



PRESS RELEASE

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ABERDEEN FACING HOUSING CRISIS

A shortage of new homes could push house prices higher in the North East of Scotland again.

That is the prediction of the house building industry as new figures from the Scottish Executive revealed that only 16 new homes were started in Aberdeen for the quarter ending September 2004¹.

Allan Lundmark, Director of Planning at Homes for Scotland, the organisation that represents companies building 95% of the country's homes, said:

"This is bad news for anyone wishing to buy a new home in Aberdeen and it will make it even more difficult for first time buyers. The bottleneck created by the planning system is delaying investment in Aberdeen. With overall investment in housing in Scotland growing, these figures demonstrate that funding is leaking from Aberdeen to other local authority areas."

Commenting specifically on the Scottish Executive figures, Lundmark pointed out that Orkney, Shetland and the Western Isles were, at 19, 23 and 37 respectively, all achieving higher levels of construction than Aberdeen. Putting the figures into further perspective, he noted that Dundee, which has a population of 145,000 started 265 new homes and Perth and Kinross, which has a population of 135,000, started 150 new homes during the period in question.

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He continued:

“These figures represent a worrying trend with the number of new homes being started in Aberdeen falling by a staggering 88% over a nine month period. Restricting supply only pushes prices up and exacerbates problems of affordability.”

Private Sector House Building started in Aberdeen		
Qtr ending 30/09/04	Qtr ending 30/06/04	Qtr ending 31/03/04
16	76	134

(Source: Scottish Executive Housing Trends in Scotland quarterly bulletins)

Lundmark’s warning comes as Aberdeen City Council prepares to consider the new local plan for the City amid concerns that Councillors are under increasing pressure from objectors to place even greater restrictions on the release of land for housing.

He concluded:

“The house building industry is prepared to invest tens of millions of pounds in the North East. That investment does not just build homes, it is also used to provide the physical and other community infrastructure needed to sustain local communities. Aberdeen is paying a heavy price for the City Council’s failure to release land for development.”

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Notes to editors:

1. Latest private sector house building start figures for Aberdeen taken from Scottish Executive's Statistical Bulletin HSG/2005/1: Housing trends in Scotland: quarter ending 30 September 2004 (<http://www.scotland.gov.uk/stats/bulletins/00392-00.asp>).
2. Homes for Scotland (www.homesforscotland.com) is the representative membership body for the home building and residential development industry in Scotland. Its member companies provide over 90% all new homes in Scotland. The largest user of the planning system in Scotland, the industry also contributes more than £3.5 billion to the economy and employs more than 110,000 people.