The Richard Bacon MP – Review of Custom & Self Build Housing for the current government.

**HOUSE - How putting customers in**

**charge can change everything**

England is blessed with some of the most beautiful villages, towns and cities in the world. Our forebears possessed an instinctive talent for making great places, yet somehow this is an art we have almost entirely forgotten.

A gap has opened up between the places we want to see and those we actually create. Instead of beauty and a natural order, we see a sterile sameness almost everywhere we look. Rather than an architecture displaying a rich array of local vernaculars we can celebrate and honour, crafted using traditional materials and skills with a distinct sense of place – and even become a way of affirming identity and belonging – we see instead a crushing of imagination, with houses designed by accountants. We are failing to create the listed buildings of tomorrow.

The consequences are stark. Quite simply, new housing is feared. In no other time in our history would housing be thought of as pollution. Our country has a growing population, an aging housing stock and a younger generation who have been priced out of home ownership – and for whom even renting a home, costs far too high a proportion of their income. We need to build more new homes.

There is of course a proper concern that we should protect our beautiful countryside – but opposition to new housing is chiefly a Cri de Coeur against the second-rate, the environmentally damaging and the bland. Instead of new housing that most people want, we have a soulless monoculture. One witness in my Review commented that “the planning system rewards mediocrity” – and people are entirely right to object to mediocrity. Yet the consequences are that for decades we have not built enough houses – and this is tearing deep fissures into the fabric of our society.

There is a solution. It involves creating the conditions in which customers are treated as if they matter the most, rather than – for the most part - scarcely mattering at all. And this is what happens when people themselves commission the houses they would like to see.

Homes England – whose remit includes making markets – has a key role to play in kickstarting this market – and my core recommendation is that a Custom & Self-Build Delivery Unit should be established with a mandate to deliver the required changes, staffed by skilled professionals with deep experience of delivering custom and self-build projects for customers across all tenures.

When we have fully opened up the housing market and the planning process to the power of consumer choice, we will see more great places being developed which are warmly welcomed by their communities, with beautiful and more spacious houses, at keener prices – and that are better designed, better built, greener and which cost less to run, which enrich the lives of the people who live there – while driving innovation and inward investment. And when afterwards we have done this, we will look back and wonder why it took us so long.

**What is Self-build and Custom housebuilding?**

Many people are unaware that each year in the United Kingdom several thousand houses are commissioned to order by the customer who will live in the house once it is completed. In the UK around 13,000 houses are built this way annually. This makes self and custom housebuilding in the UK collectively equivalent in size to one of the larger national housebuilders – if it were ranked with them it would probably come fourth or fifth. Self-commissioned housing is much more common overseas, often accounting for a third of total housing supply and, in some cases, such as in Germany, it is the dominant method of delivering new housing (55%).

But what does “self and custom housebuilding” actually mean? Self-build and custom housebuilding are terms commonly used to describe a home that is built to the design and specifications of the person who will live there – the occupant. Self-build and custom housebuilding are defined within the Self-Build & Custom Housebuilding Act 2015 (as amended by the Housing & Planning Act 2016).

Many prefer the term “self-commissioned housing” which is clearer. In practice the self-commissioned housing market is a spectrum. At one extreme, people may find a plot and undertake every element of the build themselves – a home that is literally self-built. At the other extreme, people may select a model home from a catalogue and have it erected for them on their chosen serviced plot, which they have purchased from a landowner or builder. What both approaches have in common is that it is the customer who makes the key design and layout decisions, rather than a developer building a home speculatively in the hope that, at some point, someone might like it enough to buy it.

“Self-build” is increasingly associated with a home built on a single plot. By contrast, “custom build” involves homes built by professionals on behalf of new homeowners on permissioned serviced plots in line with a framework of rules that define the nature and delivery of the site.

Self-build and custom housebuilding is often associated with detached homes but has proven that it can deliver semi-detached, terraced rows of townhouses, conversions of existing buildings and even high rise apartment blocks (see page 55). Clearly such developments result in some limits to the choices available to occupants. For example, an apartment block may fully define the external look of the building and only offer interior layout options and fitting out of a shell to the occupier’s design specification.

Custom build suppliers encourage customer choice and it is integral to the sales process and maximised where possible. This is not just about kitchen or bathroom tiles or paint colours but offers choices over room layouts, design specifications and the ability to customise the home to suit an occupier’s needs.

Self-commissioned housing can also deliver affordable housing under a range of tenures, from intermediate affordable housing such as discount market sale and First Homes to shared ownership and even rental properties.

This may involve occupiers moving into a customisable property which they have finished to their design requirements with “sweat equity” that is offset against the cost of a deposit. In other cases, the occupants may even build the homes themselves.

**Richard Bacon MP’s Recommendations**

**Recommendation 1:** Greater role for Homes England The Government should create a new Custom and Self-Build Housing Delivery Unit within Homes England to enable the creation of serviced building plots on small and large sites and support the delivery of custom and self-build housing at scale across the country.

**Recommendation 2:** Raise Awareness of the Right to Build. The Government, working through Homes England in partnership with the custom and self-build industry, should create a custom and self-build housing Show Park and should strengthen existing legislation to mandate the wider publicity of Self-build and Custom Housebuilding Registers and the sharing of key data between willing landowners and people on registers.

**Recommendation 3:** Support Community-Led Housing, Diversity of Supply and Levelling Up the Government should reignite the successful Community Housing Fund; create accessible opportunities for communities to help themselves by introducing a Self-Help Housing Programme; and introduce a Plot to Rent Scheme.

**Recommendation 4:** Promote Greener homes and more use of advanced manufacturing The Government should recognise and support the pathfinding role of the custom and self-build housing sector in advanced manufacturing and in greener homes to accelerate the delivery of its wider Modern Methods of Construction and Net Zero Housing ambitions.

**Recommendation 5:** Support Custom and Self-build housebuilding through the Planning Reforms. The Government should ensure that the planning reforms in its White Paper Planning for the Future maximise the opportunities for access to permissioned land for CSB across all tenures, including making focussed changes to the Right to Build legislation to ensure that it achieves its objectives.

**Recommendation 6:** Iron out any tax creases. The Government should investigate the perceived disadvantages in the tax system between the CSB delivery model and other forms of housing, identifying specific actions where necessary to neutralise them.

To read the whole report go to:

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