

SELF-BUILD AS A HOUSING SOLUTION

By Valerie Bearne, Chair of Bath & District Self Build Association

This report shows how national, regional and local authorities can improve the quality of housing, invest in communities, improve conservation and sustainability - and increase affordable housing strategies, all at no additional cost!



Report Summary

The target audience for this report includes, but is not restricted to:

1. National government departments concerned with housing provision and sustainability policies
2. Local government councillors and officers involved with community development, housing, planning, finance and sustainability
3. Housing associations
4. Landowners
5. Architectural practices with an interest in self-build
6. The press

This report is very relevant to this audience as it explains **what self-building really is** and what it can do, not only for local communities but also nationally, by improving the UK's housing stock, and internationally by reducing carbon emissions and improving sustainability.

Affordable housing and **value for money** are addressed both creatively and robustly.

The drive for improving **housing sustainability** is examined and the improvements offered by self building are explained. Housing density targets are looked at. Climate change and energy efficiency are essential aspects of the way future housing provision is designed and constructed.

Some **key answers** include mixed-use schemes, positively encouraging earth-sheltered housing units in green belts and AONBs, and following new government guidance policies for more sustainable homes.



Community strategies drive public sector objectives which follow shared understandings of local needs.

Consideration is given to economic, environmental and social conditions and the best way to keep **value in the community**. The use of planning policies to affect and influence local housing provision to reduce inflexibility is commented upon.

Equality of opportunity for people of all ages, origins, abilities and backgrounds is encouraged.

Comparisons are made with other, similar countries.



The **challenge of the future** has been grasped by some far-sighted councils already.

The biggest problem for self-builders is the lack of plots – **answers are given** with an example in Swindon. Partnership working can and does help with affordable housing provision.

The **final question** for central government, local authorities, land-bank owners and housing associations leads into a practical proposition to improve land availability. It provides infrastructure and finance, and allows the requisite time, that together enhance market values yet provides the necessary plots.

In **conclusion**, supply and demand of self build plots can, fairly easily, be increased and balanced, leading to a great overall improvement in housing stock. Remember that not every self-builder aims to live in a grand design; most merely need a home of their own, but are willing to work exceptionally hard to achieve it.

Contents:

1.0	Introduction	5
2.0	Conservation.....	5
3.0	Sustainability – the policy	5
4.0	Self build categories.....	6
5.0	Design Quality.....	7
6.0	Community – population trends.....	8
7.0	Community – individual needs.....	8
8.0	Community – learning skills.....	8
9.0	Community – quality of life.....	9
10.0	Affordable housing – why it is needed	9
11.0	Value for money.....	10
12.0	Affordable housing – how to provide	10
13.0	Sustainability – the detail.....	11
14.0	Housing density.....	12
15.0	Climate change.....	12
16.0	Energy efficiency.....	12
17.0	Build quality.....	13
18.0	Difficult sites.....	13
19.0	Key answers.....	14
20.0	Community Strategy.....	15
21.0	Economic, environmental and social conditions.....	15
22.0	Planning policies.....	16
23.0	Equality of opportunity.....	16
24.0	The future.....	17
25.0	Affordable plots.....	17
26.0	Partnership working.....	18
27.0	Final question.....	18
28.0	A practical proposition.....	18
29.0	Conclusion.....	19
30.0	Acknowledgments.....	20

SELF-BUILD AS A HOUSING SOLUTION – THE REPORT

1.0 Introduction

1.1 The **Bath & District Self Build Association** sees opportunities year on year, for improving local and national housing stock which are being wasted by poor policies and lack of vision.

1.2 This report is mainly designed to demonstrate how the facilitation and encouragement of owner/ designer/ builders (otherwise known as self-builders) will greatly enhance the ability of any local authority to meet its policy objectives in respect to housing, with no additional expenditure, but keeping all profit margins within the local community. This method of delivering new housing stock will also enhance the overall quality and sustainability of Britain's houses, at no additional cost.

1.3 The **Final Question** illustrates how councils and other landowners can help to solve this problem when selling their own land, by making this land available in the form of serviced plots.

2.0 Conservation

2.1 Many councils have to balance the demands of conservation with the development of a strong economy to meet the needs of residents and the requirements of their communities. The UK is expecting substantial increases in housing demands over the next 20 years. This is a huge challenge but also a unique opportunity to address housing issues generally.

3.0 Sustainability – the policy

3.1 Many **Local Plans** include statements to the effect that their fundamental policies include moving towards more sustainable patterns of development, and to ensuring a high quality of life. The Bath & District Self Build Association agrees with Pendle Council which states that “Self-build provides housing that is in tune with people's specific housing requirements”.

3.2 To be sustainable is - to meet the needs of the present without compromising the ability of those in the future to meet their own needs. The triple bottom line is: environmental, social and economic.

4.0 Self build categories

4.1 Self-builders fall into 3 main categories:

4.1.1. Those with time and skills, but little finance, who will do virtually everything themselves, so as to get a house that suits them as affordably as possible. Some may be in housing need, and there are housing associations and other financial institutions who will provide the finance necessary to fund the plot purchase and/or the materials. A group of people may come together to provide the labour and share the skills to build a group of houses. Their



“sweat equity” gives them a percentage of ownership and they pay a reduced rent on the balance to the housing association, or cooperative or financial institution. They often gain new career opportunities through this process.

4.1.2. Those who have sufficient finances use professionals and subcontractors extensively, doing their own project management, including ordering materials and managing employees, and a limited amount of their own labour. This is a very cost effective way to obtain a fully-owned, individual house. They generally use savings / equity / mortgage to support the build process.

4.1.3. Those who use a package company to obtain either an off-the-shelf or a bespoke design, including supply and erection. This is essential for those who have limited time or abilities, but do have all the necessary vision and drive. They too can be using savings /equity / mortgage to achieve the result.

4.2 All three are very valid routes to achieving a well designed and efficiently sourced home which can achieve a **high quality environment** wherever the setting. Indeed, self-building almost invariably offers a far *higher* quality than the basic volume developer can do. Volume developers are constrained by profit motives alone, as they are answerable to their shareholders. They generally build to the minimum standard legally required. They are unlikely to display the emotional

commitment to sustainability, future-proofing, design or sheer quality that so many self-builders will bring.

4.3 It has taken the implementation of the new Code for Sustainable Homes to make volume builders more careful about providing energy efficient homes. Some are starting to provide on-site renewable energy sources. Hopefully, the increased demand for renewable energy generation across the country will drive down costs for all. This micro-generation movement has been led by self-build demand.



5.0 Design Quality

5.1 Wherever development takes place, it should be of a **high quality** and of benefit to the area in which it is located. This necessarily embraces not only the visual appearance of individual buildings, but also includes how a development responds to the landscape and environment, whether urban or rural.

5.2 Well-designed dwellings will be adaptable to the **needs and preferences** of the inhabitants, and will also promote diversity and choice. It is not enough to be “in keeping” with a place if that conflicts with high quality and innovative designs – which are precisely what self-builders love to have. Particularly creative individuals may include more artistic features, which a volume developer would certainly hesitate to consider.

5.3 Land-bank owners may wish to prepare a design brief or master plan as a strategic framework at the planning application stage. If they then work with a financial institution to introduce the necessary services before marketing the plots individually, they should **improve their profit margin** on the sales and have the satisfaction of having encouraged homes that are better for all the reasons described in this report.

5.4 New homes should not be designed and marketed like some sort of furniture display facility aimed solely at catching the eye of Mr or Ms Average. They can be individual and interesting; suitable both for their site and for their owners. Some people will give more thought to the spec for their new car than they do for their new house. Why not encourage and enable people to be fully involved and engaged in every detail? For example, people could have the option of having a garden room instead of having so many thousands of new houses with a bolt-on conservatory, just because it was never specified in the first place.

6.0 Community – population trends

6.1 It is well known that the population is both increasing and changing in nature. There are more single person homes needed than ever before. The government keeps setting higher and higher target numbers for new house building.

7.0 Community – individual needs

7.1 The government recognises that there is an ongoing need for new housing, and occupants' needs are changing. If retired people could have more suitable, future-proofed dwellings, they could move out of their large family homes and release them to other families. If people seeking to start on the housing ladder had opportunities to build themselves homes without paying for developers' profits, then they can improve their own situations enormously. And that money is not then taken out of the local community to be paid to share-holders.

8.0 Community – learning skills

8.1 There is a percentage of the workforce with **no qualifications** or poor literacy and numeracy skills; in the South West it is 6.9%, and averaged across England it is 9.4%.

8.2 People engaged in designing and building for themselves learn new, **marketable skills**, which benefit themselves and the local community. This sort of project literally builds peoples' skills and confidence, not just in practical areas such as bricklaying or plumbing, but also in project management, financial management and cash flow analysis, negotiation skills, conflict resolution, training, and health & safety. All these acquired skills make people more employable and will help the wider community by improving the local skills bank. Would not any potential

employer be more willing to consider recruiting people with such demonstrable skills?



9.0 Community – quality of life

9.1 A recent poll of residents across Bath & North East Somerset revealed that **affordable housing, public transport and enhanced job prospects** are the three main areas which residents believe would improve their quality of life. This is probably a similar view to that of many people across the country.

10.0 Affordable housing – why it is needed:

10.1 In many areas there are serious shortages of affordable and key-worker housing, which presents problems for many people, some of whom have no choice but to commute to work from outside the area, some travelling hundreds of miles weekly.

10.2 Everyone has to live somewhere, but the uniquely high cost of land in the UK is like a **tax on existence**. If land and plots were more reasonably priced, virtually everyone could afford a decent home. It is under-supply, over-demand and the NIMBYism of people and planning policies which are damaging the overall housing market.

10.3 Many local housing markets have a large proportion of **low quality housing stock** with associated heating and maintenance costs.

10.4 When many areas are already so unaffordable, why make this problem worse by expecting all new, multiple developments to be carried out by volume developers? This report demonstrates that any council which, from time to time, has a building site to be sold off, can maximise the gain to the community, by selling

its sites as serviced self-build plots. This can be achieved at **no additional cost**, as will be shown.

10.5 As self-builders are already the nation’s **most effective** delivery route for affordable and sustainable housing, why are they nearly always left out of the equation when housing plans are drawn up? They would massively improve the quality and cost-effectiveness of the nation’s housing stock if central and local government policies enabled them more easily to buy the plots they need.



11.0 Value for money:

11.1 Capacity should be used effectively and developed to deliver ambitions and priorities for all national and local authorities. Most councils take **value for money** and efficiency seriously and many have developed an overall approach in order to embed consideration of value-for-money corporately; at service level, in partnerships and in their processes.

The Bath & District Self Build

Association urges that a more holistic approach be taken, by including self-build in the equation. The value-for-money is then even greater.

12.0 Affordable housing – how to provide

12.1 Any Affordable Housing Delivery Plan aims to increase the availability of affordable housing that meets the needs of those who cannot afford to secure decent housing on the open



market, either to rent or buy. This may be done by focussing attention on six key priority areas – **planning, land, funding, tenure, sustainability and cross-authority / partnership working.**“

12.2 Volume developers are often charged with providing a percentage of new homes which are designated as ‘affordable’. These are generally of lower quality, smaller, and in poorer positions. Developers will either take a profit on these homes, or have to cross-subsidise them by charging more for their other houses. Self builders may work together or as individuals, but they still erect better designed, better insulated, cheaper to run houses, and **no profit goes off site to shareholders.**

12.3 Why not encourage volume developers to include a self-build allocation as well as affordable housing? The plots can be sold at market value, which must aid their **cash-flow**; they can take a profit far faster.

12.4 Because there are housing associations and other financial institutions with proven track records of supporting community self-build schemes, even people with little income and no savings can self-build. It is their ‘sweat equity’ which gives them their share in the endeavour. People with **physical disabilities** can also be involved, not just in designing future-proofed facilities for them to live in, but many are capable of undertaking office type processes. These might include purchasing on-line, cash flow analysis and personnel records.

13.0 Sustainability – the detail:

13.1 Many Local Plans include some sort of statement to the effect that “The Council’s **vision for housing**...is for healthy and sustainable homes for all”. This generally sounds really good, until one studies the detail.

13.2 It is normal to find that the Local Plan’s choices to increase sustainability are limited to higher urban concentration, brownfield development, and sequential/ phased release of land. This is a very **minimalist approach** to sustainability. Self-builders research and use sustainable materials and eco-friendly techniques in a way that mass developers would not.

14.0 Housing density:

14.1 Government policy recommends 40 dwellings per hectare, and there **does not appear to be any other substantive suggestion**. So families have to buy houses with no garden for the kids, and little peace or privacy. Self-builders, however, can design in extra living space on the same house footprint by including basements and / or loft accommodation. This is a highly cost effective solution when it is part of the original house design, especially when in poor ground conditions, including slopes. Yet many local plans expressly reject larger capacity dwellings with basements and loft spaces used for accommodation, even though the house exterior above ground may be no larger than a neighbouring house not using the interior spaces so cleverly.

15.0 Climate change and carbon neutrality

15.1 Positive action on climate change will lead to **multiple benefits** for local communities, including improvements in health, community cohesion and quality of life. Some authorities have already made tackling climate change and sustainable energy into top priorities for their sustainability agendas.

15.2 Carbon neutrality is a very tough target to hit when building new houses, but it is self-builders who are **pioneering**, using developing technologies to achieve outstanding results. Volume developers actively lobby Parliament to have draft Building Regulations targets reduced or delayed, so as not to compromise their profits. Self-builders normally build to a far higher standard than Building Regulations require – especially in regard to insulation standards.

16.0 Energy efficiency:



16.1 The environmental sustainability agenda needs to be embedded into councils' regeneration proposals during the detailed development phase. An example of this would be incorporating **energy efficiency options** in the core strategy, i.e., the need for a strong sustainable

construction policy, which may require, for example, that 15% of energy in new developments should come from a renewable source. Councils should be taking the lead on sustainable energy and the development of a low carbon economy, as they do with recycling.

16.2 Why not set yourselves a target of a minimum cut in current levels of CO² emissions over the next year or two?

16.3 It is self-builders who are taking the lead by researching and installing energy-efficient options. They know they and their children will see the benefits for all the years they live in their house. Volume developers have much less reason to care.

17.0 Build quality

17.1 It is self-builders who actively use the latest and most farsighted sustainable methods and materials. They take huge pride in their **build quality**; after all, they will be intending to live there themselves, or possibly to repeat their experience, ever improving the end results as they do so.

17.2 Their houses will be better thermally & acoustically insulated, and more **enjoyable to live in** for a range of reasons. The owners will actually understand how the houses work.



18.0 Difficult sites

18.1 More difficult sites can include those which are on slopes, or are awkward shapes, or are very tiny, are liable to flooding, or have restricted access. Self-builders tend to have more imagination – or possibly desperation – and are renowned for finding imaginative solutions for difficult sites. A well-designed, very individual house, which is the perfect solution for that site will appeal to a self-

builder, more perhaps, than to a developer. A developer has to be sure of the profit margin and cannot afford to take a design risk.

18.2 Self-builders can really enjoy filling in a space no larger than a garage with a well-designed, fully functional, modern house. Or building with materials able to withstand flooding and water logging. Or building “upside down” over several levels on very steep plots, to enable views to be enjoyed from the living areas. Sites which volume builders find difficult to make a profit from are of great value to self-builders who don’t have profit as their main motivation. They just want a house to live in that suits them.

19.0 Key answers

19.1 Other issues to which self-building holds **key answers** are in mixed-use schemes and in green belt or other areas of outstanding natural beauty and proactively using the government guidance documents.

19.1.1 Mixed-use schemes: In some local plans mixed-use schemes are encouraged, but often with no mention of self-building as a recommended way to do it. Self-builders are far more likely to design home offices, workshops, studios, and other facilities for working from home, plus granny annexes, or a home gym etc. These are flexible uses of house interiors which may change from time to time, but improve the inhabitants’ quality of life. What volume developer could or would design in these facilities for particular families who needed them? Having such **necessary facilities** in the home also reduces the need to travel, which fulfils other government targets.

19.1.2 Development in Green Belt (or Areas of Outstanding National Beauty): These policies are obviously both restrictive and proscriptive. However, as recognised by other councils, such as Monmouth and South Somerset, **earth-sheltered housing** units could be encouraged, not forbidden. They are effectively invisible, thereby making full use of available land space without damaging the character of the countryside. There are many self-builders looking for suitable sites to do just this.

19.1.3 Government guidance documents: such as PPS1, PPS3, Design for life, and Lifetime Homes Standards etc should make it easier for all new builds to achieve better quality and more sustainable homes.

20.0 Community Strategy

20.1 This is another important aspect to be dealt with, so that there will be a **shared understanding of local needs**. A good community strategy will set out a series of 'shared' and 'improvement' ambitions to enhance the quality of life for local residents through actions to improve an area's economic, social and environmental well-being. It should be based on a clear understanding of the key challenges facing the area. A core strategy should provide the planning policy framework for development and protection of the environment, whilst still considering the regional growth agenda.

20.2 A sustainable community strategy would help to drive the objectives of the public sector, and any council partners, to deliver real community benefits, probably through a Local Area Agreement. This, in turn, provides a clearer focus to partners and stakeholders to work together on shared priorities, and enables public and private partnerships across an area to maximise their effectiveness in delivering community improvements.

20.3 Encouraging self-builders to work hard to build their own, more sustainable homes within local communities, is truly better for everyone.

21.0 Economic, environmental and social conditions

21.1 In some local plans national guidance speaks of **economic, environmental and social conditions** being considered throughout. Self-builders perfectly fulfil this aim. Self-builders are very concerned that they fit in with their neighbours and their local community. Group-build schemes, in particular, will focus fairly heavily on this aspect. Volume developers don't stay longer than the signing of the contract to sell – they are not looking to spend all their profits locally, nor to fit their lives into the local community, in the way that self-builders want to do.

22.0 Planning policies

22.1 Members of the Bath & District Self Build Association are essentially concerned that national and local authorities will continue to ignore all the many telling reasons for including self-build in the very fabric of local housing provision.

22.2 As **Pendle Council** says: “The impact of local planning practice can affect self-build because policy influences the location of new housing development. There is some concern over the inflexibility of many local planning policies and, as it is easier to allocate and deal with large sites, the self-build industry can sometimes feel that this fuels prejudice”

22.3 **South Tyneside** has included the following in their draft Plan:

“ - recognition that the self-build sector plays an important part in enabling high standard (quality and efficiency), innovative, sustainable and environmentally-friendly housing that is aligned to individual needs and aspirations, and is also often more affordable than buying new housing on the open market. “

23.0 Equality of opportunity

23.1 Central government and local authorities all need to change course now and become pro-active in support of self-build – **passivity is not an answer**. The UK has some of the most expensive housing provision in the world, mainly because



land is at a tremendous premium, but also because the majority of new houses are built by speculative house builders, who are normally working on a 15 – 20% profit margin. This is paid for by their home purchasers.

23.2 Local councils and housing authorities are in the best position to act to make provision for all the many thousands of people - all ages, origins, abilities and backgrounds - who are willing and able to self-build. They are looking for equality of opportunity, and dreaming of making their corner of the UK a better place to live and

work, by designing and building their own homes.

23.3 If we study the normal way that new dwellings are commissioned in other, comparable, countries such as Germany, Australia, Canada, the USA etc, then we see that, generally speaking, local inhabitants are enabled to buy a standard plot and erect a suitable house, with no fuss or difficulty – it's the accepted way to build a new house, and used by over 50% of the population. As a result, they have better housing, at a lower cost, both financially and environmentally. In the U.K., only some 10% of new houses are self-built, which seems unusually low when compared with such similar countries.

24.0 The future

24.1 The UK is starting to recognise that there are significant and far-reaching changes to housing, transport, the environment and the cost of living that will impact upon everyone. So why not grasp this challenge and build stronger foundations for the UK's continued success, so as to avoid relative decline.

24.2 No council or housing authority would be acting alone in grasping the **challenge** described; for years some far-sighted local councils have encouraged self-build in their local planning processes. These include Milton Keynes, South Buckinghamshire, Mansfield, Rother, Monmouth, Pendle, York, Oxford, Hastings and South Somerset, to name a few.

25.0 Affordable plots

25.1 The Bath & District Self Build Association identifies the **biggest problem** facing self-builders, both locally and nationally, as the lack of affordable plots. As this report demonstrates, councils and other landowners can help to solve this problem when selling their own land, by making this land available in the form of serviced plots (road access, drainage, power & water etc are taken to the plot boundaries).

25.2 Buildstore in Swindon is already pioneering the use of financial investment to build this infrastructure for councils prior to sale, and thus make serviced plots available for purchase at reasonable charges. Swindon Council is working in partnership with Buildstore in 2008 to deliver just such a scheme.

26.0 Partnership working

26.1 Councils can also help local communities **by working in partnership** with volume builders who are charged with dedicating a percentage of their larger sites to affordable housing, by encouraging and enabling part or all of this percentage to be allocated to self-builders who fulfil the criteria for housing need. Everyone wins.

27.0 Final question

27.1 Will central government, local authorities, land-bank owners and housing associations examine the financial, social and moral benefits of adopting this alternative approach to providing volume house building, and seek the overall advantages it provides? The UK can enjoy vastly improved housing stock, with no adverse financial implications for central or local government.

28.0 A practical proposition

28.1 This is a totally **self funding proposal** which aims to eliminate the two problems below, that face nearly every self-build project in the country, whether it be an individual self-build plot, or a group self-build scheme.

28.1.1. **Availability of Land** - already addressed by other aspects of this report. The number of self-builders could be doubled, trebled (or more), by making more land available for these superior houses to be built. We are currently discussing proposals for central government to make Self-Build a "special case" in planning policy terms. This will enable local government officers to discuss many more proposals for utilising self-build as the most logical way forward for many of the building plots which become available.

28.1.2. **Land, finance and timing** - The second biggest problem facing anybody trying to establish themselves in the self build marketplace is the Catch-22 situation of simultaneously finding land and arranging the finance. By employing the model currently being pursued by Swindon Council, it is possible to buy time to enable individual plots to be marketed as serviced plots. This automatically provides another solution to the common work that needs to be done by any group of self-builders, namely the provision of services to multiple plots. This system works by the local authority making their site available under license to an intermediary body (in this case study, it is Buildstore in Swindon), who is responsible for laying roads and providing the

services to all plots. When the plots are sold, the profit is then divided between the Local Authority and the Intermediary, to previously agreed percentages. This ensures that the market value of the land is achieved by the local authority and the balance pays for the intermediate work being carried out under license.

28.1.3. **Group builds:** consider having an architect or self-build group being given the option for a limited time to put a group together and raise the funding. The site is the security for the funding – the money follows the site. Groups generally find it impossible to raise funds in advance of locating a site. Having a group of people all finding finance individually to meet a group deadline (maybe of 4 weeks in case of a public auction) is usually impossible. Offering an option with an extended time limit gives groups a realistic opportunity to raise the funding, and so the council or other landowner broadens the range of potential purchasers, to their mutual benefit.

28.2 We ask that these proposals be taken seriously by your organisation or authority. We would welcome the opportunity to run a pilot project in your region, to prove that a working model can then be rolled out nationally.

29.0 Conclusion

29.1 It is essential that supply and demand of self-build plots be increased and balanced, if the UK is to improve its housing stock overall by using the enthusiasm of the many thousands of potential self builders. This will involve central government upgrading its policies; local authorities acting as facilitators, and land-bank owners making sensible, far-reaching decisions. It must be remembered that not every self-builder aims to live in a grand design, most merely need a home of their own.

29.2 Who will employ such vision, foresight and the practical application of well-written policies?

29.3 The Bath & District Self Build Association **strongly urges central government, local authorities, land-bank owners and housing associations** to study this report, and to respond to its conclusions.



An example of a self-built, well insulated, sustainable home, ideal for all the family
(as encouraged by a self-builder in Wales).

30.0 Acknowledgments

With thanks to:

Bath & District Self Build Association (www.bathselfbuild.co.uk)

Architecture Verte (www.verte.co.uk)

Buildstore (www.buildstore.co.uk)

T & M Sapsted

S & S Hawksworth

B & M Downs

South Tyneside Council

Report written by Valerie Bearne, Chair of Bath & District Self Build Association,
1/6/08.

This report may be widely distributed and copied to further the aims of education
and support for self-building. Please acknowledge Bath & District Self Build
Association.