Response ID ANON-D2BE-MAV6-Q

Submitted to Accelerating home-building in Scotland
Submitted on 2026-04-30 10:34:05

Context

Options

Option 1: Introduce fiscal measures to tackle inactivity or slow build-out

1 Could fiscal incentives offering relief to other charges help to accelerate build-out rates?

Yes

Please explain your answer.:

Our research on understanding the role of tax and the reuse of Scotland's long-term derelict sites suggests that fiscal incentives could help tackle inactivity on derelict sites (due for publication in summer 2026).

The research uses Scotland's long-term derelict sites (DUSTEs) to explore the role of tax and fiscal incentives.

It suggests two potential approaches that merit further assessment. The approaches could stimulate regeneration activity and support housing delivery and include:

1) Applying a general land and property tax incentive for qualifying sites (e.g. all long-term derelict sites). Reuse of derelict land is a public policy priority which does not benefit directly from tax incentives. There are advantages and disadvantages to this approach that require further consideration.

2) Applying place-based land and property tax incentives for qualifying sites should be further assessed. Using the DUSTEs as a focus, the research finds that to deliver policy alignment, tax incentives could be restricted to defined areas. In the case of DUSTEs, by identifying clusters of derelict urban sites within areas of deprivation (SIMD), with potential for reuse for employment to support economic development or housing to help meet the housing emergency.

Incentives using Non-Domestic-Rates (NDR), Council Tax, Land and Buildings Transaction Tax (LBTT) or other levies need to be mapped against existing area-based schemes (Investment Zones, Tax Incremental Financing, Growth Accelerators, Green Freeports, expiring Enterprise Areas) to ensure no duplication. A combination of reliefs could also be envisaged in highly focused areas of DUSTEs.

Scottish Government could use the DUSTEs as a proxy to explore the two approaches above.

1 (a) Which charges / taxes / levies could the incentives be applied to?

Please explain your answer.:

There are a range of existing mechanisms that the incentives could apply to, including existing devolved property and land taxes such as NDR, LBTT, council tax. In the reserved space there is VAT.

1 (b) Should relief be in the form of full exemptions or variable rates?

Not Answered

Please explain your answer.:

The full suite of reliefs and exemptions relating to existing taxes should be explored.

In 2022 we advised Ministers to consider additional reliefs on NDR and Council Tax for newly built properties on long-standing vacant sites to incentivise reuse. We advised the introduction of a new power to enable local authorities to continue to apply NDR to newly derelict properties to discourage them from being allowed to fall into disrepair.

Our research estimated that a full council tax relief for the first 5 years for new dwellings developed from sites that have been derelict for 2 or more years could increase new dwellings built on derelict sites by approximately 100-200 per year, corresponding to an increase in homebuilding from derelict sites by around 25-50%.

To help understand the impact of reliefs on encouraging activity on a site, SG should review the impact of the devolution of NDR EDR (Empty Property Relief) from the Scottish Government to local authorities. It is too early assess whether the removal of non-domestic rates empty property relief is stimulating development or sale to a more active owner.

Our research into the impact re-introducing business rates (NDR) for shooting and deer forests suggests that a comprehensive baseline dataset is important to assess the fiscal and behavioural impact of policy changes. Another key finding is the importance of land data to evaluate the impact of reliefs and the relationship between administrative effort and revenue yield. While the scope of this work is on NDR and non-residential use of land and property, we believe these principles should be considered when considering future reliefs and exemptions more broadly.

https://www.landcommission.gov.scot/downloads/61efa506191e2_Land-Reform-and-Taxation-Advice-to-Scottish-Ministers.pdf

https://www.landcommission.gov.scot/downloads/61eee3c94268c_Alma-Economics-Land-and-property-taxation-in-Scotland-FINAL.pdf

1 (c) Could a tax impact differently on different types of land owners?

Please explain your answer:

The behavioural impacts on different landowners would need to be fully explored. The DUSTEs would offer a useful starting point to explore the impact of various mechanisms on landowner types, tenures and uses.

1 (d) Please provide any evidence of how fiscal measures linked to other charges would impact development finance to influence build-out rates.

Please explain your answer.:

Our research on tax and derelict land includes a development appraisal for a residential development in a Scottish regeneration area. This is used to demonstrate the proportions of cost taken by land and property taxes.

The findings suggest that that there are several taxes that are likely to be most 'incentivising' to support reuse of derelict sites. These are: 1) recurring taxes 2) property transactions tax and 3) land transactions tax. These areas may be worth further consideration in the context of incentivising housing delivery.
Please note that the appraisals and this finding are highly provisional and subject to local market potential, actual development costs, and for DUSTEs any significant dereliction challenges, land engineering or re-servicing needs requirements.

2 Should we introduce a tax on sites which have been allocated for residential development and/or have permission for homes, but are not being built out as expected, as set out in option 1?

Unsure

Please explain your answer :

More research is required on the impact of potential tax on undeveloped land.

There are a number of key issues arising from the SLC's advice to Ministers (2026) on exploring options for tax to support land reform and address climate change (including scoping options for a carbon land tax). We expect similar challenges in this context.

Any tax on land would need to consider 1) ownership and tenure implications 2) interaction with existing grants, payments and taxes 3) clear scope and definitions 4) skills and capacity within the sector to deliver 5) understanding the impact on the land market.

To help modernise the land and property tax system, we also advise that an essential step is to better coordinate land information. By developing a modern tax infrastructure that brings together ownership, use and values – it can better inform future government policies.

For example, our research on international valuation and tax systems highlights the importance of accurate, up-to date and complete data on ownership, value and land use to effectively use tax. Scotland alongside the rest of the UK falls behind in terms of valuation for residential property basing its property values on 1991 house prices. Other countries have been able to create land valuation processes that enable tax to be used as an effective and responsive mechanism to deal with wider societal, economic and environmental changes. This includes the use of technology to help scenario modelling, creating open and transparent systems and a shift to considering environmental factors in land valuations.

The SLC is developing a proposed programme for building a modern infrastructure to support better taxation of land by focusing on key building blocks including the role of land data due summer 2026.

https://www.landcommission.gov.scot/downloads/SLC-Tax-Advice-FINAL.pdf

2 (a) Should this apply to allocated sites, sites with permission, or both?

Not Answered

Please explain your answer.:

2 (b) How should the tax be calculated?

Please explain your answer. :

2 (c) Who should be required to pay the tax?

Please explain your answer. :

2 (d) Should the tax operate as a local or a national tax?

Not Answered

Please explain your answer. :

2 (e) How should any income be used?

Please explain your answer. :

2 (f) Please provide any evidence of how a tax connected to sites allocated or permitted not being built out would influence build-out rates.

Please could you provide any evidence you have of how this approach might stimulate land transfer to the control of a willing developer?:

Option 2: Monitor build-out rates and intervene where these are unreasonably slow

3 Should we bring forward powers for reporting on development progress and powers to intervene where it is considered to be unreasonably slow, as set out in option 2?

Not Answered

Please explain your answer. :

3a Should this include creating a legal framework for reporting on development progress?

Not Answered

Please explain your answer. :

3b Should there be a power for planning permission to be revoked, without compensation being payable, where reporting demonstrates that progress is unreasonably slow?

Not Answered

Please explain your answer. :

3c How would the pace of development be set and agreed – for example how would reasonable-ness be measured?

Please explain your answer. :

3d Please provide any evidence of how reporting on development progress would influence build-out rates.

Please explain your answer.:

Option 3:Reduce procedural time and costs for SME developers

4 Should we bring forward legislation to amend the development hierarchy, to enable us to introduce more streamlined planning processes on planning applications for smaller sites, as outlined in option 3?

Not Answered

Please explain your answer. :

4a How many categories should be defined by the development hierarchy, and what size of development should these cover? For example, four categories that define major, medium, small and very small developments?

Q4a How many categories should be defined by the development hierarchy, and what size of development should these cover? For example, four categories that define major, medium, small and very small developments?:

4b What are your views on, and do you have any evidence relevant to whether creating more categories in the development hierarchy might have an overall effect of speeding up or slowing down build-out of housing?

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4c What are your views on whether we should review and rationalise policy requirements for smaller housing sites, or introduce a new rules based policy for smaller housing sites?

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4d Do you think that further advice on planning application information requirements would support faster delivery of housing on smaller sites?

Not Answered

Please explain your answer. :

4e Do you think there are any further options that creating more categories in the development hierarchy might open up, further to those outlined in option 3?

Not Answered

Please explain your answer. :

4f Do you think that this measure would have any particular benefits for SME housebuilders?

Not Answered

Please explain your answer. :

Option 4: Diversify outputs from deliverable land

5 Do you think that encouraging more diverse housing outputs across the pipeline of deliverable housing land would increase the pace of build-out?

Not Answered

Please explain your answer. :

5a Should we use legislation to require a diversity of housing types and tenures on sites above a certain threshold?

Not Answered

Please explain your answer:

5b Do you think that this measure would have any particular benefits for SME housebuilders?

Not Answered

Please explain your answer :

5c Please provide any evidence of how increasing diversity would influence build-out rates.

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Further options

6 Do you have any other suggestions for measures which could use levers available, or which could be put in place through the planning system, to deliver more homes at pace?

Q6 Do you have any other suggestions for measures which could use levers available, or which could be put in place through the planning system, to deliver more homes at pace?:

In March 2026 the UK Government introduced the Provision of Information (Contractual Control) (Registered Land) Regulations 2026 applying to England and Wales. The regulations introduce a duty to provide information about rights contained in certain land agreements such as an option, conditional contract, pre-emption right, or certain rights associated with promotion agreements to HM Land Registry, where those agreements give a person the power to control how land is used or developed. The regulation will introduce a public register.

The policy aim is to improve transparency over who holds control over land, short of legal ownership. This may also encourage SMEs who are unable to see or access opportunities for development land.
The implications of a similar approach to optioned land should be explored in Scotland to help diversify output from deliverable land.

The SLC's research on transparency of options agreements concludes that there is no publicly available information on where developers plan to build in future. Furthermore, the lack of transparency around sales is inflating land values and communities are unable to register an interest in land for Community-Right-to-Buy if there is an option in place leading to projects stalling.

Scottish Government should explore this further to support SME and community-led housing development. This is especially important in rural and peri-urban Scotland.

https://www.gov.uk/government/publications/contractual-control-agreements/contractual-control-agreements https://www.landcommission.gov.scot/downloads/64e33ff4e5519_Diffley-Transparency-Research-Report.pdf

https://www.landcommission.gov.scot/news/transparency-options-to-develop-land-and-community-empowerment-time-for-action

6a Please provide any evidence of how these potential measures could influence build-out rates.

Q6a Please could you provide any evidence of how these potential measures could increase the rate and pace of delivery.:

About you

What is your name?

Name:
Katherine Pollard

Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
Scottish Land Commission

Further information about your organisation's response

Please add any additional context:

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response only (without name)

Do you consent to Scottish Government contacting you again in relation to this consultation exercise?

Yes

What is your email address?

Email:
katherine.pollard@landcommission.gov.scot

Where did you hear about this consultation?

Scottish Government website, News website

If other, please say where::

Evaluation

How satisfied were you with this consultation?

Very satisfied

Please enter comments here.:

How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?

Neither satisfied nor dissatisfied

Please enter comments here.: