



PRESS RELEASE

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HOUSING MARKET REMAINS STRONG SAY HOUSE BUILDERS

The housing market in Scotland is in good shape and offers excellent opportunities to house buyers, says Homes for Scotland, the body representing the country's house builders, after a meeting with senior economists from the Bank of Scotland.

Homes for Scotland's Executive Director Bruce Black said: "We have always said that the market in Scotland is more stable than that in England and the Bank of Scotland, which is the largest lender in Scotland, confirmed this to us. Whether in terms of affordability, measured by a price to earnings ratio that is the lowest in the UK, or in terms of the price movements in recent years, the position in Scotland is more favourable to buyers."

He continued: "Look at the figures¹. In 1994 the average price of a house in England was £62,000 and in Scotland it was £60,000. Now it is £160,000 in England and only £100,000 in Scotland. Add to that the fact that the Scottish economy is growing faster than that of England and it is plain to see why we feel that house buyers in Scotland continue to get very good value when they buy their home.

The outlook is strong and we are confident about the future. We expect house prices to increase by around 5% in the next year and from the buyer's perspective this is a good time to be buying a home."

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Notes to editors:

1. Figures taken from recent HBOS house price indices.
2. 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 over 90% 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.