



Building safety pressures across the housing sector

Cassandra Dove
Scottish Federation of Housing Associations



Building safety - Current policy and member challenges

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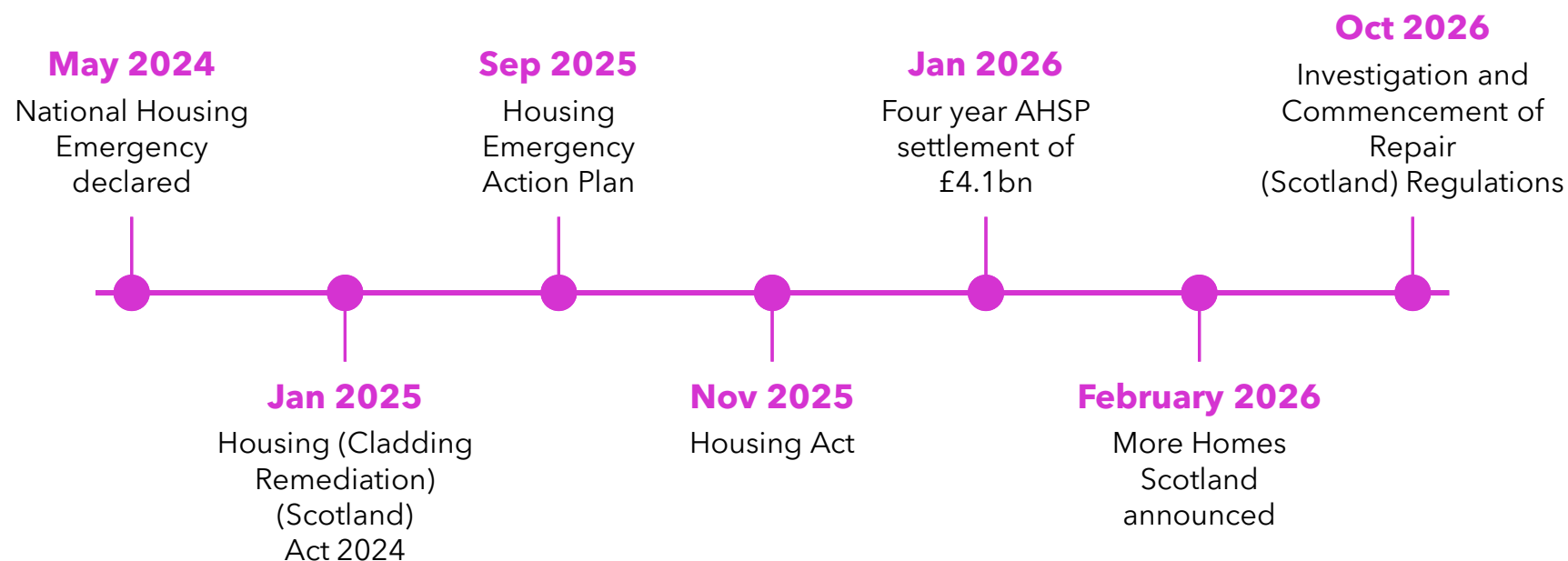
Scottish Federation of Housing Associations

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The voice of Scotland's
housing associations



Policy updates



Building safety challenges



Big six compliance issues



Damp and mould



Fire safety



Concrete – RAAC/LPS



Stonework



Climate-related risks

Current situation

Scottish Housing Condition Survey (2024)

48%	of all homes have disrepair to critical elements
19%	with urgent disrepair
28%	below Tolerable Standard
90%	free from damp and condensation

Annual Return on the Charter (2025/26)

88%	satisfied with the quality of their homes
93%	of RSL homes meet SHQS
28,528	cases of lapsed EICRs (majority LA)
2,450	homes without required smoke and heat detectors
40,000	resolved damp and mould cases (92% non-recurring)

Cladding remediation programme (Jun 2026 update)

956	expressions of interest
526	funding offers
219	with SBAs underway – almost half in Glasgow
16	completed SBAs – all required remediation
22	buildings with urgent interim measures
1	property with remediation complete (2 underway)

Member challenges



Stock data



Mixed-tenure



Rent affordability



Shortage of homes



Geography impacts on costs and service



Costs rising



**Realistic timescales
for implementation /
compliance**



New technologies



Tenant engagement



**Tolerable level of
risk**

How do housing associations assess what's right?

How does it fit in financially?

£ Financial



What is the
social value?



Social



Asset

How is the asset
performing?

Funding streams

**Scottish / Local
Government Grant**

Private borrowing

Rent

- **Scottish and Local Government deliver various grant programmes which don't need to be paid back**
- **Examples: Cladding Remediation Programme, AHSP being diverted for safety issues, LA missing shares schemes**
- **Not always an obvious route to grant funding**

Funding streams

Scottish/Local
Government Grant

Private borrowing

Rent

- In theory, housing associations can borrow on the private market
- Harder to borrow for assets than it is for new build
- Limited pool of security for borrowing
- Comes with additional cost of borrowing

Funding streams

Scottish/Local
Government Grant

Private borrowing

Rent

- **Housing associations only income is through tenant rent**
- **Any diversion of rent can lead to decrease in other services**
- **Average rent increase of 5.6% in 2025/26**

What else are housing associations dealing with?



Development of new homes

- 15,693 affordable homes needed / year (2026-31)
- 6832 completions in 2025/26
- c.£250k per unit
- Forthcoming standards



Retrofit of existing stock

- No confirmed Social Housing Net Zero Standard (Spring 2027)
- Estimated cost of £4.6 - £9.3bn
- Fewer than 1 in 3 have made financial provision



Cost of living / affordability

- Nearly 50% of social homes in the 20% most deprived communities
- 40% of social tenants living in relative poverty after housing costs

What the sector needs

- Deliver **fair funding** to housing associations so tenants don't end up paying for construction industry oversights through higher rents.
- A commitment to invest **£8.2bn** into the AHSP over the course of the next Parliament (£1.64bn annually).
- Take forward **tenement law reforms**, including compulsory owners' associations and building reserve funds, to tackle mixed-tenure challenges.

What the sector needs

- Commit to working with the sector to ensure the implementation of new **standards and regulations** are realistic, achievable and focused on delivering the best outcomes for tenants
- Take a **holistic approach**, recognising the health, climate and cost of living benefits of upgrading homes, and develop policy and grant programmes that support realising these benefits.



Questions?





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