

"For economic growth and stability: affordable housing wanted!"

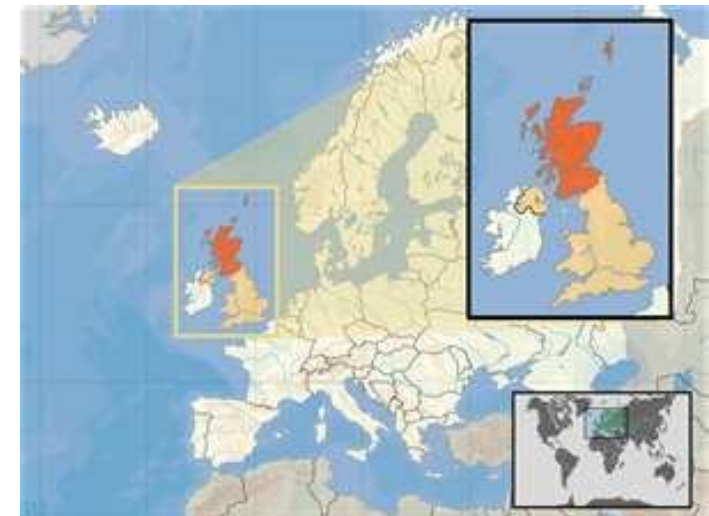


The Scottish Perspective

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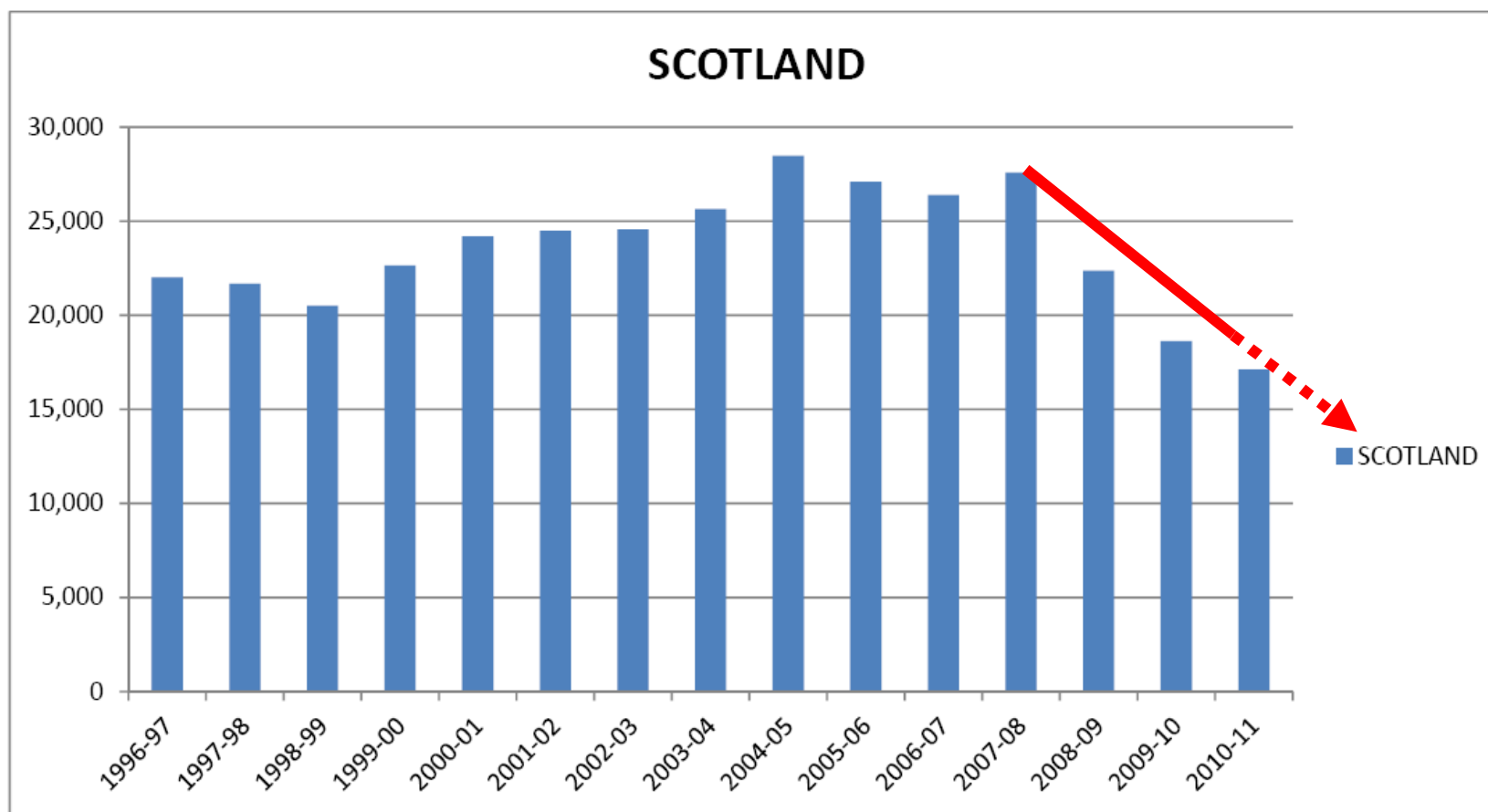
Scotland Facts

- Part of the UK with devolved administration (housing)
- 5.2m population (2.3m households)
- Unemployment 8.1% (22.9 per cent of those aged 16-24)
- 143,800 (March 2012) claiming jobseekers allowance (*this is 5100 higher than in March 2011*)
- The net value of new building and repairs, maintenance and improvements combined is just under £11.6 billion, which is 14.0% of Scottish GDP in 2006
- C. 60% of people working on a Scottish site are Scottish. The other 40% is largely made up of other European nationalities.



New Housing Supply

1% new building rate is very low by international standards. It is similar with that for the UK as a whole but the UK rate is one of the lowest of all the European Union economies.



(Source: Scottish Government New Housing Supply)

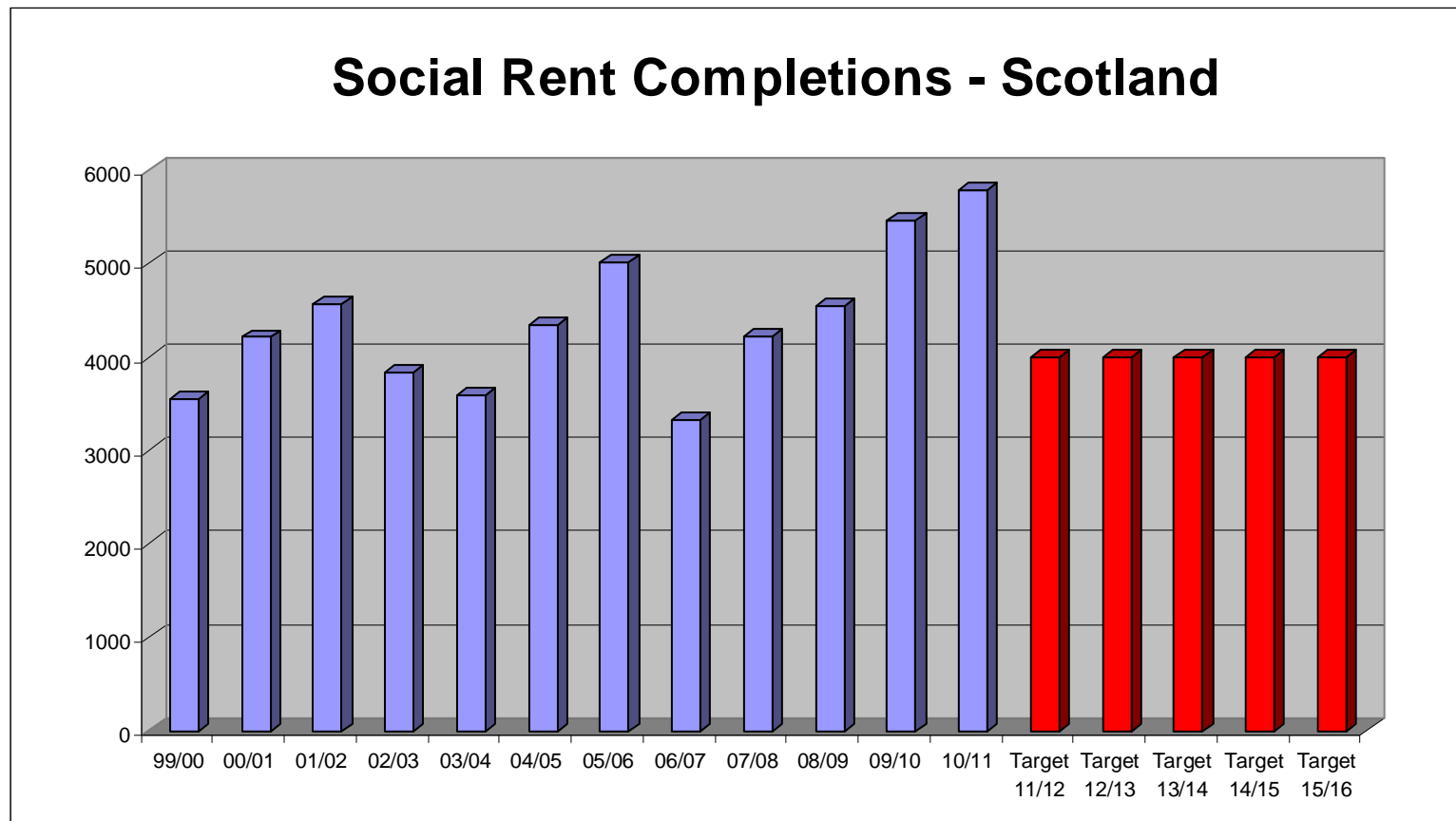
What Housing Supply?

- The Scottish Government Discussion Paper issued in 2007
Firm Foundations stated that: "35,000 new homes are needed each year to reverse declining affordability."
- The overall amount of funding available for new investment in housing has been cut by over 30% and subsidy levels were cut for 2011-12 by around 48%

"The last time housing production in Scotland dropped as low as this was 1926" *(outturn figures)*

Some More Facts

- 30,000 new affordable homes...said the SNP
- 20,000 for social rent and 10,000 "affordable"
- BUT...335,000 Scottish households on waiting lists



Why invest in housing?

"Across Scotland as a whole, for every £100 of public money invested by Local Authorities in capital projects, the construction industry is generating more than £300 of added value to the local economy." *(Scottish Builders Federation)*

The reality?

- 49 **Scottish** construction companies went into compulsory liquidation in Q3 2011, up 63% on Q3 2010
- 40,000 construction jobs **in Scotland** have been lost since the downturn
- Homes for Scotland estimate **half** of private house building jobs have been lost since 2007
- Many more jobs lost that are indirectly related.

Case for Housing Investment

- **ECONOMIC BENEFIT**

Construction is one of the best ways of stimulating economic activity

- **EMPLOYMENT FOR DEPRIVED COMMUNITIES**

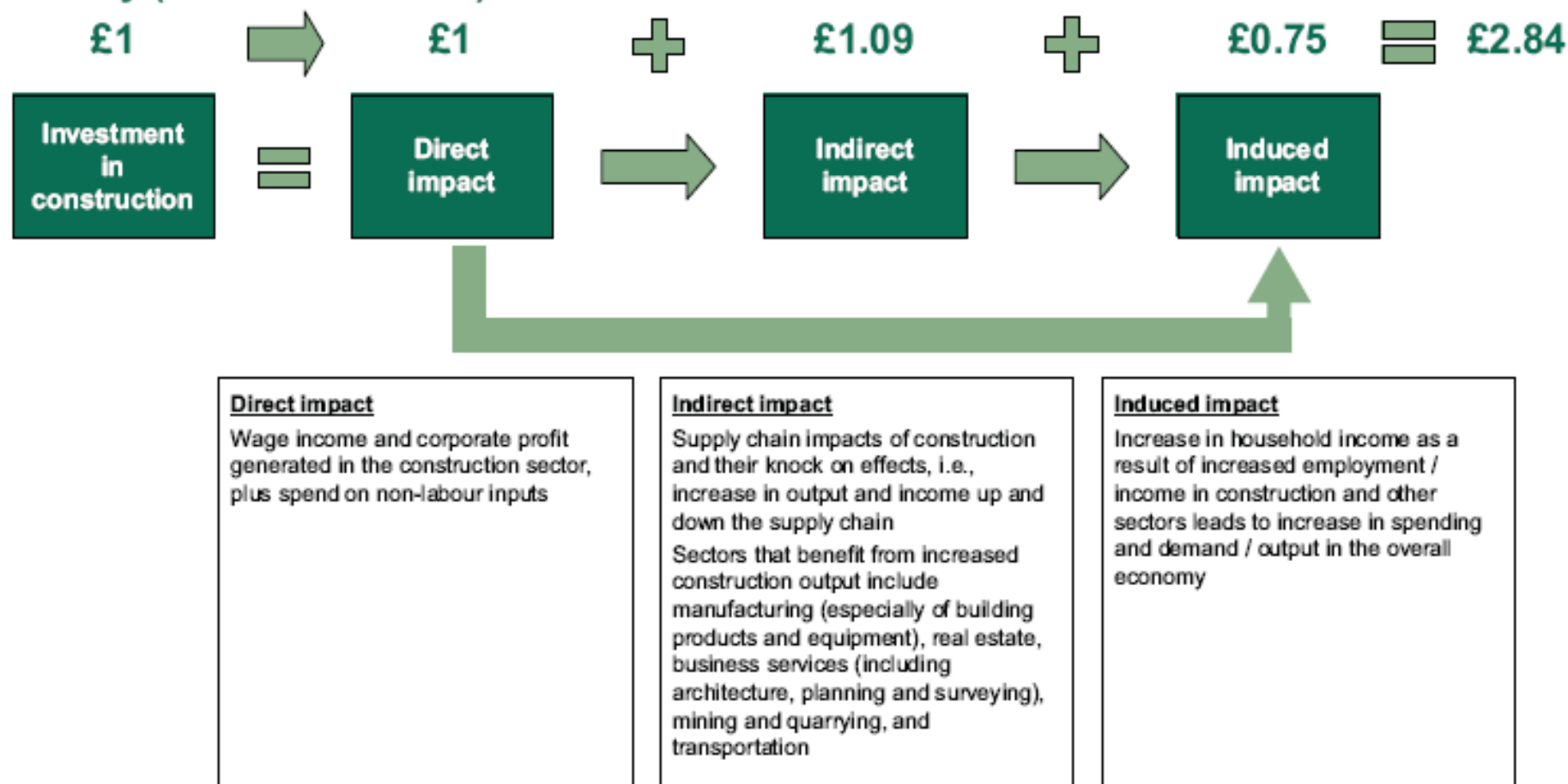
Construction provides benefits for lower skilled and young workers who have relatively few alternative opportunities

- **SOCIAL RETURN ON INVESTMENT**

Construction is also investment rather than consumption, providing significant long-term social benefits.

Supporting Evidence

£1 spent on construction output generates a total of £2.84 in total economic activity (i.e. GDP increase)



Source: UKCG Construction in the UK Economy. The Benefits of Investment

Invest now to...

- Supply economic recovery, growth, training and **jobs**
- Reduce the number of people relying on benefits
- Meet housing need which is reaching **crisis** levels
- Achieve **wider social benefits**, helping to regenerate the poorer communities
- Spend to Save agenda
- Improve energy efficiency of homes – reducing fuel poverty.

