



**Press Release** *Wednesday 25th June 2008*

## *Government support welcomed by home building industry*

Homes for Scotland has given a cautious welcome to the support announced by the Scottish Government for the pressurised home building industry in its statement delivered at the Scottish Parliament today, 24<sup>th</sup> June 2008. Health Secretary Nicola Sturgeon was reporting on the progress of the Government's housing policy laid out in its paper, Firm Foundations – The Future of Housing in Scotland” at the start of the year.

Jonathan Fair, Chief Executive of Homes for Scotland said:

“The credit crunch has considerably altered the profile of Scotland's housing sector since Firm Foundations was conceived six months ago. The lack of liquidity in lending markets has stagnated the production of new homes in recent months. This has already resulted in significant redundancies right across the new build sector and the negative knock-on impact on Scotland's economy cannot be overestimated.

It is clear that Ms Sturgeon has recognised that providing support to First Time Buyers is now absolutely key to the health of the sector, therefore we welcome her commitment to investing £250 million over the next three years, through the expansion of the Government's LIFT shared equity scheme. We are also encouraged by her commitment to increasing the level of its 'Home Owners Support Fund' through an investment of over £25 million within the Government's 'mortgage to rent' scheme.

These are two key recommendations that Homes for Scotland has been lobbying for to support consumer confidence in recent weeks. We are heartened that the Scottish Government has not

only listened but also taken immediate action on these points.

However we continue to call on the Scottish Government to immediately free up all Registered Social Landlords to purchase both land and completed stock from the private sector. This focussed measure will ensure that those on low incomes are catered for until market conditions stabilise. We hope we can see further announcements on this important issue in due course.

We remain committed to the aim of delivering at least 35,000 new homes per annum by the middle of the next decade and welcome this now confirmed target from Scottish Government. Nonetheless, as Ms Sturgeon recognised, this level of output will not be possible in the short term whilst consumer confidence languishes at an all time low.”

Ends

Enquiries to:

Beth Hocking or Jennifer Kennedy, Homes for Scotland: 0131-455 8350

Note to Editors:

Homes for Scotland ([www.homesforscotland.com](http://www.homesforscotland.com)) represents the country's home building industry which:

- is the largest source of private investment in Scotland
- contributes £6bn to the economy annually
- builds 20,000 new homes per annum
- directly impacts the employment of 100,000 people across Scotland
- is the largest user of the planning system in Scotland