



HOMES FOR SCOTLAND

improving living in scotland



Press Release Thursday 25th September 2008

OFT STUDY GIVES HOME BUILDING INDUSTRY 'CLEAN BILL OF HEALTH'

An exhaustive investigation by the OFT into house building in the UK has given the industry a huge boost at what is a most challenging time. It will also give potential buyers of new homes confidence in both the quality of their new home and their builder. After over 12 months of probing, the investigative body has revealed that:

- Accusations of land banking are a total myth and that builders need a stock of land as a direct result of the convoluted planning process. *'The time lag and uncertainty involved in obtaining planning consent and building are such that a land bank will naturally span over a number of years'*, says the report. It goes on to say that builders are actually *'constrained by the availability of suitable land'*, and recognises that the biggest 'landbank' is held by the public sector which could be released to ease the constraint that is halting the delivery of the homes this country needs.
- It could find no evidence of anti competitive practices that were detrimental to the consumer, one of the main reasons the review was originally set up. *'We found no evidence that individual homebuilders have persistent or widespread market power or that they are able to restrict supply or inflate prices.'*
- Overwhelmingly, home builders delivered excellent service to their customers, with 86% of people satisfied with the service they received and 90% saying the construction quality of their home was good or very good.
- Government regulation currently being discussed could act as a constraint on much needed new housing and some companies may *'struggle to meet the requirements and to implement new technological solutions'*. It suggests that Government needs to assist the industry develop technologies needed to meet proposed legislative requirements.

Responding to the results of the OFT report, Jonathan Fair, Chief Executive of Homes for Scotland, the representative body for the Scottish home building industry, said: "It is good news that, after an intense period of examination by the OFT, the home building industry has been provided with a very clean bill of health. In an extremely challenging trading environment for the housing sector, our members can take heart from the results of this report. More fundamentally, potential purchasers can be confident about the

quality of the product and the level of customer service they can expect when buying a new home.

“Rather than resting on our laurels, home builders and organisations such as Homes for Scotland have been instrumental in promoting a new industry sponsored code of conduct to ensure even higher standards. The excellent progress that has been made on this front has now been agreed with the OFT.”

Ends

For media enquiries contact Beth Hocking or Jennifer Kennedy on 0131-455 8350.

Notes to Editors:

1. Homes for Scotland (www.homesforscotland.com) represents the country's home building which is:
 - is the largest source of private investment in Scotland
 - last year contributed £6bn to the economy annually and directly employed 52,500 people
 - builds 20,000 new homes per annum
 - is the largest user of the planning system in Scotland
2. Copies of the OFT report and accompanying press release can be found at www.of.gov.uk/news/press/2008/109-08