Homes For Scotland Submission 2

Dear Finance Committee

As the Private Rented Sector Champion for Scotland, my role is to promote the supply of Build to Rent Private Rented homes in Scotland.

At the moment, there is very little new Build to Rent (BTR) PRS development in Scotland, with figures suggesting that less than 2% of UK build to rent PRS investment is currently being directed to Scotland. This represents a significant source of opportunity. With the right conditions and support for investment, there is scope to quickly deliver thousands of new additional purpose built and professionally managed PRS homes in Scotland in the years ahead, making a significant contribution to the Scottish Government’s ambition to increase housing supply. Developments can be built and completed quickly, providing additional choice to the public.

The fiscal environment must be right to attract investment to Scotland and compete not only with the rest of the UK but on an international basis. At the moment I am pleased to be able to promote the multiple dwellings relief available to purchases of six or more properties. This is fundamental to value and yield calculations by investors. Similarly important is the exemption from the 3% Additional Dwelling Supplement that otherwise applies to purchases of additional residential properties in Scotland with a value of £40,000 or more. Without this in place, investment in BTR PRS developments in Scotland simply would have viability problems.

Given that the Finance Committee is undertaking a review of the operation of LBTT a year on from its introduction, I felt that it was important to raise awareness of the importance of both the multiple dwellings relief and the exemption to the Additional Dwelling Supplement. These must remain in place if we are to attract investment into the BTR PRS sector in Scotland.

If you require further information on this I would be happy to provide it.

Kindest regards

Gerry More