

Custom & Self Build: Building Resilient Communities

National Custom and Self Build Association (NaCSBA)



Custom & Self Build: Extending Housing Choice



Today's Session

- Introduction to NaCSBA
- Profile of the UK Custom & Self Build sector
- Why is Custom & Self Build on the political agenda?
- What is the demand for Custom & Self Build?
- What are the barriers to meeting that demand?
- What is NaCSBA doing to change this?
- What more can Government do?

Custom & Self Build: Extending Housing Choice



Introduction to NaCSBA

- A single voice for the self build and custom build sector
- Funded by its members and partners in the industry
- Working with government and lobbying politicians – DCLG, HMRC, APPG, No 10 Policy Unit
- Supporting industry
- Supporting local planning authorities – The Custom & Self Build Toolkit
- Research and development – TNF, Innovate UK
- Promoting the sector to the consumer – Self Build Portal, Demand Registers

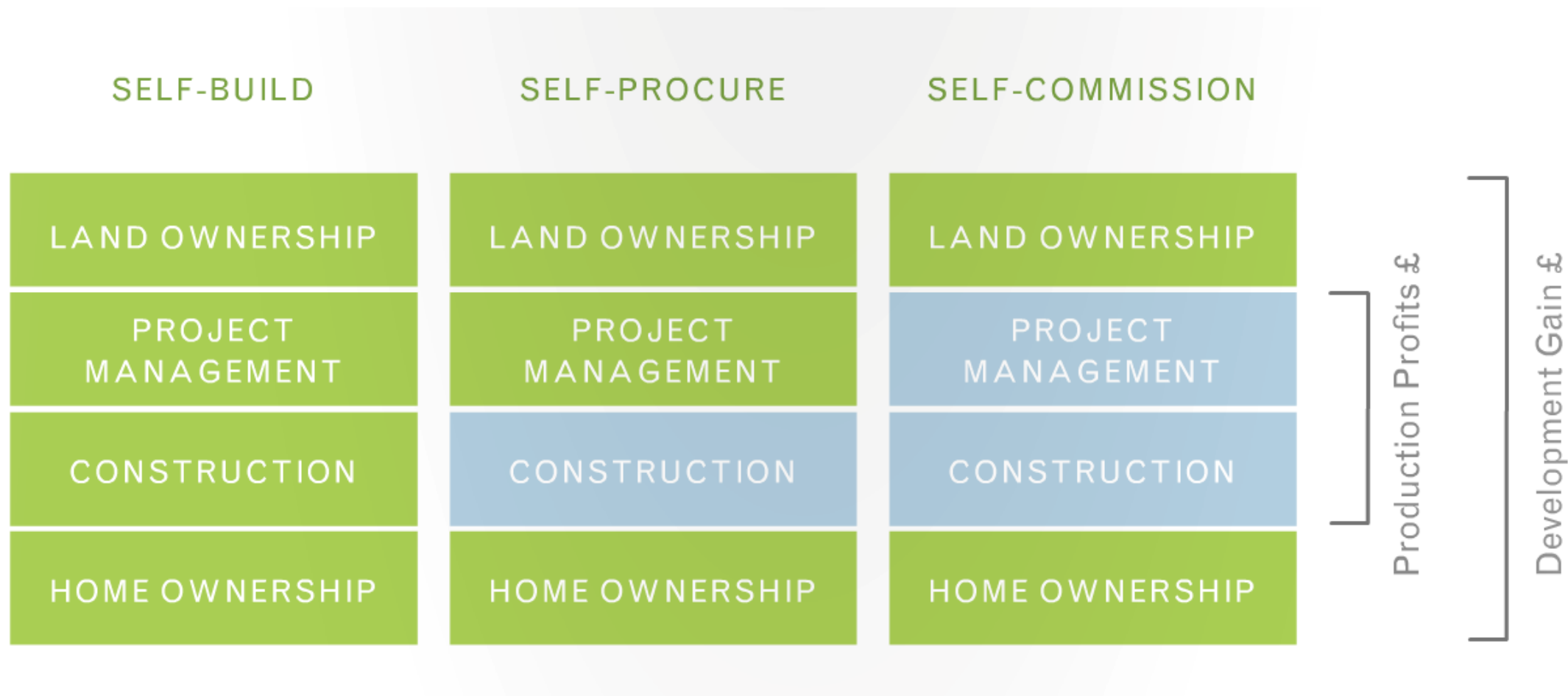
- Extending housing choice (rent, buy, custom build, self build)
- Homes of the people, by the people, for the people
- Make an individually designed affordable home an option for the many and not just the few
- Double the size of the sector over five years from 10,000 to 20,000 by 2020
- Target of 40 per cent of all new homes in twenty years 50-60,000 new homes
- Drive improvements in the size, quality, sustainability and affordability of housing in the UK

Self Build or Custom Build? What's the difference...



- ▶ **Traditional Self Build** - when people get heavily involved in the project, either by hiring their own architect, project managing a contractor or tradesmen, or doing some or all of the building work themselves. Typically on an individual plot or small site, occasionally a serviced plot
- ▶ **Custom Build** - where the self builder seeks out a specialist enabling developer/builder to take care of most things for them. Typically on a serviced plot
- ▶ **Community-led or collective self/custom build** – where a group of people get together to create homes for themselves, usually aiming to deliver homes more affordably. Includes co-housing
- ▶ **The Difference?** – with self build the development risk sits with the homeowner, whilst custom build it sits with the developer – effectively a bespoke home built off plan

Custom & Self Build: Extending Housing Choice



Why Is Custom & Self Build On the Political Agenda?

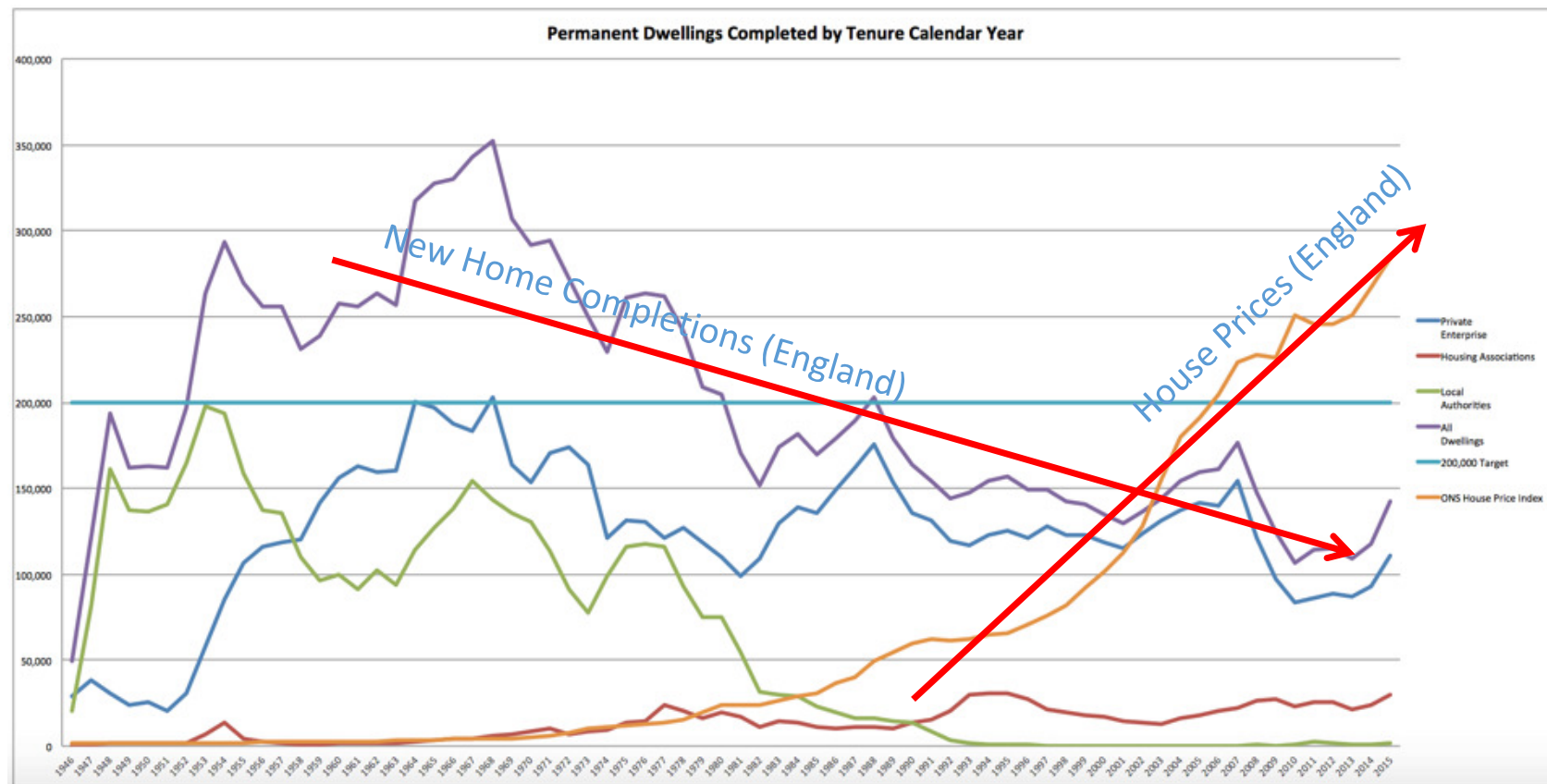


A Failed Housing Market

- Housing has become a political issue
- The UK housing market is broken
- Affordability is declining
- Owner occupation is declining
- Politicians recognize the need to build more homes
- More homes will help improve affordability, quality, diversity and choice

New Home Completions Vs House Price Inflation

It's hard to deny the inverse relationship between new home completions and house prices



A Failing Housing Market

- 80 per cent of all new homes are built by just ten volume housebuilders
- 67% of UK public would not buy or unlikely to buy a new volume built home (HBF)
- Housing economists have identified three key missing components of the UK private housebuilding sector relative to our European neighbours
- Larger Private Rental Sector
- Larger SME developer sector
- Larger Custom Build and Self Build sector

The Housebuilders Are Not to Blame

There is no incentive to build more homes than they can sell

Housebuilders	Latest Completion Figures
1. Barratt Development Plc	16,447
2. Persimmon Plc	13,509
3. Taylor Wimpey Plc	12,454
4. Bellway Plc	7,752
5. Redrow Plc	4,022
6. Bovis Home Group Plc	3,635
7. The Berkeley Group Holdings Plc	3,355
8. Galliford Try Plc	2,177
9. Crest Nicholson Plc	2,725
10. Bloor Homes Limited	2,231

HBF's Own Research Finds Their Market is Limited

67% Would Not Buy or Unlikely to Buy Current New Home Offering



84% of 18 – 34 year olds that don't already own their own home aspire to do so.

33% of people surveyed said they would consider buying a new build home with 46% saying it was unlikely.

Market Has Failings of A Planned Economy



Targets are perpetually missed, sector lacks investment in innovation and training



A Broken Housing Market – Failing to Meet Aspirations



Demand is unable to influence supply and drive volume

A Broken Market – The Failure of Competition

Command Economy

**Car Industry
West Germany**

Volkswagen 1959



A Broken Market – The Failure of Competition

Command Economy

**Car Industry
West Germany**

Volkswagen 1989



A Broken Market – The Failure of Competition

Planned Economy

**Car Industry
East Germany**

Trabant 1959



A Broken Market – The Failure of Competition

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The Solution: Open Up the Market to Competition

Serviced plots & small sites will allow SME, CSB and community sector to access market



Facilitate a Market for Serviced Plots



Public Sector, Private Sector Partnerships
and Community Land Trusts



Private sector, competition driven

Facilitate a Market for Serviced Plots

Public sector and private sector enabling development – high quality place making



Plots Created by Enabling Developers/Place Makers

Public and private sector partnerships & community led projects create infrastructure



Bespoke Homes Built by Custom Build Providers

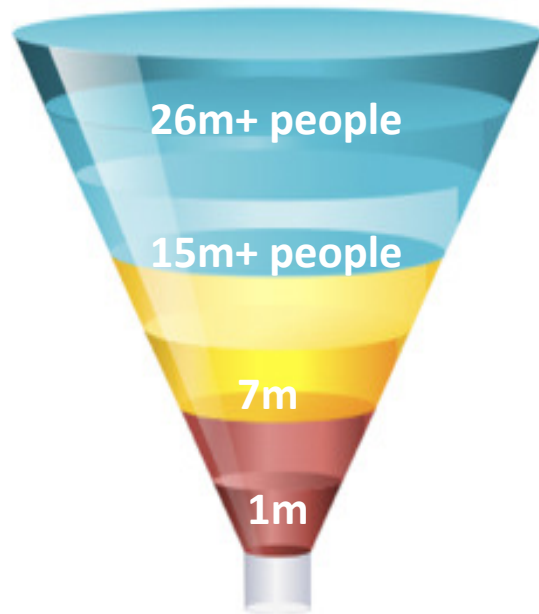


Competition driven house builders offering bespoke homes using off site construction



Enormous Pent Up Demand for Bespoke CSB Homes

Release the energy and capital of the citizen sector to boost capacity



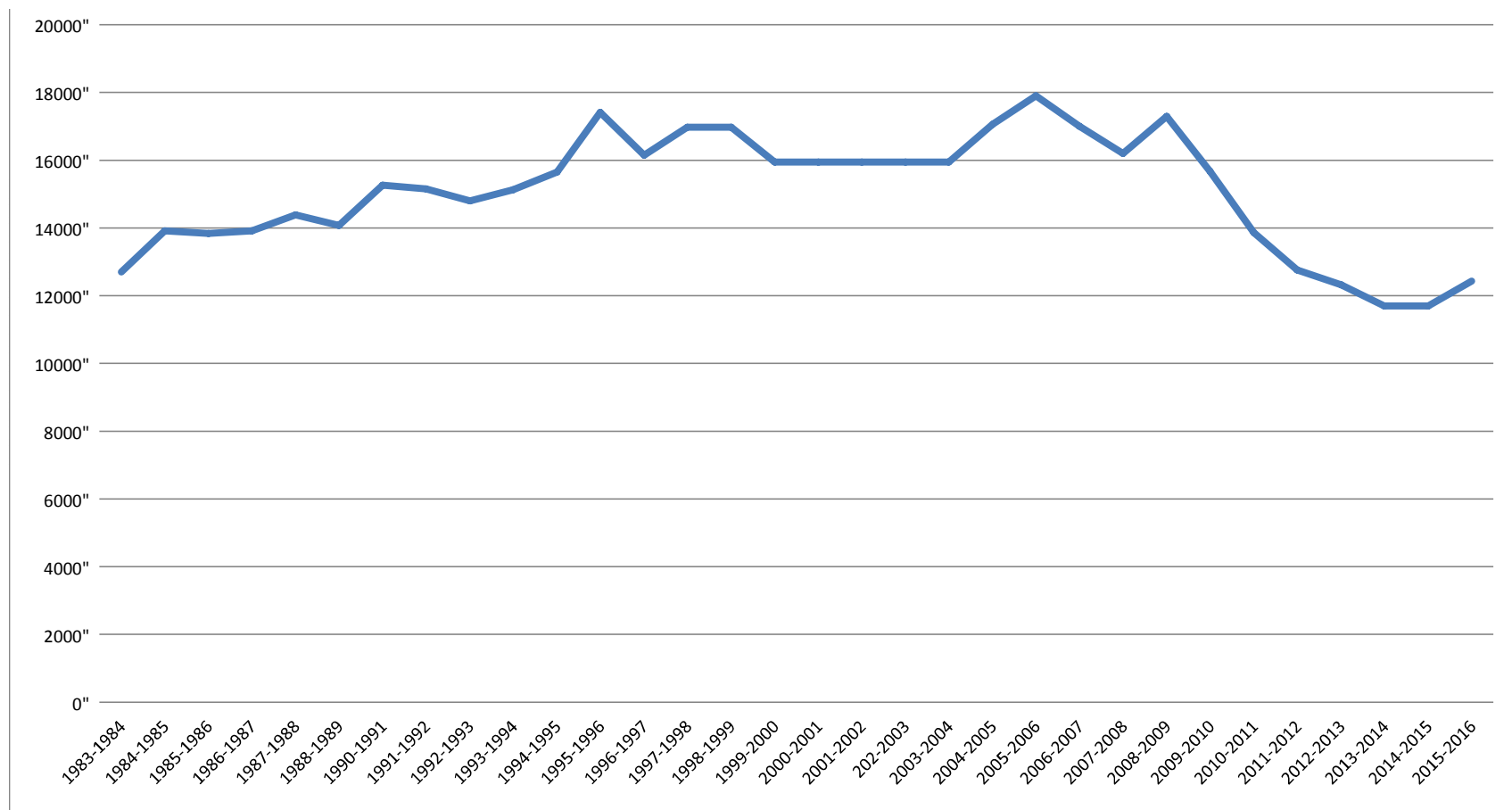
Ipsos MORI Demand Survey (2013-16)

- 53% would like to build their own home
- 30% want to do it in the next five years
- 14% are currently researching how and what to do, and if they can finance it
- More than a million want to buy a site and start in the next 12 months

UK Custom & Self Build Sector 1983-2015

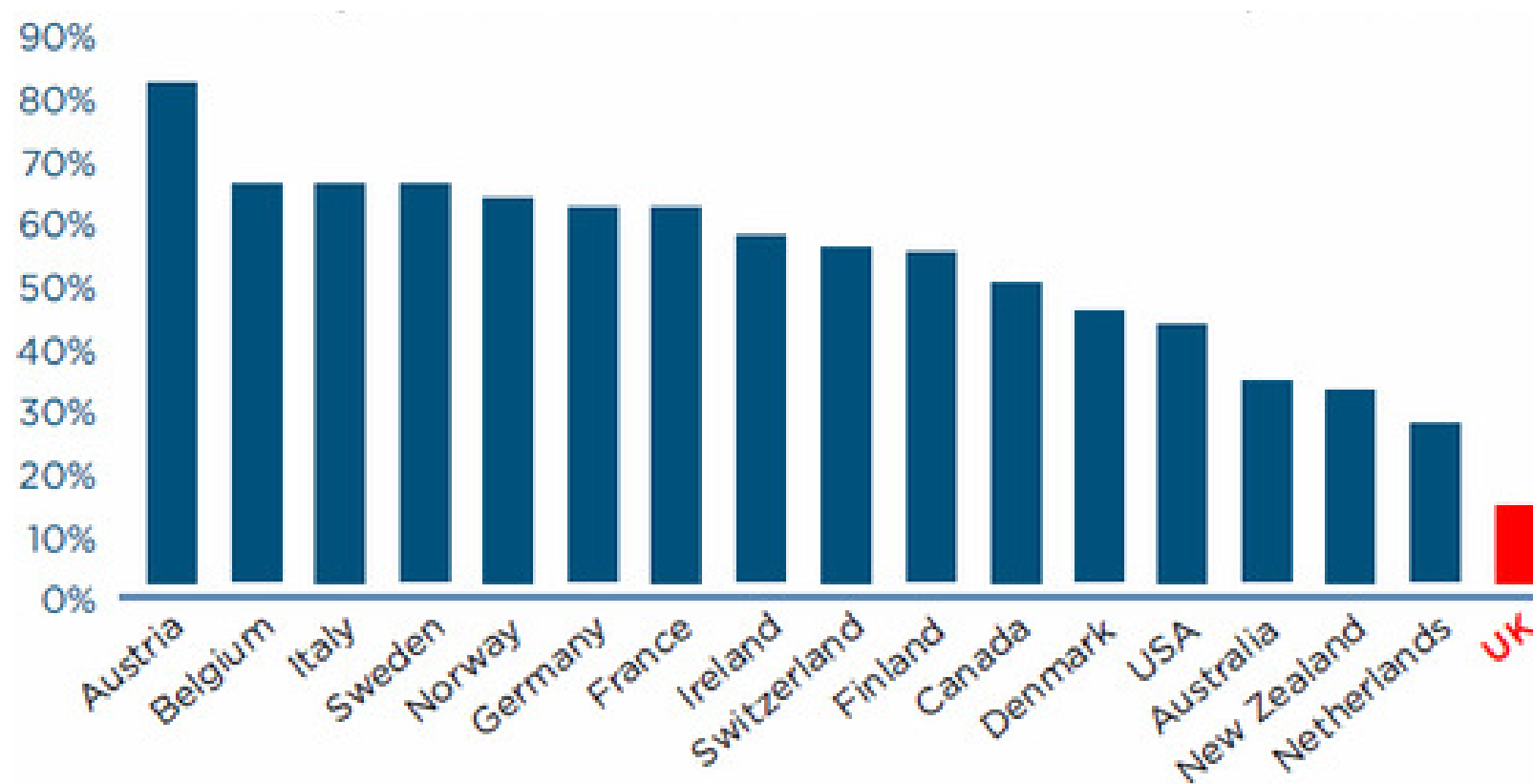


Despite demand only 10,000 CSB homes built in England in 2015

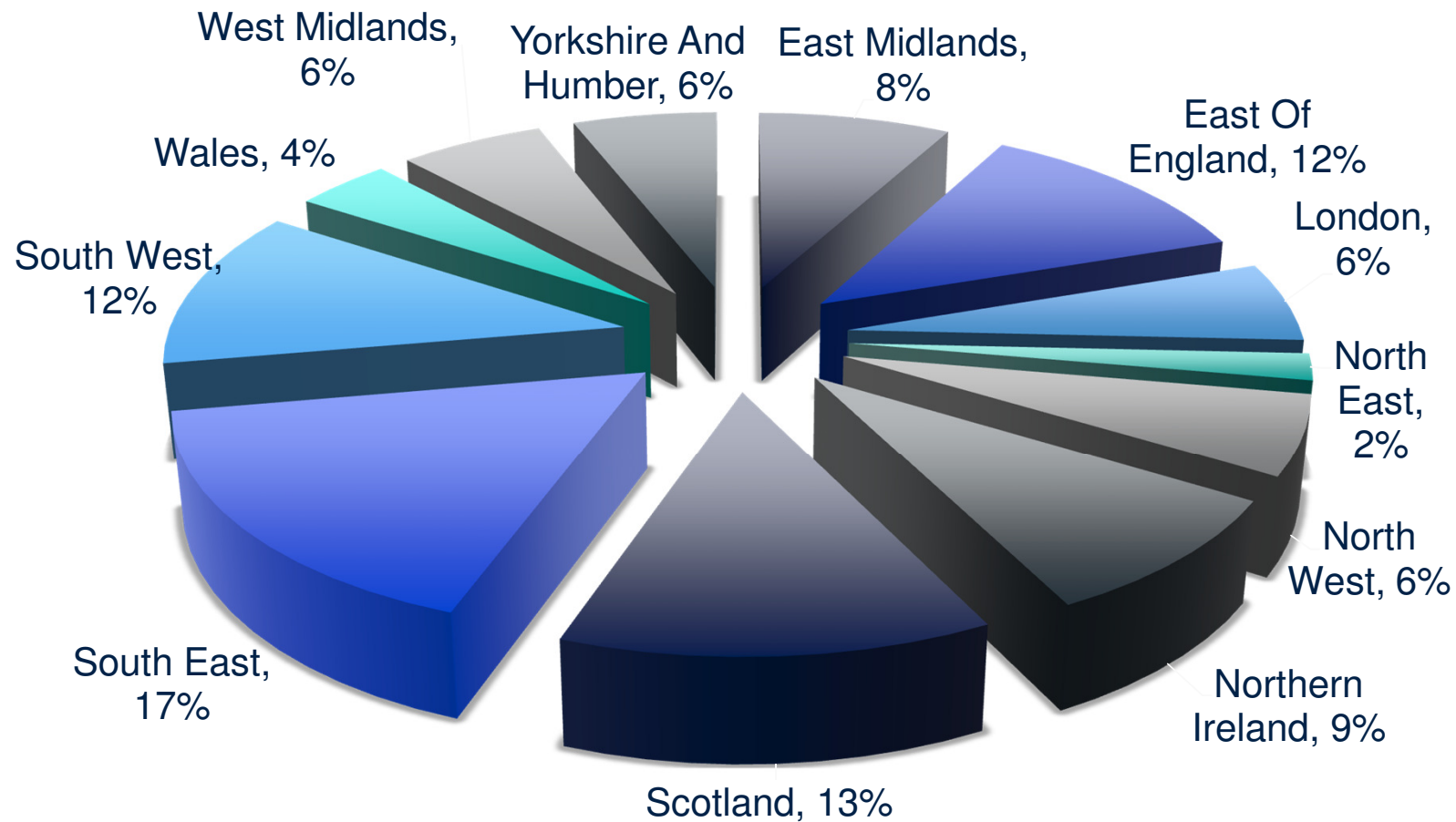


The UK's Current Custom & Self Build Sector

The UK ranks at the bottom of the league table for custom and self build



Geographic Breakdown of the UK CSB Sector



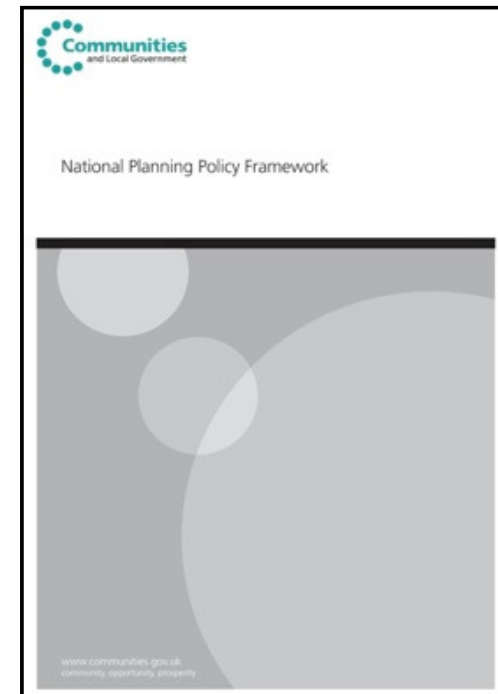
The Benefits of Stimulating the CSB Sector



- It extends housing choice
- It improves affordability – savings of 25% are common
- A greater incentive to build more sustainably
- Stimulates employment
- Self builders put down deep roots and create strong cohesive communities
- They 'buy' locally – supporting local economies
- They generate fewer planning objections
- Off site construction is widely used
- Faster delivery/Build out
- It can be a way of diversifying and potentially speeding up housebuilding/innovation

What is NaCSBA Doing To Change Things?

Three key documents have transformed the landscape:



The National Planning Policy Framework

- Self/Custom Build now features in the National Planning Policy Framework – e.g. para.159
- Planning authorities in England have a duty to assess local demand for people who want to build their own homes, then give regard to that demand (through their Local Plans)
- They are also encouraged to use self/custom build as a way of helping to deliver sustainable, affordable housing
- The Self Build and Custom Housebuilding Bill now forms legislation. From April 1st 2016 local authorities are required to maintain and promote a register of those who want to build their own home and have regard to that register.
- From October 31st 2016 LAs required to provision sufficient serviced plots to meet the demand on the RTB registers. Measured over a three year period

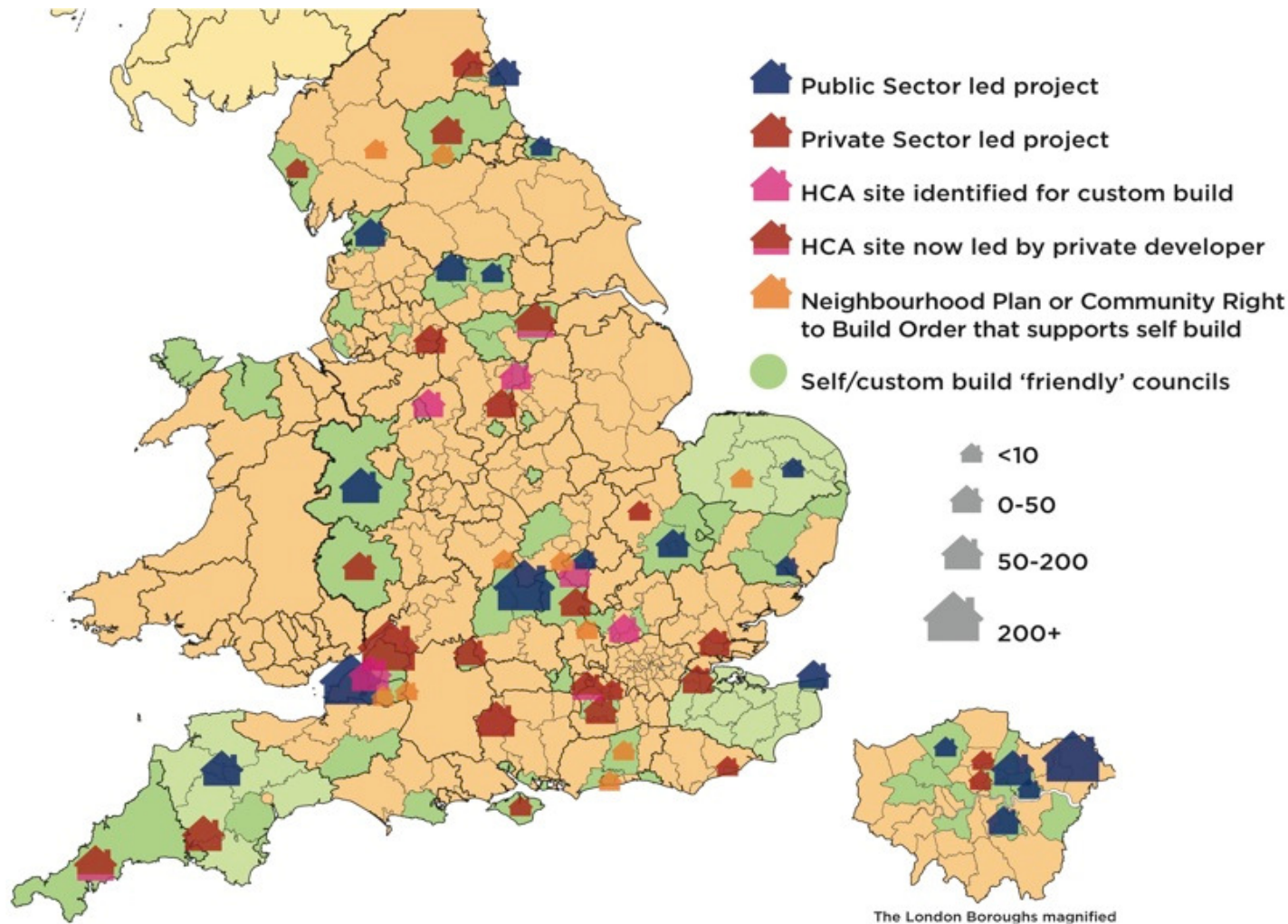
Government Support for the Sector

- Self and Custom Build Housing Act 2015
- Housing and Planning Act 2016
- Launch of 11 Vanguard Right to Build Authorities
- £150m to help deliver 10,000 'serviced plots'
- Help 2 Buy – *extended to custom build projects*
- Starter Homes Initiative – *to include self/custom/community build opportunities*
- Recent New Planning Guidance – *this should result in more flexibility to convert redundant farm buildings to homes, and encourages councils to stretch 'rigid' settlement boundaries*

- **11 Vanguard Right to Build Authorities** – *Cherwell, South Cambs, Teignbridge, Shropshire, Oldham, West Lindsay, Exmoor and Dartmoor National Park, Pendle, Sheffield, South Norfolk, Stoke on Trent*
- **Custom & Self Build Toolkit** – *working with local authorities to ensure Self Build and Custom Build friendly policies feature in emerging local plans*
- **Local Plan Representations** – *NaCSBA planning consultants Foxley Tagg are making representations to all LPAs with emerging local plans to ensure custom and self build demand is addressed*

- **CIL Exemption** – *No community infrastructure levy payable*
- **s106 Exemption** – *No commuted payments for small sites of 10 units or under (5 in rural areas)*
- **Working to create a level playing field** – *Ensuring Self Build and Custom Build are treated equally for SDLT, VAT and tax exemptions*
- **Working with the lending sector** – *creating greater access to mortgage funding for Self Build and Custom Build Projects*

What's Happening Right Now?



- New sites announced daily across England
- Local authorities introducing policy into emerging local plans
- Local authorities introducing demand registers
- Custom build developers forming
- Major housebuilders trialing custom build sites



WELCOME

This website provides practical guidance and information for councils, housing associations, community organisations and builders/developers that want to facilitate custom and self build housing projects.

HOW TO USE THIS TOOLKIT

If you are relatively new to custom and self build housing you will want to start by understanding the main delivery Models. This section explains that some models are enabled by councils, others by the private sector. Some are aimed at individuals who want to build their own home, while others are focussed on group projects. If you already understand the Models and want to know more about implementation, examine the guidance in the Briefing Notes. The Case Studies include a mix of early UK projects and examples of inspirational projects from abroad.

The **Self Build** Portal

The Gateway to more Self and Custom Build Homes

This website is produced by the [National Custom & Self Build Association](#) (NaCSBA) and is endorsed by the Government. Individuals interested in building their own home can become a Supporter of NaCSBA for FREE - [click here to join](#) - we provide Supporters with [discounts](#) that can save big money. Companies can support NaCSBA and The Self Build Portal in a number of ways - [find out more here](#).



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Welcome



Getting started



Need-a-Plot



Latest news

Routes to building your own home

Self Build

Self build one-off home

You manage the design and construction

Contractor built one-off home

You manage the design process, select a

Kit home

You select your preferred kit home. You may

Independent community collaboration

You work with others to acquire a site to split up

Supported community self build group

A social landlord or the Community Self

Custom Build

Developer built one-off home

A developer with a site and a design you like

Developer led group project

A developer organises a group and builds the

Summary: The CSB Sector Going Forward



- **Huge pent up demand for individually designed homes**
Unlocking delivery and creating additionality
- **No shortage of land**
Just 9% of the UK landmass is developed including green space like gardens and parks
- **The political will to grow the sector**
Cross party support from the APPG, Support from Housing Minister and Number 10
- **Planning system transformed at national and local authority level**
Housing and Planning Act 2016
- **Fiscal Incentives**
Reforms to taxation underway to transform the sector
- **An opportunity to transform UK housing building in line with our European neighbours**
Stability in the construction sector leading to a stable environment for investment and innovation

What More Can Government Do?

Potential to grow CSB sector to 50-60,000 homes per year by 2030

Land Supply

- Ensure the implementation of the Right to Build legislation
- Planning reforms
- RTB Task Force
- Release public sector land for CSB

Finance

- Extend Help to Buy (Help to Build) for affordable self build home mortgages
- Create access to low cost funding for enabling developers (inc. public sector)

Fiscal Policy

- Incentivise landowners to create serviced plots

Direct Commissioning

- Commission CSB homes under Starter Homes Initiative
- Commission serviced plots on HCA land

The Dutch doubled their CSB sector in just 8 years

15,000 CSB homes per year for a population of 17m

- Post Financial Crisis the Dutch private housebuilding sector collapsed
- Government legislated for a target of 30% of supply through CSB
- Legislation alone failed to deliver the step change promised
- Government established a Task Force – an Expert Group to assist LPAs in delivery
- Combination of incentives, legislation and assistance was transformative

The Netherlands: Look what can be achieved at scale



The Netherlands: Look what can be achieved at scale



The Netherlands: Look what can be achieved at scale



Thank you for listening

Any Questions?

