



Homes for Scotland has prepared this press release in response to publication of the Scottish Executive's Planning Advice Note on Affordable Housing (which sets a benchmark of 25% affordable housing for new developments) and a statement from the Scottish Federation of Housing Associations (appended).

PRESS RELEASE

7 March 2005

HOUSE BUILDING INDUSTRY CONDEMNS EXECUTIVE ADVICE ON AFFORDABLE HOUSING

The house building industry has condemned the planning advice on the delivery of "affordable housing" issued today by the Scottish Executive.

Responding to guidance which says that developers should provide 25% of homes on new housing developments for rent or low cost home ownership, Homes for Scotland, the organisation representing companies building 95% of the country's new homes, accused the Executive of failing to understand the commercial realities involved and said that the announcement would only seek to exacerbate the problem of affordability not abate it.

Director of Planning Allan Lundmark said:

"Scotland's house builders are committed to meeting current and future housing needs across all market segments but are totally dismayed at today's advice. Evidence from south of the border suggests that up to 15% is capable of being delivered. Anything above that begins to impact on project viability and also affects a vendor's willingness to sell land, particularly where a development has to fund the provision of other community facilities and infrastructure.



Rather than actually addressing the problem of affordability, this advice will produce the opposite outcome with the development of affordable housing frustrated and investment in the mainstream market delayed. The shortages created will drive up prices, demonstrating yet again that the Executive is pursuing policies that will benefit those who have homes at the expense of those who do not.”

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Notes to editors:

1. Allan Lundmark is available for interview this afternoon.
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 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.
3. Homes for Scotland recently issued its own advice note to member companies on the development of affordable housing in Scotland in which it highlighted the position regarding percentages and outlined the following essential pre-conditions for effective delivery by the private sector:
 - Up-to-date local plans
 - Approved local housing strategies
 - Housing needs assessments dealing with all tenures and market segments
 - An effective housing land supply to meeting housing requirements in full across all market segments

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EXECUTIVE CALL FOR COMPULSORY AFFORDABLE HOUSING - Monday, 07 March 2005

Builders are to be forced to provide at least 25 percent affordable housing in each development, it has been revealed.

Communities minister, Malcolm Chisholm is to publish a *Planning Advice Note*, which will allow councils to insist that at least a quarter of any new development are to be built as affordable units.

Mr Chisholm said: "The **Scottish Executive** recognises the frustrations faced by first-time buyers and other trying to establish themselves on the property ladder and is tackling the challenge on a number of fronts.

"We are clear that the planning system has a key role to play. We want to see our cities, towns and villages develop with mixed, sustainable communities that feature a range of housing types and tenures, and with an appropriate level and mix of affordable housing.

"In areas where the council identifies a clear need, our new guidance is to recommend a benchmark figure for all sites to be developed with a quarter of the new properties being affordable housing."

SFHA Chief Executive, David Orr, said: "it is good news that we welcome. It is a sign that the Communities' Minister is focusing on the problem and coming forward with more solutions. However, this in itself is not going to solve the problem overnight.

"We would hope that the emphasis here would be to provide more affordable rented accommodation, rather than homeownership."

(SFHA news)