

THE EMERGENCY, AND THE MACHINERY NOBODY BUILT



The emergency, and the machinery nobody built

Scotland declared a housing emergency, then met it with a tenancy law and financing schemes. The machinery that would change how many homes actually get built was never in the Bill, never in the manifestos, and still is not in Scots law.

On 15 May 2024 the Scottish Parliament voted, by 95 to 29, to declare a national housing emergency. The motion came from Labour; the government accepted it.¹ Several councils had already declared emergencies of their own, the first almost a year earlier; by the end of 2024 thirteen had.² So the word was not the problem. Everyone with a vote agreed on the diagnosis.

What an emergency is supposed to do is change what happens next. Declare one, and you license measures that ordinary times would not permit: emergency money, emergency powers, the suspension of the usual pace. The declaration is a promise that the response will be sized to the problem. Hold that promise up against what came after, and a gap opens between what was declared and what was done.

The state knows how to move when it believes an emergency is real. In 2020 it stood up income support for millions in a matter of weeks. In 2008 it found tens of billions to recapitalise the banks over a weekend.³ Those were emergencies whose response was sized to the threat. Housing was declared an emergency in May 2024 and answered, eighteen months later, with a Bill about tenancies. The cases differ in kind: a bank rescue is a single lever, and no statute builds houses on that timescale however willing the state. But the comparison was never about the pace of bricks. It is about the speed and scale of money and political attention, and on those a tenancy Bill eighteen months on is itself the tell.

By 30 September 2025, 18,092 households were living in temporary accommodation, 10,480 of them children. Both are the highest figures recorded since the count began in 2002.⁴ Temporary accommodation is the system's holding pen: the place households wait when there is nowhere permanent to put them. A record there scans as housing policy. It is ten and a half thousand children waking up somewhere that was meant to be temporary.

The supply side reads the same way. The government's own target is 110,000 affordable homes by 2032. By December 2024 it had delivered 24,400 of them, under a quarter of the way with the clock more than a third run; reaching the target now requires roughly 11,000 completions a

¹Scottish Parliament, motion S6M-13197 in the name of Mark Griffin (Scottish Labour), agreed as amended (S6M-13197.1) on 15 May 2024 by 95 votes to 29, with 0 abstentions and 5 not voting, declaring a national housing emergency: Official Report, 15 May 2024, and the vote record at parliament.scot (votes-and-motions S6M-13197 and S6M-13197.1); reported in STV News, 15 May 2024.

²Argyll and Bute declared the first local housing emergency in June 2023; thirteen councils had declared by the end of 2024, the most recent being East Lothian on 12 November 2024.

³Two emergencies the state did size to the threat. The Coronavirus Job Retention Scheme was announced by the Chancellor on 20 March 2020 (80% of wages to a £2,500-a-month cap) and opened for claims on 20 April 2020; over its life it supported 11.7 million jobs, peaking at 8.9 million furloughed in May 2020, at a cost of about £70 billion (House of Commons Library, *Coronavirus Job Retention Scheme: statistics*, CBP-9152; HMRC final evaluation, 2023). The 2008 bank recapitalisation scheme was announced on 8 October 2008, with a £37 billion capital injection into RBS, Lloyds TSB and HBOS confirmed on 13 October 2008 (HC Deb 13 October 2008).

⁴Scottish Government, *Homelessness in Scotland: update to 30 September 2025*: 18,092 households and 10,480 children in temporary accommodation, record highs since the series began in 2002.

year, well above the rate achieved.⁵ The consented pipeline that should feed those homes is itself unreliable. The government's 2026 consultation on accelerating home building leads with a figure of 164,000 homes that hold planning permission but remain unbuilt, then concedes in the same document that the figure "does not take into account or reflect the deliverability, constraints or programming of these sites."⁶ A headline number the department that published it will not stand behind as a measure of what can actually be built.

A single aggregate cannot tell you which of those 164,000 homes is about to be built and which never will. Some sites are deliverable and waiting on nothing. Some are blocked behind water or grid connections no developer can supply alone. Some are held back deliberately, released slowly to protect prices. Some belong to builders who have gone into administration. Lump them into one headline and the figure measures activity, not capacity, and a penalty or an incentive aimed at the lump lands indiscriminately, on sites that need different things or nothing at all. The consultation's own caveat is an admission that the number it leads with cannot carry the weight the policy rests on it.

The caveat is doing more work than it admits. The deliverability it waves away is not unknowable. Every local authority collects it site by site, and it is pulled together into a single national picture built to a common schema. What the public can freely see is a thin index; the per-site detail appears to sit in a paid tier, free to public-sector and academic users and charged to everyone else.⁷ The government leads with a number it will not stand behind, while the breakdown that would qualify it sits, on the available evidence, a tier away from open view.

That is the emergency as the state itself describes it: record need against a slipping target, fed by a pipeline its own authors will not vouch for. The question is what the state then did with the powers an emergency grants.

What got legislated

The legislative answer is the Housing (Scotland) Act 2025, passed that September and given Royal Assent in November. It runs to 87 sections across eight Parts.⁸ It is a substantial Act and, on its own terms, a serious one. It creates rent controls in designated areas, strengthens protection against eviction, gives tenants rights over keeping pets and making alterations,

⁵SPICe, *Affordable Housing Supply Programme* briefing, April 2025: 110,000 target by 2032; 24,400 delivered by December 2024; approximately 11,000 completions a year required to reach it. The total reached 31,064 by September 2025, but completions in the year to September 2025 fell 23%, the lowest since 2014: Scottish Government, *Housing Statistics for Scotland Quarterly Update* to end September 2025.

⁶Scottish Government, *Accelerating home building in Scotland: consultation*, February 2026: 164,000 homes with planning permission unbuilt; the figure "does not take into account or reflect the deliverability, constraints or programming of these sites".

⁷The Housing Land Supply (Scotland) dataset on the Improvement Service Spatial Hub amalgamates every local authority Housing Land Audit to the Scottish Government's HLA schema, covering per-site effectiveness, constraints, programming, tenure and developer. The freely accessible layer exposes only a short administrative index; the access model routes public-sector and academic users to the full attribution at no charge and other users to a commercial partner. That the deliverability fields specifically sit behind the paid tier is the high-confidence reading of the access model, not yet confirmed by a direct download.

⁸Housing (Scotland) Act 2025 (asp 13), legislation.gov.uk: 87 sections, 8 Parts; rent controls (Part 1), eviction protection (Part 2), pets and alterations (Part 3), tenancy administration (Part 4), homelessness prevention (Part 5), housing-emergency declaration powers (ss.79-80, Part 6). No supply-side, land-assembly, development-finance or institutional provision.

reforms tenancy administration, and places duties on the system to prevent homelessness before it happens. Parts of it are overdue. None of that is the complaint.

The complaint is what the Act does not contain. There is no provision for land assembly, none for development finance, none for planning enforcement, and no new institution to build at scale. The Act governs the relationship between landlords and tenants in homes that already exist. It does almost nothing to change how many homes there are, and to the extent it bears on that number at all, the pressure runs the wrong way: the weight of the evidence is that tenancy regulation suppresses new building rather than adding to it.⁹ Its own emergency-declaration powers, written into sections 79 and 80, let ministers formally declare a housing emergency: the procedural machinery to name the problem, sitting in the same Act that declines to build the machinery to fix it.

This is the first gap, and the cleanest. An emergency was declared in May 2024. The major housing legislation that followed addressed tenure and omitted supply. You can support every tenants'-rights clause in the 2025 Act, as a reasonable person might, and still notice that a supply emergency was met with a tenure statute. The means were not in the Bill, because supply was not in the Bill.

What the parties offered

The second gap is electoral. An emergency declared in one parliament has to be carried by the next, and in May 2026 Scotland elected a new one. The manifestos are the record of what each party asked for a mandate to do.

On housing, they reached almost entirely for two things: targets and financing. The SNP pledged 110,000 affordable homes by 2032, the same target already slipping, and proposed to fund more of them by unlocking pension-fund investment, an estimated £20 billion of assets, alongside the £100 million-a-year First Homes Fund for first-time buyers and a tenant's right of first refusal when a landlord sells.¹⁰ Labour pledged 125,000 homes including at least 52,300 affordable, a Housing Bank to channel investment into building, a £1 scheme to bring derelict homes back into use, and a transaction-tax cut for first-time buyers.¹¹ These are not empty offers. A Housing Bank is a real instrument and pension-fund capital is real money. But notice what kind of instrument they are. Each one is a way to finance or incentivise building inside the existing land market. None of them changes the market itself.

⁹No Scotland-specific finding exists; the 2025 Act's designated-area controls are too recent. The claim draws on the general evidence, where the predominant finding is that rent control and tenancy regulation depress new construction and residential investment: a long-run study of 16 countries from 1910 to 2016 finds restrictive rental legislation generally reduces both (Kholodilin, Kohl et al., *Do rent controls and other tenancy regulations affect new construction?*, Journal of Housing and the Built Environment, 2023), and a Brookings review reports near-consensus among economists on the supply harm. The evidence is not unanimous, some jurisdictions show no construction effect, and new build is often exempted, so the direction is stated as a pressure rather than a measured Scottish outcome.

¹⁰SNP, *Scottish Parliament election manifesto 2026* (housing): 110,000 affordable homes by 2032 (10% rural and island); unlocking an estimated £20 billion of pension-fund investment for social housing; the First Homes Fund at £100 million a year for first-time buyers; a tenant right of first refusal to buy when a landlord sells.

¹¹Scottish Labour, *Scottish Parliament election manifesto 2026* (housing): 125,000 new homes including at least 52,300 affordable; a dedicated Housing Bank; a £1 homes scheme to bring derelict homes back into use; the Land and Buildings Transaction Tax relief threshold raised to £200,000 for first-time buyers.

That distinction is the hinge of everything that follows, and it turns on a single word: gift. The grant of planning consent is a gift. The moment permission is given, the state manufactures a leap in the land's value and hands it, barely billed, to whoever happens to own the ground. Nobody has lifted a tool; the value simply appears, and it has an owner. Money spent afterwards goes on land the public has already enriched, so a share of every pound funds the gift rather than the homes, captured by whoever sells the land rather than turned into bricks. Financing can lift output at the margin; it cannot seal the leak, because the leak is the gift, not the supply of capital. One question sits under all of it: when planning hands out that gift, who keeps it?

The spending tells the same story. Faced with the emergency it had declared, the government first cut the affordable housing programme by around a fifth in 2024-25, stalling more than 1,800 homes already in the pipeline, then reversed course and raised it to a record £926 million for 2026-27, the largest affordable housing allocation since records began in 1989.¹² Record cash. But it runs down the same channel: a grant subsidy paid out to build on land bought at its gifted value. More money chasing consented land bids that land up, so a share of that sum settles on the owner who sold it. The lurch from cut to splurge is its own failure, because a programme that swings by a fifth cannot underwrite an eight-year build-out to 2032; but the deeper fault is that even at its peak, the money is poured past the gift instead of at it.

The party that came closest was the Scottish Greens. Their 2026 manifesto proposed compulsory sale orders to force vacant and derelict sites back into use, non-domestic rates on derelict land so that hoarding it costs the owner something, a 500-hectare cap on how much land any person or company may hold, and a public interest test on large purchases.¹³ That is real anti-hoarding and land-concentration thinking, and it deserves to be named as such. Making idle land expensive to sit on is exactly the right instinct.

Three things hold it back from closing the gap. It sat in the manifesto of a party that won fifteen seats and no place in government, so it carried a mandate to argue, not to legislate. It did not become law, and an instrument that never reaches the statute book changes nothing. And even at its boldest it aimed elsewhere: compulsory sale and a holding cost on vacant and derelict land go after the absentee landbanker, not the gift handed to a consented site that is drip-fed rather than built. No manifesto proposed reclaiming that gift at existing-use value, and none built the finance side land reform needs: the institution that holds and recycles the capital, or the guarantee that makes land reform safe to attempt. The Greens proposed a door. They did not propose the building behind it.

¹²Affordable Housing Supply Programme: cut from £752 million (2023-24) to about £596 million (2024-25), a 22% reduction (reported at 26% as first drafted), with more than 1,800 affordable homes reported stalled; restored to £768 million for 2025-26; then £925.87 million for 2026-27, a £158 million boost (20% up), described by the then Housing Secretary, Màiri McAllan, as the largest affordable housing allocation since records began in 1989, within up to £4.9 billion over four years (including £4.1 billion public sector) to deliver 36,000 homes. Sources: SPICe AHSP budget briefing (5 Dec 2024); Scottish Government, "Record investment in affordable housing" (17 Jan 2026); Homes for Scotland.

¹³Scottish Greens, *Scottish Parliament election manifesto 2026*, Land Reform and Non-Domestic Rates sections: a Land Reform Bill capping landownership at 500 hectares; compulsory sale order powers for vacant and derelict land; non-domestic rates on vacant and derelict land to penalise landbanking; a public interest test on large land purchases. Acquisition at existing-use value (repeal of the Town and Country Planning (Scotland) Act 1959 compensation provisions) and a land value tax appear on greens.scot as longer-standing party policy, not in the 2026 manifesto.

So the mandate gap mirrors the legislative one. The instruments that would treat the emergency as an emergency were either absent from the manifestos or, where present, parked in opposition and left unbuilt. The party that could legislate reached for financing instead, so the structural case lost not for want of a majority but because the side that held one chose otherwise.

The four instruments

They work in two pairs.

A holding cost on hoarded land: a charge that makes sitting on a consented site expensive, so delay stops being free. Its partner, a right for the public side to buy the land back at existing-use value when the affordable homes promised at planning consent go undelivered, turning a paper obligation into one with a consequence. Then the finance pair: a national landlord that buys, lets, and ploughs its surplus back into the next acquisition instead of paying it out, and behind it a guarantee that lets that landlord and the wider social sector borrow at the rates the model needs.

Each of the four has a working precedent. Finland built the recycling landlord: the Y-Foundation, now the country's fourth-largest, buying and letting and reinvesting its surplus, while Finnish homelessness fell from around 20,000 in the 1980s to a few thousand, before ticking up again under recent welfare cuts.¹⁴ The Netherlands built the guarantee: the WSW lets housing associations borrow at near-sovereign rates and in forty years has never needed the state's backstop behind it.¹⁵ Norway runs its own version through Husbanken.¹⁶ The holding cost has a cousin in Ireland's zoned-land tax; acquisition at existing-use value is ordinary law in several European systems.¹⁷ None of the four is exotic, though each would have to be ported to Scottish conditions rather than copied; Helsinki, for one, sits on land its city largely owns.¹⁸ None of the four is in Scottish law.

That is the through-line. The emergency is real and officially acknowledged. The need is at a record. The targets are slipping and the pipeline is caveated by the people who publish it. The legislation that followed the declaration governed tenure and skipped supply. The election that

¹⁴The Y-Foundation is Finland's fourth-largest landlord, owning roughly 19,000 apartments across 58 municipalities on a revolving-fund model (Y-Säätiö, 2025). Finnish homelessness fell from around 20,000 in the mid-1980s to 3,429 in 2023, then rose to 3,806 in 2024, the first increase since 2012, attributed to welfare cuts rather than a failure of the model (Varke, 2024).

¹⁵The Waarborgfonds Sociale Woningbouw (WSW) guarantees Dutch social-housing borrowing, letting associations raise debt at near-sovereign rates; it guaranteed €94.9 billion of loans at end-2024. Its first guarantee claims came in 2018, 35 years after its 1983 founding, met from its own risk capital; the interest-free state and municipal backstop behind it has never been reached (WSW Annual Report 2024).

¹⁶Norway's state housing bank, Husbanken, lends below market rates for housing; its loan portfolio stood at NOK 187.4 billion at end-2024 with annual net losses of NOK 31 million, 0.017% (Husbanken Årsrapport 2024).

¹⁷Ireland's Residential Zoned Land Tax is an annual charge on zoned, serviced residential land, in force from 2025 (Revenue Commissioners, *Guidance on the Residential Zoned Land Tax*, 2026). Acquisition at or close to existing-use value is established in several European systems, including Dutch municipal pre-emption and German land readjustment (Crook, *Land Value Capture*, Scottish Land Commission, 2018).

¹⁸Helsinki owns about 70% of the land within its boundaries, the municipal base on which its housing programme rests; of roughly 6,000 dwellings built a year, about a quarter are subsidised or regulated rental and a further 30% price- and quality-controlled (Housing2030 / City of Helsinki).

followed the legislation returned financing schemes and building targets, with the one party that proposed structural land reform left holding fifteen seats and no pen.

Declared, then not built. The gap between those two facts is not the accident of any single decision; it is what happens when a problem of structure is met with instruments aimed at everything except the structure. The gap has to be closed one instrument at a time, each raising the question the declaration never had to answer: what would it actually take to build the homes?