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# Land & Housing Supply in Rural Scotland

Rural Housing Scotland Conference

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# Content

- Introduction to Scottish Land Commission
- Background
- Rural housing study
- ✓ Methodology and approach
- ✓ Outputs & key findings
- What next and conclusions





# The Scottish Land Commission

- **Vision:** *“a fair, inclusive and productive system of ownership, management and use of land that delivers greater benefit for all the people of Scotland”*
- **Objectives:**
  - **Productivity** - driving increased economic, social and cultural value from our land
  - **Diversity** - encouraging a more diverse pattern of land ownership that spreads the benefits of land more inclusively
  - **Accountability** - ensuring that decisions about land take account of those affected and that responsibilities are met



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# Scottish Land Commission

- Land for housing and development
- Land use decision making
- Modernising land ownership
- Agricultural holdings









# Review of housing land allocation

- identify options for reform so that the market is determined more by public interest and less by market forces than at present
- work with stakeholders to identify good practice and develop case studies from across Scotland
- draw findings from the workstreams together and synthesise the main points in report



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# Main Workstreams

- Housing and placemaking in Europe
- Rural housing, affordability and access to land
- Land assembly
- Barriers to placemaking (structured stakeholder engagement)





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# Land and Rural Housing





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# Investigation into Land & Housing Supply in Rural Scotland

- Identify examples of good practice where the approach to identifying and allocating land enabled housing delivery;
- Explore common challenges around land supply and cost that prevents housing;
- Develop case studies that illustrate both common challenges and examples of good practice and replicable solutions;
- Make any necessary recommendations on good practice and highlight where the research illustrates a need for policy or legislative change.



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# Methodology and Approach

- Literature Review
- Telephone & face to face interviews
- Case Studies
- Workshops





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# Key Statements

- Every situation is different
- Good things are happening, momentum is growing
- Land is just one piece of the jigsaw
- Rural housing development takes time
- Communities can be complicated
- Negative perception of housing



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# Big Issues

- Land prices and value
- Rural & Islands Housing Funds and the Scottish Land Fund have been game changers
- Cost of development in rural Scotland
- Resource, capacity and skills





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# Outputs





Tool	Description	Comments
Funding		
Scottish Land Fund	Funded by the Scottish Government and delivered in partnership with National Lottery Community Fund and HIE. It offers grants of up to £1million to help communities take ownership of the land and buildings that matter to them as well as practical support to develop projects.	The Scottish Land Fund is limited to mixed use projects (will not support the purchase of housing land only). It would be very useful to housing projects as it removes the cost of land from the equation and helps to create a viable scheme. The majority of attendees at our workshop had heard of the fund. Of the 4 in Edinburgh who had used it, 100% suggested that it needs improved.
Design Charrettes and Activating Ideas Fund	The Scottish Government considers that community involvement is of central importance to the creation of good places. Charrettes bring together the public, stakeholders and designers over a number of days to draw up proposals to make their towns and villages better places to live. The fund supports participation and empowerment initiatives in disadvantages areas.	In our Edinburgh workshop, 8 people indicated that they had heard of this initiative, but none had used it. Alternatively, only 1 person in our Inverness workshop indicated that they had heard of it. Indeed, the SG website identifies projects that have used this fund and all appear to be in the central belt.
Rural Housing Fund / Rural and Islands Housing Funds	Both funds are aimed to increase the supply of affordable housing of all tenures in rural Scotland and contribute to the Scottish Government 50,000 affordable homes target. The main fund offers capital support (grants and loans) for direct provision of new affordable housing and refurbishment of existing empty properties. The second is a small fund that contributes to feasibility studies.	The majority of attendees at our workshop had heard of the funds and at least 6 had used them. 6 attendees in Inverness suggested that the fund could be improved. General feedback is that the funds are crucial to the delivery of housing in rural areas and without them, development will simply stall. However, improvements can be made with regard to supporting communities through the process and ensuring viable projects are delivered. Some of the grant conditions could be tweaked. The issue of "perpetuity of affordability" conditions was raised.



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# Case Studies

- Applecross – community led, collaborative working, model for local planning?
- Rothiemurchus – supportive landowner, community led, cross subsidy from plot sales
- Tarland – long term view of landowner, stakeholder collaboration
- Orkney – viability testing, role of self-build and SMEs
- East Lothian – development pressure and high land values – role of planning



# Rothiemurchus

## A no subsidy model





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# Key Findings & Next Steps





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# Key Findings – Cost and Value of Land

- Private sector speculative model not viable in most of rural Scotland – land values & developer returns
- Role of public sector, communities and housing associations
- Role of landowners
- Scope for innovation to unlock sites



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# Key Findings – Land and Planning

## Short term solutions

- Use of rural exception sites
- Extend permitted development rights

## Medium term

- Local authorities develop rural planning and rural enabling policies

## Long term

- Local Place Plans
- Land assembly and masterplanning to meet identified needs



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# Key Findings – Resource, Capacity and Costs

- Great community led projects but major challenge– complexity, timescale
- Role of public sector, housing associations
- Importance of capacity builders
- Importance of long term funding
- Need to support and enable SMEs and self-build





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# (Tentative) Recommendations & Next steps

- Database of Land Transactions
- Rural planning – suite of guidance and options in NPF4
- Support facilitators and capacity builders and spread reach
- Continuation of rural funding

## Next steps

- Publication of report (April 2020)
- Report on Land Allocation & Housing (September 2020)
- Further work on diversity of land ownership and different models of housing delivery



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# Conclusion

- Good practice exists that can be shared and built on
- Short and medium - term steps (e.g. planning reform and building capacity) that can help deliver more homes and support communities
- Longer term we aren't delivering enough homes to meet need – there is a need for a more fundamental reform in the way that we deliver land for housing