



**Press Release** EMARGOED UNTIL 0001 hours Thursday 22<sup>nd</sup> May 2008

## **Homes for Scotland Criticises “Housing Crash” Hysteria**

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Speaking prior to his presentation at the Shelter conference in Edinburgh today (Thursday 22<sup>nd</sup> May 2008) Jonathan Fair, Chief Executive of Homes for Scotland, the representative organisation for the country’s home building industry said: “Despite what Shelter may say today, Scotland is not experiencing a "housing crash" and to suggest otherwise is simply scaremongering.”

“We acknowledge that home builders have experienced a reduction in footfall at their developments, however prices are actually static or growing very modestly as recent statistics issued by Lloyds TSB, the Halifax and others will testify. With media hype such as this, Shelter will damage the very people it aims to protect. Scotland’s young people aspire to be home owners and the First Time Buyers affordability measures (eg mortgage debt servicing costs as a ratio to household income) remain sustainable.”

“The demand for new homes and the ability to cover mortgages still exist - however the lack of a willingness to lend, on the part of mortgage providers, is the root of the current issues facing the industry. All other economic indicators are sound – we are not experiencing mass unemployment or high interest rates in Scotland and we are not experiencing widespread economic failure.”

“This sort of hysteria will simply add to consumers’ uncertainty and is totally irresponsible. It is widely accepted that Scotland desperately needs thousands more new homes to meet the Government’s home building target. Shelter seem to be forgetting that, without a buoyant home building sector, precious little social rented housing would actually take place due to the quota system operated by most planning authorities.”

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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
- employs 100,000 people
- is the largest user of the planning system in Scotland