

PLOTTING YOUR FUTURE

ROLLING OUT PLOT SHOPS
FOR SELF-BUILDERS
ACROSS LONDON



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Introduction

London is currently suffering a housing crisis, the likes of which has not been seen in recent times. By mid-century, it is very likely that the population of London will have increased to 11.3 million (a 37 per cent increase on the current population). This will undeniably put a significant strain on housing in the Capital. Indeed, in order to keep pace with this level of growth, 49,000 homes would need to be built every year until then. This will require a significant step-change in housebuilding.

It has been widely recognised in recent years that opening up the housing market to smaller builders is essential to increasing housing supply. The largest developers currently account for the vast majority of new homes built in London, with 70% of new market homes being built by just 23 developers.¹ Across the country, the number of small builders has halved since the 2008 recession.² This concentration of the market is unhealthy as it reduces the number of homes brought to market each year, with developers typically unwilling to flood the market.

Access to land is a key factor in this decline, and the main reason for this is the lack of availability of small sites, which are much more suitable for smaller developers and self-builders. Research by the Federation of Master Builders has found that over half of councils deliver fewer than 40% of homes on small sites, and 80% of smaller builders say that councils do not proactively engage with them³. Initiatives to open up more smaller sites to development, and to improve engagement between local authorities and smaller developers, including self-builders, therefore have significant potential to improve the housing market and increase housing supply.

As long ago as 2014, a report entitled “A Gap in the Market”, published by Steve O’Connell AM, called for such an increase in housing supply, which is desperately needed to meet demand and to bring house prices and rents under control. That report also suggested that the Mayor needs to look at creative solutions to help deliver this new supply, including self-building.⁴

The Mayor’s Housing Strategy, published on 6 September 2017, sets out plans for a new £250 million fund to buy land in London to build more affordable homes.⁵ However, these plans are unlikely to address the needs of self-builders who wish to purchase a small plot of land on which to build their own home.

This report argues that the Mayor should become more proactively involved with assisting local authorities who may be offering up some of their public sector land,

1. http://www.shelter.org.uk/__data/assets/pdf_file/0019/802270/Building_the_homes_we_need_-_a_programme_for_the_2015_government.pdf

2. Ibid

3. <https://www.fmb.org.uk/about-the-fmb/policy-and-public-affairs/new-fmb-research/>

4. <http://www.glaconservatives.co.uk/wp-content/uploads/2014/07/gap-in-the-market.pdf>

5. <https://www.standard.co.uk/news/mayor/sadiq-khan-sets-out-250m-plan-to-buy-more-land-for-new-homes-in-london-a3628121.html>

with 'serviced plot' permissions in place, to interested self-builders. 'Serviced plots' are shovel-ready sites with planning permission, where plots or parcels of land are laid out and ready for construction.⁶

There is a strong case for local authorities to provide self-builders with small plots within sites which the local authority may find difficult to develop itself, such as an infill or small sites. One effective method of making the purchase of such plots accessible to the public is the establishment of Plot Shops in the boroughs where the land will be made available for self-builders.

This report will outline the scale of the self-build sector in the UK; what methods are being used at home and abroad to promote and support self-builders; and what the Mayor can do to help this vital part of the housebuilding sector.



6. <http://www.homebuilding.co.uk/what-is-a-serviced-plot/>

The current state of the self-build sector

The self-build sector currently forms only a small part of the UK housing market. However, when compared to similar sectors in competitor countries, it is clear that this sub-sector has the potential to make a much greater contribution to housebuilding in the UK. Around 10 per cent of new homes in the UK are self-built, compared to 30 per cent in the Netherlands, around 50 per cent in France and Belgium, 60 per cent in Germany and 80 per cent in Austria.⁷

Clearly, we are far behind our European counterparts when it comes to utilising and promoting self-builders. Self-builders in this country find it difficult to flourish, either because of a lack of support or because of a lack of developable land that is designed for this type of construction. Over the past few years, there have been national and local efforts to address this disparity, and to increase the opportunities for self-builders in London and elsewhere.

National legislation has given new rights to self-builders and placed new obligations on local authorities. These new rights have been enacted through the Self Build and Custom Housebuilding Act 2015, the Housing and Planning Act 2016 and the Self-build and Custom Housebuilding Regulations 2016. Contained within these is the requirement for local authorities to: keep a register of local demand for serviced self-build plots; take into account those registered under this legislation when planning new housing initiatives; and count self-build completions as a part of the respective local authority's total affordable housing obligations.

In addition, from October 2016, local authorities now have a rolling three-year deadline to respond to all self-build demand within their registers. The Government's Housing Development Fund aims to provide access to £1 billion of loan finance for up to five years, supporting the provision of over 25,000 self and custom-built homes by 2025. Recent data obtained as part of the research for this report indicates that many, if not all, London boroughs will struggle to meet their self-build requirements.

In London, the previous Mayor Boris Johnson pioneered the 'Build Your Own Home the London Way' initiative, backed by £8m of funding, to actively support community builders. The previous Mayor also, after campaigning from Gareth Bacon AM, created a £5m self-build fund to help support new self-build homes on redundant sites. The cash supported the building of about 150 homes on disused sites, and was mainly used to subsidise construction costs.

The Gap in the Market report identified over 4,000 disused sites and spaces across just 13 boroughs of London that would be unsuitable for large developments, but would be perfect for smaller developers, including self-builders. These sites, which included old laundries, garages and store sheds, were ideal sites for the previous Mayor's self-build fund.

7. <http://www.glaconservatives.co.uk/wp-content/uploads/2014/07/gap-in-the-market.pdf>

More recently, the current Mayor, in his draft Housing Strategy published in September 2017, announced a 'Small Sites, Small Builders' scheme, aimed at bringing forward small publicly-owned sites for small developers, although as yet there is little detail about how this will be delivered. In order to ensure that the self-build sector receives all the support it needs, it is recommended that the current Mayor outlines and proceeds with his plans as soon as possible.

However, while such financial incentives and legislative reforms are to be welcomed, research conducted for this report demonstrates that the Capital's boroughs still have a long way to go to meet their new obligations. The table below highlights figures obtained from the 27 London boroughs who responded to our Freedom of Information request regarding the take-up in each of those boroughs relating to the current Right to Build Register.

The information requested from each London borough was as follows:

- How many people or organisations are currently on your Right to Build Register? Please break down on a yearly basis and whether the entry represents a person or an organisation.
- How many serviced plots have so far been provided to those on the Register and how many are likely to be provided in the future? Please break down by year and whether provided to an individual or an organisation.

The results (see Table 1) do not make for pretty reading. Even though there are 4,852 individuals and organisations registered on the Self-Build Register, since the scheme was introduced only four plots have so far been provided, and all by one borough: Bexley. Clearly, if London's local authorities are to match their statutory targets in the designated timeframe, they will have to significantly improve their performances.

Whilst recent initiatives aimed at stimulating demand for self-build and supply of land are to be welcomed, there is an opportunity for a new proactive approach that could help local authorities to meet their obligations and the Mayor to meet his ambitions. This new approach would be the establishment of Plot Shops in locations where there is land ready and available for self-building.

Table 1: The total number on the Self-Build Register and provided serviced plots⁸

London Borough	2016/17		2017/18		Serviced plots
	Individual	Group	Individual	Group	
Barking & Dagenham	0	0	0	0	0
Barnet	32	2	1	0	0
Bexley	36	0	10	0	4
Brent	38	0	22	0	0
Bromley	n/a	n/a	n/a	n/a	n/a
Camden	442	2	17	1	0
Croydon	n/a	n/a	n/a	n/a	n/a
Ealing	23	0	8	0	0
Enfield	n/a	n/a	n/a	n/a	n/a
Greenwich	87	5	n/a	n/a	0
Hackney	n/a	n/a	n/a	n/a	n/a
Hammersmith & Fulham	n/a	n/a	n/a	n/a	n/a
Haringey	42	2	130	3	0
Harrow	219	1	140	1	0
Havering	116	1	88	1	0
Hillingdon	52	0	39	0	0
Hounslow	19	0	102	2	0
Islington	30	1	2	0	0
Kensington & Chelsea	13	0	31	0	0
Kingston upon Thames	36	10	55	6	0
Lambeth	338	1	237	4	0
Lewisham	44	4	42	1	0
Merton	195	1	8	1	0
Newham	13	0	22	0	0
Redbridge	12	0	9	1	0
Richmond	418	2	284	1	0
Southwark	31	0	34	1	0
Sutton	2	0	11	0	0
Tower Hamlets	61	0	74	0	0
Waltham Forest	286	5	122	4	0
Wandsworth	356	1	280	2	0
Westminster	56	0	20	0	0
Total	2997	38	1788	29	4

8. Information obtained from Freedom of Information requests

What is a Plot Shop?

A Plot Shop is a marketing suite from where the sale of building plots is administered and promoted to the public. It is like a 'municipal estate agent' or an on-site marketing facility a traditional big developer would provide for a large housing project.

The concept is already widespread in the Netherlands. A Plot Shop, or *kavelwinkel* to give its Dutch name, is where a potential homeowner can visit and interactively browse through the available plots and put an offer in if they would like to purchase one. These outlets, which are normally run and operated by municipal authorities, are a popular means through which Dutch self-builders can identify and purchase appropriate plots of land.

At these outlets, masses of information is provided from the Plot Shop experts, and potential buyers are put in touch with manufacturers and developers to help them in the next stage of building their home. This makes the process much less daunting. Local authorities issue the building permits, which set out the parameters of what can be built.

The selection of different sizes, locations and build types (or 'products'), ensure that self-builders of various financial capabilities can be served by these council-led outlets. First time buyers with typically smaller budgets could find a suitable self-build product at these 'shops', as well as those looking to build a more elaborate or 'grand' design.

The UK's first Plot Shop, located outside Greater London in Bicester, opened its doors in May 2017. This outlet sells plots of land on the Graven Hill site in Oxfordshire to those wishing to build their own home. It serves both those who wish to build their new homes from scratch and those who would rather purchase a 'kit' home.⁹

The managing director of the Graven Hill Village Development Company has been quoted as saying, "More than 13,000 people built their own home in the UK last year [2016], but it is often seen as something that is only for the wealthy or achievable if you work in construction. In reality, that is not the case; building your own home can be one of the ways that those with a limited budget can actually get a foot on the property ladder."¹⁰

Plot Shops are effective because they function as a one-stop-shop for prospective self-builders, who often find the planning process confusing and who lack the holistic support they need to become developers. It is often the case that those thinking of buying a plot will have many questions, so they need to have somewhere where

9. <https://www.gov.uk/government/news/launch-of-the-uks-first-plot-shop>

10. <https://gravenhill.co.uk/blog/view/bicester-plot-shop-all-set-to-open-its-doors-to-the-public>

they can meet with the team from the local authority and get the answers and reassurances they will need.

All Plot Shops provides this support. These outlets also allow the prospective self-builder to view 3-D models, plans and artists' impressions of how their development is likely to look in order to get a better feel for their project.

For the Graven Hill site in Oxfordshire, a novel delivery method has been created for all self-build plots that is intended to guide customers (and their respective design teams). The planners for the site have developed 'Plot Passports', which are, in essence, succinct inventories of the various design parameters, permissions and possibilities associated with a particular plot.



The Plot Shop in The Hague is located in the main public area of the council's offices in the heart of the city. From here it markets opportunities across the entire urban area.

The Passport contains three illustrated sections. The first summarises the main features of the plot, complimented by a plan and key to assist designers with the production of initial sketch proposals. The second section provides a list of all the design rules associated with a particular plot; and, finally, the third section details the range of façade finishes and roofing options available if located in an area subject to a material palette.

Plot Passports act as a key reference point for a plot purchaser, capturing all relevant information from the Graven Hill Village Design Code, the approved Masterplan, Local Development Order and the local authority Outline Planning consent in an easily understood and readily accessible format. This is a model that could be easily replicated for London self-build developments in order to better serve consumers. Such innovations should be reviewed and promoted by the Mayor of London as part of his planning and housing roles as a possible policy intervention or planning requirement for self-build developments.

Conclusion

Self-building presents a potentially exciting addition to the broader London housebuilding mix. If the Capital can begin to achieve self-building rates similar to those achieved on the Continent, then London's construction capabilities would be significantly improved. Utilising smaller and infill sites is key to ensure supply can finally match demand, and self-building must be a key part of that.

However, despite a flurry of recent legislative activity, London is failing to adequately support the self-build market, as figures obtained as part of the research for this report indicate. The figures provided by local authorities in the Greater London area demonstrate that more needs to be done to provide opportunities for self-builders. Of the 4,852 people and organisations that have registered an interest to self-build, only four serviced plots have been provided. This cannot be acceptable.

As has been highlighted in this report, Plot Shops provide a tried and tested model through which the Mayor and London local authorities could begin to better connect prospective self-builders with parcels of 'shovel ready' land. The Mayor has a vital role to play in helping to achieve this and he should make it one of his housing priorities going forward.

With London's population surging and large developers struggling to match demand, inaction on self-building is no longer an option.



Recommendations

Below is a list of four recommendations that, if implemented by the Mayor of London and the boroughs, could do a lot to promote and support the burgeoning self-build sector in the Capital. Self-building must become a greater a part of the housebuilding mix in London; the GLA and all boroughs should recognise this.

1. London boroughs, with assistance from the Mayor, should establish Plot Shops in their local area, making serviced plots of land available to individual self-builders. This could include land owned by local authorities, other public bodies, or housing associations. New Plot Shops could help the boroughs fulfil their own self-build requirements.
2. The Mayor should set up a Plot Shop Fund, as part of his broader £250m new and affordable housing fund, from which local authorities, other public bodies or housing associations could bid for monies to set up Plot Shops on their own land. Funding could assist with set-up, staffing and maintenance of the Plot Shops, or in preparing the serviced plots of land.
3. The Greater London Authority should host a dedicated website to inform and direct interested parties towards the appropriate local authority or Plot Shop dedicated website. This 'hub' website should act as both a portal for those interested in becoming a self-builder and more experienced developers looking to purchase serviced plots.
4. The Mayor should himself establish a pilot Plot Shop project using TfL land and other land owned by the GLA Group of bodies. Not all the land controlled by the Mayor will be suitable for large developments. Such land should be earmarked for small developers and self-builders to maximise the number of housing completions delivered on GLA land.



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