

Central Norfolk Strategic Housing Market Assessment – self-build addendum
Report by Planning Policy Officer

Summary: This report introduces the Central Norfolk Strategic Housing Market Assessment – self-build addendum. This report will be uploaded to the Future Planning pages of the Broads Authority's website.

Recommendation: That the report be noted.

1 Introduction

1.1 The Authority commissioned a small piece of work to ensure that the Central Norfolk Strategic Housing Market Assessment (SHMA) (2017) considered self-build.

1.2 The SHMA that was produced in 2016 did consider self-build, but the 2017 update did not update that section of the 2016 SHMA.

1.3 The NPPG says the following about SHMAs and self-build:

What is the relationship between the register and the Strategic Housing Market Assessment? Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), when preparing their Strategic Housing Market Assessment to understand and consider future need for this type of housing in their area. Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.

2 Self-build requirements

2.1 The Authority is required to do the following in relation to self-build:

- Keep a self-build register (Self-build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016)¹.
- Relevant information about the register should be included in the Annual Monitoring Report (Self-build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016) – see the Annual Monitoring Report².

¹ <http://www.broads-authority.gov.uk/planning/Other-planning-issues/self-build-and-custom-build-register>

² <http://www.broads-authority.gov.uk/planning/planning-policies/development/current-documents/supporting-documents-and-evidence>

- Duty to grant planning permissions (Self-build and Custom Housebuilding Act 2015) – see report to November Planning Committee regarding the exemption to this duty³.
- Duty to have regard to each self-build and custom housebuilding register when carrying out their planning, housing, land disposal and regeneration functions (Self-build and Custom Housebuilding Act 2015) - the Authority undertakes this duty in relation to the functions it undertakes.

3 Main Conclusions

- 3.1 The OAN sets out how many dwellings need to be provided to meet the need within the area. If some of these are built as self-build they count towards the OAN in the same way as any other units. Self-build is a mechanism for helping to meet the identified need for market and affordable housing of an area but is not differentiated from other forms of provision within the OAN.
- 3.2 Anyone seeking to self-build a property will be counted in the OAN as part of the demographic projections or market signals. In the same way as someone needing an affordable dwelling also requires a dwelling in an area, if someone requires a self-build plot then they will also require a dwelling as part of the OAN.
- 3.3 In the context of the Objectively Assessed Housing Need (OAN) for Central Norfolk being 65,567 the current demand from the Custom Build Registers across Central Norfolk accounts for less than 1% of the OAN, and therefore much less than the potential interest in self-build.

4 Financial Implications

- 4.1 The Addendum cost £750 and this has already been incurred.

Background papers: None

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Date of report: 22 November 2017

Appendices: APPENDIX A: Central Norfolk Strategic Housing Market Assessment – Self-Build Addendum

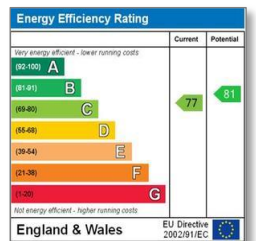
³ http://www.broads-authority.gov.uk/_data/assets/pdf_file/0008/1037465/Self-Build-Exemption-pc101117.pdf



Central Norfolk Strategic Housing Market Assessment Update 2017

Self-Build and Custom Build Addendum

October 2017





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Contents

1. Self-Build and Custom Build	4
Summary	4
Introduction.....	4
People Wishing to Build their Own Homes	5

1. Self-Build and Custom Build

Summary

- 1.1 “*Laying the Foundations – a Housing Strategy for England*” (HM Government, 2011)¹ redefined self-build as ‘Custom Build’ and aimed to create up to 100,000 additional such homes over the decade. Following this, different documents refer to either ‘self-build’ or ‘custom build’:
- 1.2 From 1 April 2016, most local planning authorities (including all district councils and National Park Authorities) are required to keep a Custom Build register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area.
- 1.3 The NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG gives sources of data to use to obtain a robust assessment of the demand, including local authority registers and ‘Need-a-Plot’ information available from the National Custom and Self Build Association (NCaSBA) Self Build Portal.
- 1.4 Anyone seeking to build their own property does not add to the Objectively Assessed Needs for an area. Instead, self-build represents a mechanism for helping to meet the identified need for market and affordable housing of an area.
- 1.5 The ‘Need-a-Plot’ section of the Self-Build Portal shows some interest in self-build, but this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year over the Central Norfolk SHMA area.
- 1.6 All the Central Norfolk planning authorities have established their Custom Build Registers. The current demand from these Registers accounts for less than 1% of the OAN, and therefore much less than the *potential* interest in self-build.
- 1.7 The registers will be monitored to inform any policy implications arising and consideration will be given to determine the extent to which any schemes can contribute to affordable housing.

Introduction

- 1.8 Opinion Research Services (ORS) was jointly commissioned by the Central Norfolk local authorities (Norwich City, Broadland, Breckland, North Norfolk and South Norfolk, together with the Broads Authority) to prepare an updated Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need (OAN) for housing across the Central Norfolk area. This study was published in June 2017 and represents an update of the original SHMA published in January 2016.
- 1.9 The purpose of the 2017 study was to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) and to provide other evidence to inform local policies, plans and decision making.

¹ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

- 1.10 The purpose of this Addendum Report commissioned by the Broads Authority is to further consider the role of self-build housing in meeting the wider housing need across Central Norfolk. While Part 2 of the original SHMA (2016) did consider the role of self-build housing, the government have provided additional policy announcements and guidance changes since that time, so this addendum represents an up to date overview of the role of self-build in meeting housing needs.

People Wishing to Build their Own Homes

- 1.11 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

Self-build and custom housebuilding

The government wants to enable more people to build or commission their own home and wants to make this form of housing a mainstream housing option. From 1 April 2016, most local planning authorities (including all district councils and National Park Authorities) are required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build homes for those individuals to occupy. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out the requirements. See guidance on self-build and custom housebuilding registers. In order to obtain a robust assessment of demand for this type of housing in their area, local planning authorities should supplement the data from the registers with 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.

Planning Practice Guidance (March 2014, Updated April 2016), ID: 2a-021

- 1.12 It is important to recognise that anyone seeking to build their own property does not add to the Objectively Assessed Needs for an area. Instead, self-build represents a mechanism for helping to meet the identified need for market and affordable housing of an area. Anyone seeking to self-build a property will be counted in the OAN as part of the demographic projections or market signals. In the same way as someone needing an affordable dwelling also requires a dwelling in an area, if someone requires a self-build plot then they will also require a dwelling as part of the OAN.
- 1.13 Over half of the population (53%) say that they would consider building their own home² (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Recent surveys undertaken by ORS in Stockton on Tees and Rother have also identified a high level of interest in self and custom build, but again this may have been conflating an aspiration with effective demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 1.14 "*Laying the Foundations – a Housing Strategy for England*" (HM Government, 2011)³ redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "*Build-it-yourself? Understanding the changing landscape of the UK self-build market*" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

² Building Societies Association Survey of 2,051 UK consumers 2011

³ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

^{1.15} In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act⁴ 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

^{1.16} The 2015 Act was amended by the Housing and Planning Act 2016⁵ which placed a duty on local planning authorities to provide serviced sites which have planning permission that allows for self or custom build:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period. (Section 2(a)(2))

^{1.17} Limited Government funding⁶ is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission. Given this context, it is important to recognise that self-build could either be market housing or low cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

^{1.18} In May 2012 a Self-Build Portal⁷ run by the National Custom and Self Build Association (NCaSBA) was launched. Figure 1 shows the current registrations from groups and individuals looking for land in the HMA on the 'Need-a-Plot' section of the portal, while Figure 2 shows a more detailed overview of the Broads area. Whilst there is clearly some interest in self-build across the HMA area, this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year over the Central Norfolk SHMA area.

⁴ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

⁵ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

⁷ <http://www.selfbuildportal.org.uk/>

Figure 1: Group and Individual Registrations currently looking for land in and around Central Norfolk on the 'Need-a-Plot' Portal (Source: NCaSBA, October 2017 and Google Maps)

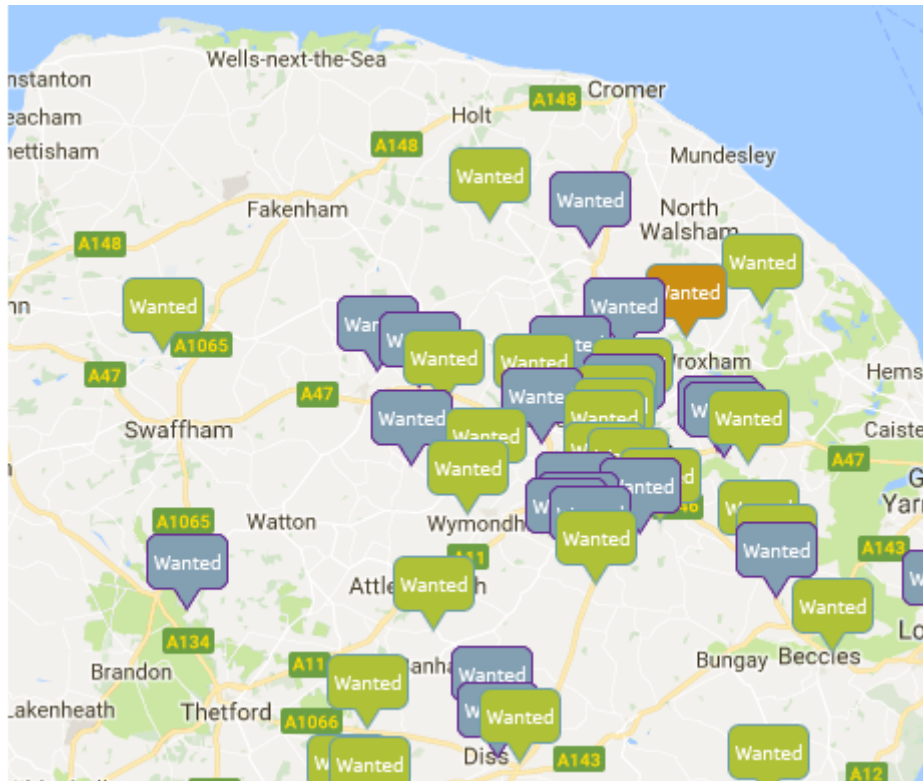
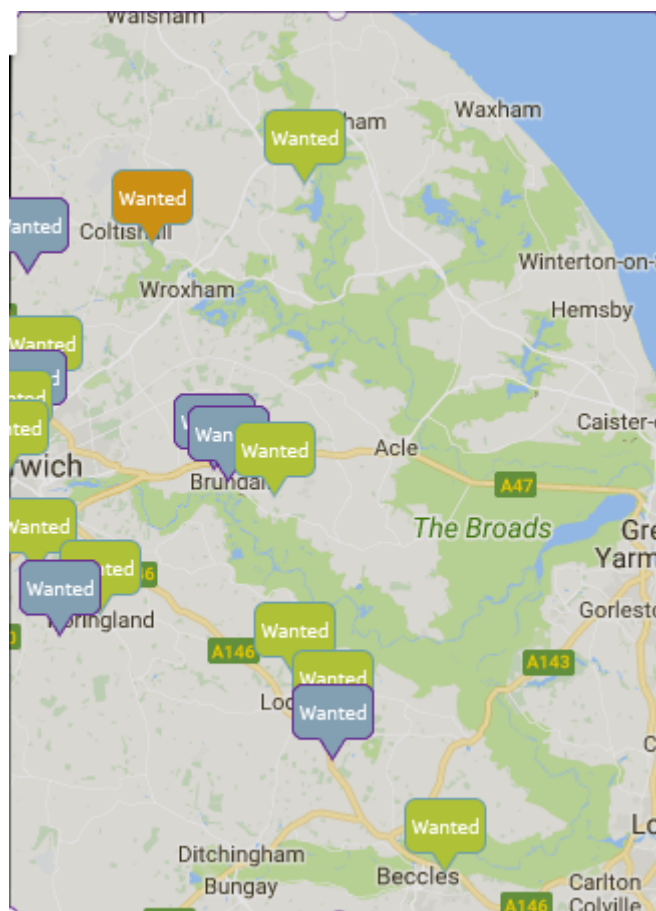


Figure 2: Group and Individual Registrations currently looking for land in and around the Broads on the 'Need-a-Plot' Portal (Source: NCaSBA, October 2017 and Google Maps)



- ^{1.19} All the Central Norfolk planning authorities have established their Custom Build Register, albeit the number of registrations are currently low, as set out in Figure 3. Again, it must be reiterated that all of the households on the register will be counted as part of the existing OAN. In the context of the OAN for Central Norfolk being 65,567 the current demand from the Custom Build Registers across Central Norfolk accounts for less than 1% of the OAN, and therefore much less than the potential interest in self-build. The registers will be monitored to inform any policy implications arising and consideration will be given to determine the extent to which any schemes can contribute to affordable housing.

Figure 3: Numbers on Custom Build Register as of September 2017 (Source: Local Authority Data)

Planning authority	Numbers of the register up to September 2017
Broadland	51
Breckland	154
North Norfolk ⁸	84
Norwich	78 individuals plus one association of 8 people
South Norfolk	139
The Broads ⁹	103, but only 4 are uniquely on the Broads list

⁸ North Norfolk District Council are carrying out identification checks so this number may change.

⁹ The Broads Authority, South Norfolk Council, Breckland Council and King's Lynn and West Norfolk Councils share the same register.

