



PRESS RELEASE

8 March 2005

**WATER PROBLEMS BLOCKING NEW HOMES
AND THREATENING OVER 30,000 JOBS**

Water and drainage infrastructure problems will continue to block the building of much needed new homes, as well as threaten tens of thousands of jobs, despite the assurance of “massive investment” by the Scottish Executive.

This will be the stark warning from Homes for Scotland, the organisation representing companies who provide 95% of the country’s new homes, when Director of Planning Allan Lundmark addresses the Chartered Institute of Housing conference in Aberdeen tomorrow.

Although Scotland needs an estimated 35,000 new homes every year to tackle shortages and impact on affordability, only some 24,500 are currently being built – a sharp contrast to Ireland which delivers 70,000 houses each year for a population of fewer than four million people.

Considering whether it is possible to increase the production of more new homes in Scotland, Lundmark says:

“A few weeks ago I would have had some reasons to be optimistic. But in his statement of 9 February on Scottish Water’s investment programme for 2006 – 2014 Lewis Macdonald confirmed that the Executive would provide funding to support the construction of 120,000 new homes – a reduction of 10,000 homes a year on current production levels.

...2/



2/...

At a time when the Minister for Communities is trying to increase social rented accommodation, Mr Macdonald is seeking to reduce overall production by 40%. He defends his position by reference to capacity becoming available from demolitions. There is no evidence that the level of demolition can be achieved and, worryingly, where demolitions are being carried out, Scottish Water will not consent new connections, preferring instead to use the capacity created to ease pressure on existing treatment facilities.

If production does fall, house price inflation would escalate, driven up by shortages, problems of affordability would be exacerbated and over 30,000 jobs would disappear at a stroke.”

###

Notes to editors:

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 95% of 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.

For further information:

Jennifer Kennedy
Policy & Information Officer
Tel: 0131 243 2595
Email: j.kennedy@homesforscotland.com

improving living in scotland



HOMES FOR SCOTLAND

Homes for Scotland Forsyth House 93 George Street Edinburgh EH2 3ES

TEL 0131 243 2595 FAX 0131 243 2596 EMAIL info@homesforscotland.com WEB www.homesforscotland.com

Homes for Scotland Ltd Registered No. 213820 Registered Office: 15 Atholl Crescent Edinburgh EH3 8HA Vat No. 761 8239 15