

**Thursday 6 September 2012**

## **Cautious Welcome for Government's Housing Sector Boost**

The Construction Products Association has cautiously welcomed the Prime Minister and Deputy Prime Ministers' announcement to boost the housing sector.

Commenting on these figures, Noble Francis, Construction Products Association Economics Director said: 'Any change in policy that helps the ailing housing sector to recover must be considered positive, especially given that private housing starts in Q2 were 17% lower than one year ago. The announcement stated that government will help unlock 75,000 homes but there are no details of how this will be achieved – hardly reassuring if you take into account that the government failed to unlock the 100,000 homes announced last year in its Housing Strategy'.

'The government also stated they will be freeing up planning rules on extensions and improvements for a limited period. There will be a positive impact on a small number of households who wish to do extensions and loft conversions, but it is a relatively small market and there are questions to be asked on whether this will have a negative impact upon housing transactions.'

'The large house builders will benefit from the removal of S106 agreements from stalled housing sites and the additional £280 million for FirstBuy. We shall see if this leads to a considerable increase in new houses being built over and above what is happening already, but sadly it will do nothing to address the shortage of affordable housing.'

'Overall, these measures may help stimulate the housing market and are, therefore, welcome. However, this is unlikely to alleviate the fundamental problem, which is mortgage availability.'

**ENDS**

## **NOTE TO EDITORS:**

The Construction Products Association represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as the voice of the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of £50 billion and accounts for 40% of total construction output.

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