

Self-Build or Custom Build

Housing Evidence Base Briefing Note 29:

Summary

Self or custom build housing is housing built or commissioned by individuals or groups of individuals for their own occupation.

The Government wants to make building your own home a mainstream housing option and considers it an affordable way of building a place that people are proud to call home. As a consequence it is likely that greater emphasis will be required on enabling the delivery of self and custom build homes. Little data is available on the numbers of self and custom built homes there are but it is generally thought to be about 10% of all new homes delivered per year.

In terms of meeting the needs of this group, all developments, and particularly larger developments, should consider opportunities to set aside a proportion of the sites net developable area for self or custom build housing where there is evidence of the need for such development in the local area. To meet the need for self and custom build sites, the Council proposes a policy provision that 5% of sites of over 100 units should be offered to self and custom builders. Cornwall Council will maintain a register of individuals and groups that have expressed an interest in self and custom build housing. The development of this register will be used to develop and monitor demand for self and custom build into the future.

Key Outcomes

The Council proposes a policy provision that 5% of sites of over 100 units should be offered to self and custom builders. A Self Build Register will be introduced and will enable monitoring of demand.

Key Facts

10% of all new homes delivered each year are likely to be self or custom built units.

Source: Housing Strategy for England

National Policy and Context

The National Planning Policy Framework (NPPF)ⁱ is clear that local planning authorities should 'plan for a mix of housing^{BN13} based on current and future demographic trends, market trends and the needs of different groups in the community (such as but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes)'.ⁱⁱ

National Planning Practice Guidance (NPPG) has been made available to guide the 'Housing and Economic Development Needs Assessment'ⁱⁱⁱ and this guidance includes an element on how the needs for all types of housing should be addressed. In terms of people wishing to build their own homes 'the Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing as supported by successive surveys. Local planning authorities should therefore plan to meet the strong latent demand for such housing. Additional local demand, over and above current levels of delivery can be identified from secondary data sources such as: building plot search websites, 'Need-a-Plot' information available from the *Self Build Portal*; and enquiries for building plots from local estate agents. However, such data is unlikely on its own to provide reliable local information on the local demand for people wishing to build their own homes. Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.'

The Housing Strategy for Englandⁱⁱⁱ sets a target of delivering 100,000 custom build homes by 2021 in addition to the 10% of housing stock already delivered through self-build.

The Government has also introduced the 'Self Build and Custom Housebuilding Act'^{iv} (commonly known as the Right to Build Act) which gained Royal assent in March 2015 and is expected to come into effect from 1st April 2016. This is 'an Act to place a duty on certain public authorities to keep a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self-build and custom housebuilding projects and to place a duty on certain public authorities to have regard to those registers in carrying out planning and other functions'.

Local Context

Cornwall Council is clear that 'self and custom build housing can make a contribution to meeting local housing need. Market housing can be developed as custom build housing. In addition, custom or self-build can contribute to a proposal's affordable housing obligations.'^v

The Heartlands site at Pool in Cornwall is currently one of the largest Government Custom Build pilot sites. It comprises 54 custom build homes on public land alongside a development of 90 affordable homes. Prospective custom builders will be able to choose one of 6 home manufacturers who will offer 2, 3 or 4 bedroom homes with a range of customisation options. Planning permission was secured in January 2015 and formal marketing will begin in autumn 2015.

Definitions

Self or custom build housing is housing built or commissioned by individuals or groups of individuals for their own occupation.

Self-build happens when an individual finds a housing plot, obtains planning permission and finds an architect or builder. The owner can be physically involved in part or all of the construction of the house, and they do not have to build the dwelling themselves. Historically self-build has been the only way for an individual to commission their own home.

Custom build differs in that it is a professionally managed way for a customer to commission their own home. In practice a developer will service and sell individual plots, providing a range of house types that customers can choose from. The developer ensures that the home types proposed will fit the plots, be acceptable to planners, building control and mortgage providers and able to be delivered through their supply chain. Custom build can deliver at a larger scale than self-build.

Other 'self-build' models include:

- Self-Finish – the owner takes on a property which is structurally complete and finishes off the house themselves;
- Community Self-Build – the owner is physically involved in part or all of the construction of the house as part of a wider scheme on one site;

Data on Self and Custom Build

There is little data on the number of homes built as self or custom build homes as the definitions of what this type of housebuilding is do vary. The Government does not currently require local authorities to collect data on this type of housebuilding.

The Housing Strategy for England^{vi} is clear that 'the Custom Build industry is important for our national economy. It is worth approximately £3.6 billion a year, safeguarding and creating new jobs, strengthening the construction supply chain and making a real contribution to local economies. Currently custom home builders are building as many homes each year as each of our individual volume house builders, with around 13,800 custom homes completed in the UK in 2010/11.'

Data from the National Custom and Self Build Association^{vii} (NaCSBA - the Self Build Portal) would suggest that the UK is currently delivering an average of between 12,000 and 15,000 self and custom build homes per year. Demand for this type of housing continues – in September 2011 according to the NaCSBA more than 400,000 people searched for building plots on the 'Rightmove' database and at any one time there are around 100,000 people subscribing to the three main plot finding websites.

A search on some of the better known plot finder web sites in October 2015 revealed that:

- There were 25 householders wanting plots in the Cornwall area registered on the Self Build Portal;
- And that in terms of the supply of sites there were, bearing in mind that there will be some overlap between the different web sites:
 - 125 potential sites available for self or custom build, conversion and renovation in Cornwall on the 'Buildstore'^{viii} site;
 - Plotfinder^{ix} lists 63 potential sites for self build although some of these sites are aimed at conversions or renovation projects rather than self build;
 - Plotbrowser^x lists 92 sites as potential self build sites although some of these sites are aimed at conversions or renovation projects rather than self build and some are larger sites with planning permission that larger developers might be interested in and which might not include any self build plots at all.

A search of planning applications in Cornwall since the 1st January 2010 reveals that there were, bearing in mind that not every self build application may have been described as such:

- Pre-application requests for self and custom build developments that have the potential to deliver up to 40 dwellings;
- 5 self build dwellings approved;
- 54 custom build dwellings approved;
- 3 self build dwellings refused; and
- 14 self build dwellings awaiting a decision.

The number of applications for this type of scheme has increased in the more recent years which may indicate an increase in popularity but this could also be a reflection of increased confidence in the housing market rather than increased demand.

Anticipated Future Impact on Housing

The Government wants to make building your own home a mainstream housing option and considers it an affordable way of building a place that people are proud to call home. As a consequence it is likely that greater emphasis will be required on enabling the delivery of self and custom build homes.

The Government has backed up its commitment to housing delivery through self or custom build with:

- A national programme of pilot sites^{xi},

- A £150m serviced plots loan fund^{xii} intended to help to address the challenges that custom builders face and provide finance for the development of serviced plots to support people who want to build their own home;
- CIL exemption for all custom and self-build developments^{xiii}. The exemption^{xiv} will apply to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of three years after the work is completed; and
- S106 exemption for housing schemes of less than 10 units including self or custom build schemes^{xv}. In urban areas, the threshold for S106 contributions will be 10 units, with a maximum combined floor space of 1,000m². For designated rural areas, authorities will be able to implement a lower 5-unit threshold if they wish.

In terms of meeting the needs of this group, all developments, and particularly larger developments, should consider opportunities to set aside a proportion of the sites net developable area for self or custom build housing where there is evidence of the need for such development in the local area. To meet the need for self and custom build sites, the Council proposes a policy provision that 5% of sites of over 100 units should be offered to self and custom builders. Cornwall Council will maintain a register of individuals and groups that have expressed an interest in self and custom build housing. The development of this register will be used to develop and monitor demand for self and custom build into the future.

Use in Cornwall Local Plan

A varied housing mix is part of the context for housing and as such is included in general housing papers including:

- Housing Topic Paper (February 2011) accompanied the [Core Strategy Options Report](#)
- Housing Topic Paper (January 2012) accompanied 'Our Preferred Approach for a Core Strategy'

Examination Findings

No examination findings specifically relating to self-build or custom build have been identified to date.

Associated Briefing Notes

BN13 – Housing Mix

Further Information

1. The [Self Build Portal](#) contains a wealth of information on the different types of self and custom build products, advice and guidance on how to go about building this type of home, sources of funding, discounts, etc.

ⁱ [DCLG \(2012\) National Planning Policy Framework](#)

ⁱⁱ DCLG (2014) Housing and Economic Development Needs Assessment

ⁱⁱⁱ [DCLG \(2011\) Laying the Foundations: a Housing Strategy for England](#)

^{iv} [HM Government \(2015\) Self Build and Custom Housebuilding Act](#)

^v [Cornwall Council \(2014\) Draft Cornwall Affordable Housing Supplementary Planning Document](#)

^{vi} [DCLG \(2011\) Laying the Foundations: a Housing Strategy for England](#)

^{vii} [National Custom and Self Build Association \(2012\) Self Build Homes: the numbers](#)

^{viii} Buildstore - <http://www.buildstore.co.uk/findingland/default.aspx>

^{ix} Plotfinder - <http://www.plotfinder.net/>

^x Plotbrowser - <http://www.plotbrowser.com/>

- ^{xi} [National Self Build Association \(2013\) Second Progress report on Action to Promote Self Building](#)
- ^{xii} [DCLG/HCA \(2014\) Custom Build Serviced Plots Loan Fund](#)
- ^{xiii} [DCLG \(2014\) CIL and Self and Custom Build](#)
- ^{xiv} [DCLG \(2014\) National Planning Practice Guidance: Community Infrastructure Levy](#)
- ^{xv} [DCLG \(2014\) Planning Reform](#)