



PRESS RELEASE

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CONTINUING DEMAND FUELS CONFIDENCE OF HOUSE BUILDERS

Scotland's house builders are looking forward to continued strength in the market during 2005.

That was the clear message to emerge from Homes for Scotland, which represents companies building 95% of the country's new homes, following a meeting of senior industry figures.

Executive Director Bruce Black said:

“With normality and stability now returning to the market there remains strong demand throughout Scotland for new homes in all market segments. Indeed, member companies are reporting levels of interest and sales above those of a year ago. The overall feeling is one of continuing confidence in an industry that is so important to Scotland's people and the Executive's objective of economic growth.

This is in line with with recent forecasts by both Nationwide and Bank of Scotland that Scotland, unlike other areas in the UK, would continue to see modest gains in house prices in the coming year.”

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However, Black warned that the industry, which is responsible for the employment of over 100,000 people and also contributes more than £3.5 bn to the Scottish economy, faces a number of major challenges threatening the delivery of all types of development not just housing. These include the possible introduction of a Third Party Right of Appeal, years of underinvestment in the country's water and drainage infrastructure, and the sorry state of the planning system.

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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% 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.