



PRESS RELEASE

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**LATEST HOUSE PRICE RESEARCH GOOD NEWS
FOR SCOTLAND**

***Housing market fundamentals still strong as Scotland
continues to buck trend with rising prices***

As latest house price statistical reports¹ confirm the fundamental strength of the Scottish housing market, the new home building industry called on commentators to focus on the positives and lenders to do more to address the needs of first time buyers, especially those without large deposits, to improve access to the property market.

Jonathan Fair, Chief Executive of Homes for Scotland, the organisation which represents companies building more than 95% of new homes built for sale in Scotland, said:

“Scotland hasn’t escaped the uncertainty raised by economic pressures in other parts of the globe but what the latest Halifax report demonstrates is the fundamental strength of the Scottish housing market with an overall rise in house prices, albeit modest, expected in 2008 - a stark contrast to other parts of the UK and the sensationalist headlines in the national press.

Taken together with the Government’s commitment to dramatically increase the number of new homes built in Scotland to 35,000 by 2015, then it’s clear the position in Scotland is much more positive. This is what commentators need to be focusing on right now.

Whilst developments may have experienced a drop in the number of visitors and purchases are taking longer to conclude, there are still high levels of unmet demand within key market segments – particularly family housing – right across Scotland. The industry will continue to meet the high level of demand but we need to ensure first time buyers and those without access to large deposits are not excluded from getting on and moving up the property ladder through lack of funding. We are therefore calling on lenders to urgently address this issue.



More...

Customers should also be reassured that the key reasons for buying a new build home haven't been diluted in any way. In addition to Scottish house prices continuing to outperform the rest of the UK, our modern new homes are many times more energy efficient and also offer the advantage of a fixed price. The ability to choose fixtures together with the security of a long-term structural guarantee are added bonuses."

For further information please contact:

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Notes to the Editor:

1. According to the latest Halifax House Price Index, Scotland is expected to buck the trend of house price decline in other parts of the UK with a modest rise in 2008. To view the Index, please visit: <http://www.hbosplc.com/economy/HousingResearch.asp>
2. Homes for Scotland (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