
improving living in scotland



**Response to Barclay Implementation Non-domestic rate
consultation**

14 September 2018

ABOUT HOMES FOR SCOTLAND

Homes for Scotland is **the** voice of the home building industry.

With a membership of some 200 organisations together providing 95% of new homes built for sale in Scotland each year as well as a significant proportion of affordable housing, we are committed to improving the quality of living in Scotland by providing this and future generations with warm, sustainable homes in places people *want* to live.

Visit www.homesforscotland.com for further information and follow us on twitter @H_F_S

PROCESS

Homes for Scotland represents members on a wide range of issues affecting their ability to deliver much needed homes.

Our views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from member companies.

Introduction

Homes for Scotland is the representative body for home builders in Scotland. Homes for Scotland is interested in policy that can impact housing delivery in Scotland. Our interests in this consultation relate to the impact that non-domestic rates can have on the businesses of home builders and other housing providers in Scotland.

Rates payable on show homes

Home buyers in Scotland expect to visit a show home to get a feel for the type of homes being delivered by home builders. The cost of building, decorating and running a show home can be challenging to home builders, particularly those of a smaller scale. The rates payable on a show home has consistently been raised by our small builder members as a major concern, often making the provision of a show home unviable. This can impact on sales and therefore activity levels of home building, especially in rural and regeneration areas where the market is slower. Given that the nature of a show home means that the 'premise' will be new build and only be used on a temporary basis with the sole purpose of promoting the sale and delivery of much needed new homes, we are interested in how the Business Growth Accelerator could assist. We would be supportive of the proposals to make the provision automatic to promote consistency and streamline any bureaucracy but would also urge much better promotion of this to businesses. We do not however think a delay in increases will be enough to assist with the viability barriers facing small home builders and would encourage the Scottish Government to consider the application of exemptions, or at the very least discounts, to assist this section of the market to help enable business growth and housing delivery. This issue is being discussed in a collaborative project with Scottish Government on Small Scale Home Builders with input from More Homes Scotland and the Financial Innovation Unit.

Out of town home builders

Given the nature of home building businesses, offices are more often than not located in out of town business parks. This allows the provision of car parking for employees to travel to sites and also often enables other parts of the business such as timber kit or off-site manufacturing businesses to be located next to head offices. Whilst we understand and support objectives to make town centres thrive, we do not think that raising tax to companies that are better placed out of town is the correct approach. Higher overheads will inevitably have an impact on the ability of home builders to invest in housing delivery. The consultation lacks detail on where the lines would be drawn or how the rates would vary but as proposed we are concerned about the impact on our members overheads.

Online businesses

Online businesses – home builders and housing providers have a large online presence in terms of the marketing of new homes for sale and rent. The definition of online businesses is not clear from the consultation. We would not want to see higher rates dampening innovation in the housing sector. This year we celebrated the first home builder making online reservations possible for home buyers. We need to encourage creativity and promote different channels to meet the needs of a diverse population. We are concerned that these proposals could have a negative impact on progress being made.

For further information relating to this response please do not hesitate to contact me. I can confirm that I am responding on behalf of HFS and that we are happy for the response to be made public.

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