



PRESS RELEASE

9 February 2005

“NOT GOOD ENOUGH” SAY HOUSE BUILDERS

Industry responds to Ministerial announcement on Scottish Water

***£3000 added to cost of a new home
Planning for 15,000 homes a year inadequate***

Reacting to a Ministerial announcement on Scottish Water's priorities and investment programme, Homes for Scotland, representing the house building and residential development industry, has expressed considerable disappointment.

Homes for Scotland Executive Director Bruce Black said:

“We were hoping for recognition of the infrastructure investment crisis that Scotland currently faces, and which is preventing development of all kinds in so many communities, but we did not see that. Instead we have limited increases in what Scottish Water can invest and small shifts in the priorities that govern Scottish Water's work. Instead of the £1 billion that the Executive itself has said is needed to service the development land earmarked in local authority plans we see only a fraction of that.

So there are many communities in Scotland where development of all kinds may be impossible for years to come. How does that square with the Executive's stated commitment to growing the Scottish economy?”

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He continued:

“Ministers have continued the practice of shifting expenditure from the public purse to the private sector through the introduction of yet another regime of developer contributions, this time for the infrastructure costs of new development. We estimate that this will on average add £3000 to the cost of a new home. Where does that leave everyone’s objective of making new homes more affordable?

And people in Scotland will be shocked to find that Ministers are planning on the basis of 15,000 new homes each year. We are currently building 50% more than that and all the market evidence is that even this is quite inadequate. This is extremely worrying and will be very bad news for those looking for new homes.

Even more devil may be in the detail and we will be reading the Minister’s published policy statement with great interest.”

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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% 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.