



**12th March 2007**

**PRESS RELEASE**

**PROPOSED LAND TAX WOULD BE PUNITIVE AND PUSH UP GRAMPIAN HOUSE PRICES**

"The Treasury's proposed Planning Gain Supplement is a punitive tax which will have a devastating impact on the infrastructure of Grampian's communities and will vastly inflate house prices." That was the warning given by Allan Lundmark, Homes for Scotland's Planning and Communications Director, to senior members of Grampian's house-building industry today, Tuesday 13<sup>th</sup> March 007.

Mr Lundmark said: "While the theory behind the tax was laudable – tax the uplift in development values to fund the infrastructure needed to support development – the practical implementation would spell disaster for Aberdeen and Aberdeenshire. The Treasury will have no way of ensuring that the revenues raised in the North east would find their way back to the communities where the investment was needed".

Mr Lundmark stressed that it was highly unlikely that the planning gain supplement paid by local developers would be invested in vital local infrastructure, such as schools, roads and drainage. It is more likely that this revenue will be spent on large-scale, Scotland-wide projects. This could result in money raised in a pressured market like Aberdeen being spent in areas outwith the North-east. This would have a devastating impact on local projects being starved of investment."

Homes for Scotland's concerns were submitted to the Treasury at the end of February in response to its consultation paper on the proposed Planning Gain Supplement which was drafted following extensive consultation with its 95 house builder members and their professional advisers.

Homes for Scotland represents the country's home building industry which is the largest source of private investment in Scotland, contributes £5bn to the economy annually, builds 25,000 new homes per annum, employs more than 120,000 people and is the largest user of the planning system in Scotland.

**Ends.**

**For further information please contact:**

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