

Self and custom build Setting the scene

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On our agenda

- What are we talking about? (self/custom build)
- Contribution to the housing supply
- Who are the self builders
- Estimating demand
- Increasing delivery and emerging issues
- Concluding thoughts

Self and custom build

- A bit of a grey area.....
- Self build – as you would expect?
- Custom build – people choose the design and layout of their home, while a developer finds the site, secures planning permission and builds the property (HWP)

We have come a long way.....

Long history of initiatives and enthusiasts but
'planning system' not on their side?

UK is lagging behind

- European comparison often quoted e.g. 60% completions in France, Austria 80% - rest Europe similar (maybe different ways of counting but is a big difference) (HoC)
- UK – c 7/10% new build are SB/CB (c12,000 per annum) (HoC)
- Not a new phenomenon - Milton Keynes Development Corporation provided over 1,600 individual sites for self builders

Individual Build Eco-House Milton Keynes 1986

(sorry about picture quality..... Pre digital!)



2015 marked a policy turning point

Imperative of the housing numbers – diversifying the market

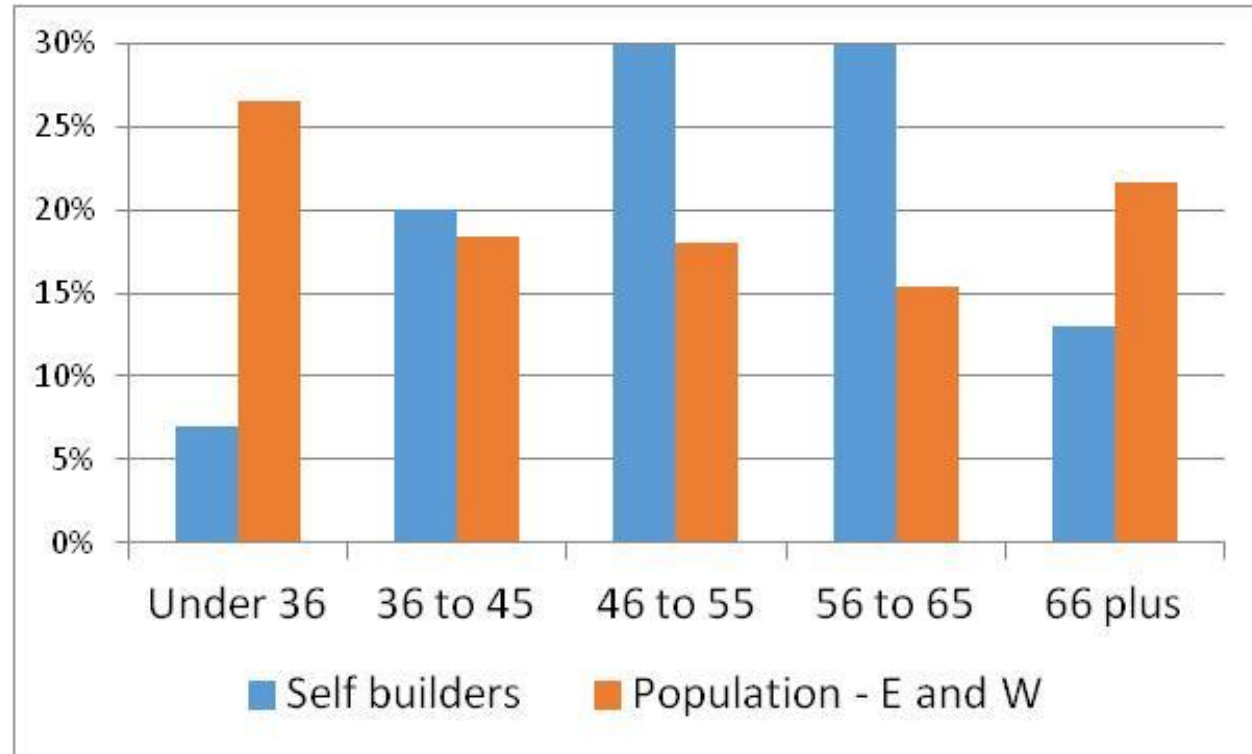
“The main barriers to custom built homes are access to land and finance.” (HWP)

- The Self-build and Custom Housebuilding Act 2015 + regulations
- The Housing and Planning Act 2016 + regulations
- Role of the local authority :
 - “...to **keep a register** of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority’s area.....”*
 - “....to **have regard to the demand** on their local register when exercising their planning and other relevant functions.”*
 - “...a **duty** to grant “sufficient suitable development permission” of serviced plots of land to meet the demand for self/custom build housing.*

Links to other policy strands – encouraging ‘small builders’ and modern methods of construction

What do we know about 'traditional' self builders?

- Middle aged!
- But not exclusively so

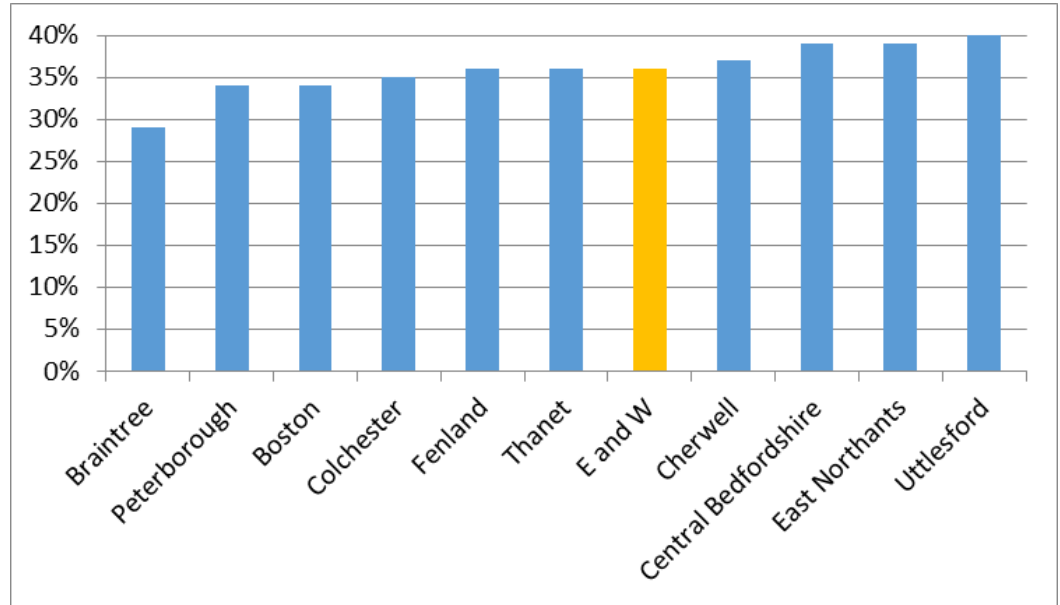


What do we know about self builders?

- Relatively wealthy....
 - And owners (2/3)
 - Couples + no children
- (Not 'typical' AH 'applicant')
- Household incomes – c55% (??) > £35k
 - UK average – 30% with incomes of this sort
 - But – 1st signs that registers may be extending the range of potential self builders (really custom builders)

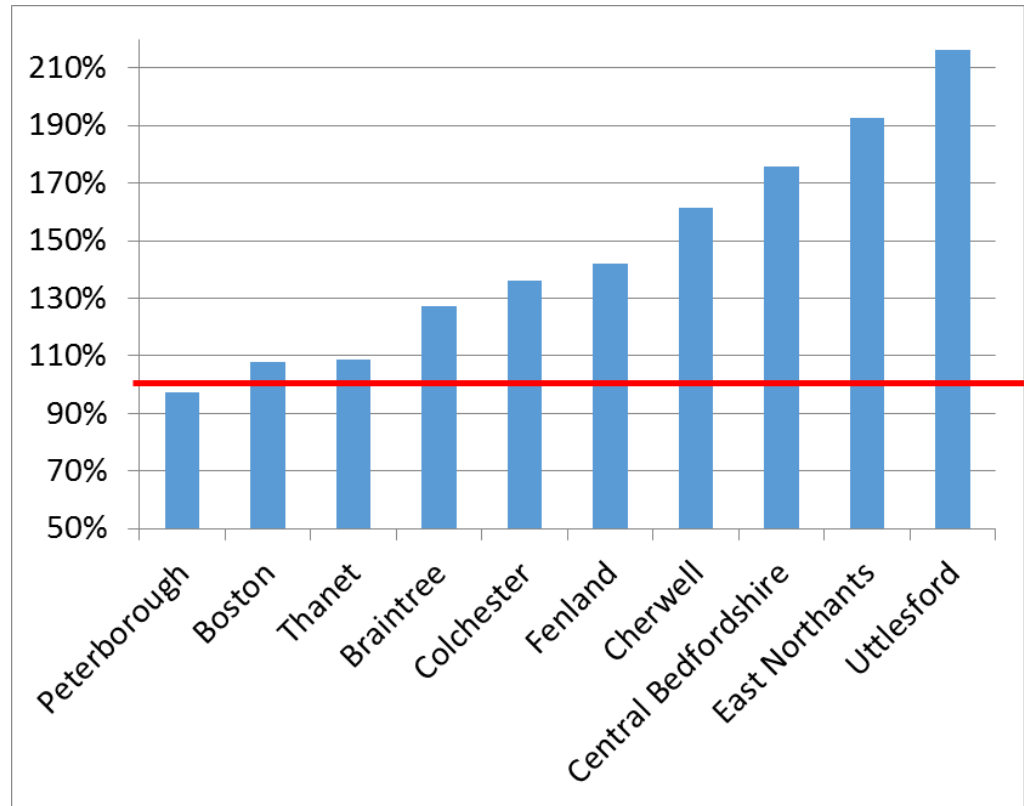
Self build 'hotspots' – age profile

- Households of the right age (46 to 65)



Self build 'hotspots'

- Basic model
- More households of the right age (double the weighting)
- More households with high earners
- More households of the right type



What about delivery?built in to plan policies

“...large sites of more than 20 dwellings should provide at least 5% of dwelling plots for sale to custom builders.....” (Teignbridge SPD – serviced plots)

*“Proposals **should include**the opportunity for self-build affordable housing (approach for allocated sites) (Cherwell Local Plan)*

*“Sites H2 and H11,**are allocated wholly as self-build sites.**”*
(Petersfield’s Neighbourhood Development Plan)

And very common to see..... As part of our new Local Plan we need to gather evidence to see if there is a demand for custom or self-build homes within the District.

Delivery mechanisms

- Providing info on available sites
- Using council owned land to start and maintain a rolling programme of opportunities
- Identifying sites in local plans as suitable
- Community Land Trust Model e.g. South Brent, Devon
- As part of a larger development e.g. in Teignbridge
- And self builders identifying their own sites

Delivery mechanisms – some emerging issues

- What a LA can do depends on their land ownerships/other public sector involvement
- Competition for plots pushes up the price (£60/75k per plot) – back to the wealthy middle aged?
- Mortgage finance available?
- How to service the plot? timing and logistics – safe construction
- Trading off with affordable housing?

S106 Sites: How much does it cost to provide a serviced plot?

- Land cost
- Site servicing costs
- Sale at higher land value
- Or estate agent valuation – likely to be higher but will it be realisable?



Example: Futureville – urban extension of 500 homes

SITE DETAILS	COSTS
5% of units as self-build (25 plots)	1 Hectare
Land Value	£300,000
Cost of servicing – utilities & roads	£750,000
Total development cost	£1,050,000
• Value of 1 ha site	£1,300,000
Total Surplus	£250,000
Plot value £1.2m /25	£52,000
<ul style="list-style-type: none">• Lower land value could result in a deficit• Only the land value has been passed to self-builder – should costs be passed on - making plot value £82,000 and surplus £1m?	

Concluding comments

- Not a new idea but got statutory oomph.....
- Identifying demand – not just measured by nos registering
- ‘Easy’ to plan for – harder to turn into reality ?
- Custom build is a different model of delivery

Thank you

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have any questions/information
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