



HOMES FOR SCOTLAND

*improving living in scotland*

**Press Release** *Thursday 24<sup>th</sup> July 2008*

## ***Scottish home builder chiefs call for ‘safety net’ as job losses reach more than ten times the level seen at ‘Ravenscraig’***

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Following a meeting involving the chiefs of Scotland’s home building companies held today (Thursday 24<sup>th</sup> July), Homes for Scotland is increasing pressure on the Scottish Government to find *new* money to urgently deal with the devastating impact of the global credit crunch. The representative body has called for a dedicated meeting of the Government’s Housing Supply Task Force to address what is now a critical situation for one of Scotland’s key industries.

Homes for Scotland’s Chief Executive Jonathan Fair said: “New build starts in Scotland were down by almost 50% in the last quarter\*, a trend which has already resulted in up to 15,000 redundancies. We are now facing job losses within home building that are already more than ten times the level seen at Ravenscraig in 1992, with the impact being felt the length and breadth of the country. A support package which is appropriate to the scale of this crisis is urgently required.”

According to Fair, whilst Westminster has recognised that the health of the home building industry is key to the UK’s economic wellbeing, the Scottish Government’s assistance to date, although welcome, has largely involved simply tweaking existing programmes. He said: “Scotland may still have the most resilient housing market in the UK but significant investment of new money, from within the Housing Budget or elsewhere, is urgently needed.

Without such investment, not only will the Scottish Government's housing targets be in shreds, the irreversible loss of skills and capacity that we are beginning to see will have long-term consequences. In addition, the largest source of private investment in schools, roads, infrastructure and other community facilities will be lost. Many such projects are already stalling. That is why I have called for a dedicated meeting of the Scottish Government's Housing Supply Task Force."

Homes for Scotland is also calling for the Scottish Communities Minister Stewart Maxwell to provide further details on the initiative he alluded to in a recent radio interview which would enable private home builders to sell land, part-built and completed stock to Housing Associations and Registered Social Landlords. Fair said: "Such a response would be a golden opportunity to provide the range of affordable homes that Scotland so desperately needs, whilst maintaining jobs for construction workers and a level of cash flow to the industry. We look forward in anticipation to a formal announcement of the parameters of such a policy, including the budget and delivery mechanism to put it into practice. Such concepts have been outlined by the UK Housing Minister in her announcement of measures such as the National Clearance House. Similar actions are now needed in Scotland".

Homes for Scotland is appealing to the Scottish Government to ease the financial burdens being placed on home builders to meet increasingly stringent building standards.

Home building is one of Scotland's most important industries. Last year it contributed around £6bn to the national economy and directly employed 52,500 people.

**Ends**

**Enquiries to:**

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Note to Editors:

1. 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
- is the largest user of the planning system in Scotland

2. NHBC figures show that there was a significant drop in private sector activity during the three months from April to June 2008, with the number of new homes started in Scotland down by 46%. Visit [www.nhbc.co.uk](http://www.nhbc.co.uk) for more information

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