                |
| Bank of Ireland               | 10          | 7.47                  | 3.0%                | 8           | 7.41                  | 3.1%                |
| OneSavings Bank               | 11          | 6.48                  | 2.6%                | 10          | 4.97                  | 2.1%                |
| Precise Mortgages             | 12          | 4.53                  | 1.8%                | 15          | 3.25                  | 1.3%                |
| Leeds BS                      | 13          | 4.33                  | 1.7%                | 13          | 3.48                  | 1.4%                |
| TSB Bank                      | 14          | 3.79                  | 1.5%                | 11          | 4.22                  | 1.8%                |
| Aldermore Bank                | 15          | 3.67                  | 1.5%                | 14          | 3.35                  | 1.4%                |
| Yorkshire BS                  | 16          | 3.18                  | 1.3%                | 16          | 2.95                  | 1.2%                |
| Skipton BS                    | 17          | 3.05                  | 1.2%                | 18          | 2.61                  | 1.1%                |
| HSBC Bank                     | 18          | 2.79                  | 1.1%                | 17          | 2.72                  | 1.1%                |
| Metro Bank                    | 19          | 2.48                  | 1.0%                | 20          | 1.85                  | 0.8%                |
| NRAM plc                      | 20          | 1.96                  | 0.8%                | 19          | 2.22                  | 0.9%                |
| Principality BS               | 21          | 1.91                  | 0.8%                |             |                       |                     |
| Shawbrook Bank                | 22          | 1.75                  | 0.7%                | 23          | 1.49                  | 0.6%                |
| West Bromwich BS              | 23          | 1.53                  | 0.6%                | 22          | 1.68                  | 0.7%                |
| CHL Mortgages                 | 24          | 1.30                  | 0.5%                | 21          | 1.83                  | 0.8%                |
| Fleet Mortgages               | 24          | 1.30                  | 0.5%                | 25          | 1.01                  | 0.4%                |
| Co-operative Bank plc         | 26          | 1.25                  | 0.5%                | 24          | 1.29                  | 0.5%                |
| Bradford & Bingley plc        | 27          | 1.23                  | 0.5%                | 12          | 3.77                  | 1.6%                |
| Kensington Mortgages          | 28          | 0.94                  | 0.4%                | 26          | 0.88                  | 0.4%                |
| Cynergy Bank Limited          | 29          | 0.92                  | 0.4%                | 27          | 0.79                  | 0.3%                |
| Nottingham BS                 | 30          | 0.89                  | 0.4%                | 27          | 0.79                  | 0.3%                |
| Vida HomeLoans                | 31          | 0.85                  | 0.3%                | 36          | 0.30                  | 0.1%                |
| Foundation Home Loans         | 32          | 0.80                  | 0.3%                | 32          | 0.43                  | 0.2%                |
| UBS                           | 33          | 0.56                  | 0.2%                | 30          | 0.53                  | 0.2%                |
| Bank of China                 | 34          | 0.54                  | 0.2%                | 34          | 0.42                  | 0.2%                |
| Ahli United Bank              | 35          | 0.51                  | 0.2%                | 31          | 0.47                  | 0.2%                |
| Bank of America Merrill Lynch | 36          | 0.50                  | 0.2%                | 29          | 0.55                  | 0.2%                |
| Family BS                     | 37          | 0.49                  | 0.2%                | 32          | 0.43                  | 0.2%                |
| Pepper (UK)                   | 38          | 0.42                  | 0.2%                | 35          | 0.33                  | 0.1%                |
| Butterfield Mortgages         | 39          | 0.33                  | 0.1%                | 40          | 0.24                  | 0.1%                |
| Axis Bank UK Limited          | 40          | 0.31                  | 0.1%                | 39          | 0.25                  | 0.1%                |
| Saffron BS                    | 41          | 0.27                  | 0.1%                | 38          | 0.26                  | 0.1%                |
| Danske Bank                   | 42          | 0.25                  | 0.1%                | 37          | 0.27                  | 0.1%                |
| Hampshire Trust Bank          | 42          | 0.25                  | 0.1%                | 47          | 0.13                  | 0.1%                |
| Leek United BS                | 42          | 0.25                  | 0.1%                | 40          | 0.24                  | 0.1%                |
| Newcastle BS                  | 45          | 0.23                  | 0.1%                | 42          | 0.19                  | 0.1%                |
| Furness BS                    | 46          | 0.22                  | 0.1%                | 43          | 0.17                  | 0.1%                |
| Landbay Partners              | 47          | 0.19                  | 0.1%                | 53          | 0.05                  | 0.0%                |
| Hinckley and Rugby BS         | 48          | 0.15                  | 0.1%                | 48          | 0.12                  | 0.0%                |
| Newbury BS                    | 49          | 0.14                  | 0.1%                | 45          | 0.14                  | 0.1%                |
| Lendinvest                    | 50          | 0.13                  | 0.1%                | 67          | -                     | 0.0%                |
| Monmouthshire BS              | 50          | 0.13                  | 0.1%                | 45          | 0.14                  | 0.1%                |
| Market Harborough BS          | 52          | 0.11                  | 0.0%                | 49          | 0.10                  | 0.0%                |
| State Bank of India UK        | 53          | 0.09                  | 0.0%                | 51          | 0.06                  | 0.0%                |
| Hanley Economic BS            | 54          | 0.07                  | 0.0%                | 50          | 0.07                  | 0.0%                |
| Dudley BS                     | 55          | 0.06                  | 0.0%                | 51          | 0.06                  | 0.0%                |
| Darlington BS                 | 56          | 0.05                  | 0.0%                | 53          | 0.05                  | 0.0%                |
| Morgan Stanley Bank           | 57          | 0.04                  | 0.0%                | 55          | 0.04                  | 0.0%                |
| Sainsburys Bank               | 57          | 0.04                  | 0.0%                | 67          | -                     | 0.0%                |
| Scottish BS                   | 57          | 0.04                  | 0.0%                | 55          | 0.04                  | 0.0%                |
| Vernon BS                     | 57          | 0.04                  | 0.0%                | 55          | 0.04                  | 0.0%                |
| Harpden BS                    | 61          | 0.03                  | 0.0%                | 59          | 0.03                  | 0.0%                |
| Manchester BS                 | 61          | 0.03                  | 0.0%                | 55          | 0.04                  | 0.0%                |
| Stafford Railway BS           | 61          | 0.03                  | 0.0%                | 59          | 0.03                  | 0.0%                |
| Swansea BS                    | 61          | 0.03                  | 0.0%                | 59          | 0.03                  | 0.0%                |
| Affirmative Finance           | 65          | 0.02                  | 0.0%                | 63          | 0.02                  | 0.0%                |
| Castle Trust Capital plc      | 65          | 0.02                  | 0.0%                | 59          | 0.03                  | 0.0%                |
| Hampden & Co                  | 65          | 0.02                  | 0.0%                |             |                       |                     |
| Progressive BS                | 65          | 0.02                  | 0.0%                | 63          | 0.02                  | 0.0%                |
| Together Money                | 65          | 0.02                  | 0.0%                | 63          | 0.02                  | 0.0%                |
| Masthaven                     | 70          | 0.01                  | 0.0%                | 67          | -                     | 0.0%                |
| Tipton & Coseley BS           | 70          | 0.01                  | 0.0%                | 66          | 0.01                  | 0.0%                |