

The logo for the Association for Rental Living (ARL) features the letters 'ARL' in a large, white, sans-serif font. A stylized graphic of two overlapping arrows, one blue and one green, is positioned to the left of the letter 'A'.

ARL

Association for Rental Living

2026 SCOTLAND STUDY TOUR

A piper in traditional Scottish attire, including a kilt and sporrans, stands in front of a large, ornate, dark green door. The door features a repeating pattern of six-pointed stars. The piper is holding a bagpipe. The background is a stone wall with a vertical color gradient from orange on the left to blue on the right.

MINISTERIAL ROUNDTABLE

Executive Summary & Detailed Notes

ARL Investor Study Tour Ministerial Roundtable

Executive Summary & Detailed Notes

Executive Summary

This document provides a consolidated overview of the key themes, issues, commitments, and next steps discussed during the Build to Rent (BTR) Scotland Roundtable on 4 February 2026. Major themes include policy stability, investment confidence, the new More Homes Scotland agency, development viability, planning inconsistencies, supply chain challenges, and the rental sector's role within the wider housing ecosystem.

Key insights:

- Strong emphasis on the need for long-term policy stability following a period of volatility.
- Exemptions from rent controls (effective 1 April) are seen as essential to rebuild investor confidence.
- The More Homes Scotland national housing agency aims to improve deliverability, aggregation, and clarity for housing providers, with industry calling for acceleration.
- Persistent issues such as planning inconsistencies, HMO licensing delays, and construction cost disparities remain barriers to investment.
- Industry called for proactive government promotion of Scotland as an investable market.
- Contractors highlighted the need for predictable pipelines to reduce costs and build local supply chain capacity.
- The rental sector was positioned as a critical incubator supporting broader housing delivery.

Detailed Combined Notes

1. Purpose of the Meeting

- Part of a two-day Scotland BTR tour organised by ARL, aimed at showcasing Scotland as open for business and promoting development and investment opportunities in BTR and operational living.
- Discussions centred on policy stability, investment climate, the new More Homes Scotland agency, and opportunities for collaboration between public and private sectors.

2. Sector Overview & Current Landscape

- Scotland has 5,048 operational BTR/operational living homes and 8,253 homes in the pipeline.
- Approximately £1.5bn invested to date, with £2.5bn in identifiable future opportunities.
- Recent improvements include: exclusion of BTR/MMR from rent controls, a stable building standards environment, and closer collaboration between industry bodies (ARL, SPF) and Scottish Government.

3. Key Issues Discussed

3.1 Policy Stability & Housing Act

- Industry stressed the need for regulatory stability following previous uncertainty cycles (e.g., 2022 rent freeze).
- Government reaffirmed long-term commitment to exemptions from rent controls and articulated a determination to provide clarity, certainty and a clear path for investors.

3.2 More Homes Scotland Agency

- Intended as a delivery-focused national agency, with some similarities and differences in function to Homes England.
- Core focus areas: deliverability support, scaling, remediation, procurement innovation, standardised playbooks.
- Timeline: establishment 2027–28; fully operational 2028–29, though industry urged acceleration.
- Government open to bringing delivery functions forward where possible.

3.3 Construction Costs, Market Capacity & Contractors

- Construction costs in Glasgow/Edinburgh approx. 15% higher than Manchester.
- Lack of pipeline consistency deters contractors and inflates prices.
- Contractors (e.g., Torsion) see Scotland as an opportunity but require predictable deal flow and improved supply chain resilience.

3.4 Building Safety Levy (BSL)

- Industry voiced concerns about disproportionately high levies for BTR and PBSA, with risks of major cash-flow impacts.
- Government acknowledged issues and noted commitment to working with industry to consider sector differentiation.

3.5 LBTT, Multi-Dwelling Relief (MDR) & ADS

- MDR viewed as a key competitive advantage for Scotland.
- Government confirmed no changes expected to MDR alignment.

3.6 Long-Term Letting Restrictions

- Concerns raised over the phrase “exclusive use for long-term residential letting” in legislation, with risks to valuations and financing.
- Government open to clarifying language and noted ongoing discussion with industry on this issue.

3.7 Planning, Local Authority Variability & HMO

- Persistent inconsistencies between local authorities, including differing affordable housing requirements.
- HMO licensing delays restrict the ability to rent 3-bed units to sharers.
- Industry called for greater regional alignment.

3.8 Role of BTR in Housing Ecosystem

- BTR positioned as crucial to fast delivery, responding to emerging needs (young professionals, sharers), and supporting regeneration.

4. Requests from Industry to Government

- Maintain policy stability.
- Promote Scotland to international investors.
- Provide fiscal and viability support for challenging sites.
- Accelerate More Homes Scotland's enablement functions.
- Address barriers: BSL, HMO licensing, planning inconsistencies.

5. Scottish Government Commitments

- Exemptions from rent control remain on track for 1 April.
- Government emphasised willingness to engage in ongoing dialogue and explanation to clarify wording and intent of regulations.

6. Operational & Investment Challenges Raised

- Past volatility affected investor confidence; rebuilding confidence seen as slow and fragile.
- Calls for clearer, more assertive investment promotion.
- Contractors and operators highlighted high build costs, inconsistent planning, and lack of local supply chain development.
- Need for predictable operational cost environment (e.g., council tax on voids).

7. Follow-Up Actions

- Clarify long-term letting terminology.
- Government to enhance investor promotion at major events.
- Address Building Safety Levy design impacts.
- Distribute updated schedules of consented schemes.
- Organise political site tours to change perceptions.

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www.thearl.org.uk

