

News Release

“GOVERNMENT MUST ACT NOW TO STOP RECESSION” : SAYS NATIONAL FEDERATION OF BUILDERS

The National Federation of Builders is calling for urgent Government action to revive mortgage lending before the UK economy slides into recession.

The Federation’s announcement follows today’s (August 22) Office of National Statistics figures for the 2nd quarter of 2008 showing UK economic growth grinding to a halt and the construction sector growing by just a single 1 per cent.

The NFB’s housing spokesperson, Roger Humber, believes that the crisis in the housing market is harming the fragile economy.

Roger said: “The credit crisis has ravaged that mortgage markets leaving lending levels standing at an all time low.

“By guaranteeing some types of mortgage finance, like prime lending, the Government would restore some greatly needed confidence in the wholesale markets. The risks are very low, despite the large liabilities, and they could easily be transferred into the private sector later on.

“We would also welcome the Minister giving consideration to guaranteeing deposits for first time buyers, which would give the industry a huge boost.

“These measures are not a rescue package to bail out a failing industry through buying unsold stock, but a necessary course of action to kick-start lending. As soon as the mortgage markets recover, the housing industry will start to bounce back.”