



HOMES FOR SCOTLAND ANNUAL LUNCH

11TH MAY 2007

Speech given by Chairman, Ronnie Jacobs

Ladies and Gentlemen,

After the political events of last week it appears that 2007 will be a year of change for Scotland.

The outcome of last week's election places us on the threshold of an immensely important period in the Nation's history and inevitably all of us will be affected in one way or another by the change in the balance of political power that the people of Scotland have demanded through the ballot box.

At the moment, none of us can be sure what changes will take place in the months ahead, since, it will take time for the new political order not only to take shape but also to decide on the main priorities for the new Administration.

Regardless of the Executive's initial priorities, we at Homes for Scotland will be determined to ensure that housing, and not just social housing, is a real focus of attention for the new Administration.

As incoming Chairman replacing Iain Innes, I would like to record our thanks to Iain who has steered us through a year in which our influence has delivered some notable successes in protecting the interests of our members. Iain has worked diligently in fulfilling his duties at a time of change for him and I am sure you will join me in wishing him well in his new role as Managing Director of Thomas Mitchell Homes.

Importantly, Iain set in motion a full scale review of homes for Scotland's strategy for the next five years and you will hear more about that later.

On behalf of the Board and all of our members, I would like to acknowledge and thank Iain for his leadership and his long established commitment to Homes for Scotland.

2007 will also be a year of change at the top of our small but highly effective Executive team. Bruce Black, our Executive Director, who has been a main spring in our machine since we were formed, is retiring at the end of the year.

Homes for Scotland would not be what it is today without Bruce's unassuming mastery of the management, administration and development of the organisation. Quite simply he has been immense. While he will be with us for some time yet, we cannot let this public occasion pass without acknowledging and thanking him for everything he has done for our organisation.

Later, for the first time, we will be presenting our own innovation awards, which demonstrate that this industry is making a positive contribution to important social agendas such as – the environment, sustainability, community engagement, and advancing the materials and the techniques of construction within our industry.

I would like to thank Keith Geddes, Chair of our judging panel and his fellow judges, Michaela Sullivan, Jonathan Fair, Malcolm Macleod and Douglas Cochrane for engaging so enthusiastically.

In the short time available to me, I would like to speak in some detail on two specific topics, which are : -

The current environment for house building in Scotland, and, Homes for Scotland's priorities for the next five years.

Firstly, however, I would like to take this opportunity to outline the main responsibilities of Homes for Scotland.

Our role is to facilitate the provision of sufficient new houses to meet market demands by influencing local and national government policy and practice, and improving the image of the house building industry.

We speak for an industry which aims to improve the quality of living in Scotland, providing this and future generations with modern homes, in the places people want to live.

We aim to satisfy the diverse needs and expectations of our members and this is a key driver for Homes for Scotland, which is growing respect and trust by being knowledgeable, influential and proactive in promoting and protecting house builders' interests.

We are keen to stimulate and encourage excellence in all the industry does in Scotland.

TURNING TO THE CURRENT ENVIRONMENT FOR HOUSE BUILDING IN SCOTLAND

We are setting our agenda for the next five years at a time of significant consolidation within the industry. We are seeing fewer and fewer but larger and larger major players. We expect to see more new entrants to the industry which may be in the form of investment funds and the like.

This market consolidation will have important ramifications for the medium to long term financial security of Homes for Scotland, and the Board is currently addressing this through a review of our current subscription arrangements.

We expect the stability of the housing market in Scotland to continue for some time, despite increases in interest rates and the seemingly endless rise in average house prices.

The shortage of land for development, shortcomings in the provision of essential infrastructure and the time-demanding and uncertain planning system have all slowed the growth of our industry.

Our already considerable contribution to the Scottish Economy, would be significantly enhanced if businesses had more certainty about planning and also if the Scottish Executive set more realistic housing targets.

We would say it wouldn't be we, but Scotland is on the verge of a housing crisis that our politicians have failed to grasp. Simply we are not providing enough new homes to meet the country's real needs, to meet latent demand, to house immigrants and to replace ageing housing stock.

We need better public sector understanding of the housing market to address a shortage of affordable social housing to rent or to buy and to tackle the difficulties encountered by first time buyers.

The Scottish Executive has seriously underestimated Scotland's needs and Ministers have failed to recognise the part the private sector can play in addressing Scotland's housing problems.

I can't help but wonder at the difference in attitude south of the Border, where the Government is encouraging new housing development to meet realistic forecast of demand. If it were only so in Scotland!

The new Planning Act promises a more streamlined planning process, but an inherent anti-development culture and a serious shortage of experienced planning staff in Local Authorities is a serious impediment.

As an industry, we are increasingly alert to the impact of changing social agendas, be they inspired locally, nationally or internationally.

Care for the environment and sustainability are high on our agenda. Companies across the sector are actively finding new and better ways to build and equip homes.

We recognise both the need and the willingness of the industry to develop and apply good environmental practice and we will be doing all we can to encourage and show leadership where necessary.

Also, quality in housing, from design to construction, will continue to be a vital aspect in developing a positive reputation for the industry in Scotland.

Turning now to Homes for Scotland's priorities for the next five years, the Board is close to finalising its strategy for this period and last week's election result is the last part of the equation required to shape our agenda. We have eight main properties which are : -

We want to establish and champion the requirement for new homes in Scotland, identifying and addressing strategic issues which impact on the performance and the success of the industry.

We are offering to partner with the Scottish Executive to shape and deliver a national housing policy that reflects the realities of social and market demands for housing.

We are proposing to work with Local Authorities to encourage a more strategic and holistic approach to housing provision and to plan and create vibrant, sustainable communities.

We are committed to reversing the anti-development culture in Scotland.

We are intent on increasing our stature and our areas of influence by participating in wider complementary economic, social and environmental agendas in Scotland.

We will increase the effectiveness of Homes for Scotland by forming and sustaining alliances with representatives or specific interest organisations with complementary agendas.

We will provide a relevant range of high quality member services and ensure that member companies are fully informed and engaged in the work of Homes for Scotland.

_____AND FINALLY _____

We will increase the public profile of Homes for Scotland to impress, influence and, where necessary, mobilise support from potential buyers of new homes and appropriate consumer interest groups.

So, what do we look to achieve with that list of priorities?

Well we seek to ensure that our member companies obtain increased release of consented land, encounter fewer, protracted planning disputes and improve bottom-line business performance.

We intend to press the Scottish Executive to plan for long term population growth, adopt an ambitious 4% target for economic growth, and set a realistic annual house build target.

We want this to be based on an accurate forecast of all market and social housing needs in Scotland. Homes for Scotland believe that a target of 50,000 houses per annum is both necessary and achievable and it is important to note that this target is double the current output in Scotland.

We intend to press the Scottish Executive to create an all-embracing, funding department or agency to co-ordinate and fast track the master-planning and provision of all economic infrastructure in Scotland with a specialist, arm's length agency responsible for delivery.

We intend that Homes for Scotland solutions are integrated into National and Local Government Policy and Master Planning, with all Local Plans prepared in conjunction with Local Housing Strategies and in place throughout Scotland at the earliest practical date.

We intend to campaign for Local Communities to be better planned and designed. We need planning briefs for every development site and efficient planning frameworks applied consistently across Scotland, with local flexibility to provide the type of houses people want.

We are seeking relevant and balanced planning of higher quality, sustainable housing, where it is needed and wanted and appropriate for social and market demands. We intend there will be a higher percentage of new houses for first time buyers, more homes for families and sufficient affordable homes for rent or sale.

We are intending to develop a positive, supportive climate of opinion about our industry. We want increased certainty and more opportunities for growth and that will require intelligent understanding of the industry and the housing market.

Homes for Scotland will provide leadership and guidance in

- Promoting good practice.
- Championing environmental agenda such as sustainability, renewable energy and waste management.
- And encouraging diversity and equality of opportunity within the industry.

We intend that Homes for Scotland is close to decision makers and influencers and that we are operating effectively in a complex political environment.

The future starts now. Through Homes for Scotland, our industry is being increasingly respected and listened to. Yes we have bottom lines to consider, but the top line for all of us is the desire to make a real and meaningful contribution to the quality of living in Scotland.

We must never lose sight of that higher purpose, the future of our businesses depends on it.