

# Three Dragons

## NEW TOOL FOR ASSESSING THE DEMAND FOR CUSTOM AND SELF BUILD HOUSING

Three Dragons, in association with the Right to Build Task Force<sup>1</sup>, is preparing a new demand assessment tool to support local authorities in planning for Custom and Self Build housing<sup>2</sup>. The tool will provide an estimate of future demand for Custom and Self Build housing at district level.

### Why is the tool needed?

The Self-Build and Custom Housebuilding Act 2015 and the Housing and Planning Act 2016 introduced three duties on local planning authorities to meet demand for Custom and Self Build housing (collectively known as “the Right to Build”). This legislation requires local authorities to:

- prepare, publicise and maintain a register of individuals and associations of individuals “who are seeking to acquire serviced plots of land”;
- have regard to the register “when carrying out their planning, housing, land disposal and regeneration functions”; and
- give suitable development permission for enough serviced plots of land to meet the demand for Custom and Self Build housing in their area on a rolling, three-year, basis.

These duties do not however override the National Planning Policy Framework which asks local planning authorities to assess the demand for Custom and Self Build housing and use their local plans to meet such demand. Government Guidance also says that councils should use the information from their registers, supported as necessary by data from other sources, when preparing their Strategic Housing Market Assessment (SHMA) to understand and consider future need for such housing locally.

Current practice has shown that local registers provide a short-term supply-led picture and can be a significant under-representation of latent demand, unsuitable to inform longer-term site allocations and policies in local plans. Most SHMAs have not really filled this gap which can result in few or no land allocations in local plans. Many local authorities are now also seeking proportions of serviced plots on larger sites with little evidence, risking objection from builders and landowners and the deletion of such policies at Local Plan examinations.

There is therefore a need for a tool to help local authority planners gather enough evidence to enable them to plan confidently for Custom and Self Build housing. The demand assessment tool will be of considerable value to local authorities by assisting in the making of informed planning decisions.

### What does the tool do?

The new Custom and Self Build Demand Assessment Tool will provide estimates of the demand for Custom and Self Build homes by district. Outputs are summarised in a short report for the local authority or other customer<sup>3</sup>, covering:

- the legislative context and national policy expectation;
- the local authority policy position including relevant information from SHMAs and the local authority’s demand register; and
- an assessment of Custom and Self Build demand for the local area, with recommendations for action and steps the organisation could take to meet this demand.

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## How does the tool work?

The main output will be a series of datasets which describe current levels of demand for different types of Custom and Self Build housing for different household profiles having regard to levels of affordability and patterns of overall supply. As well as estimating demand at a detailed level for Custom and Self Build housing for the next five years it will give broad estimates of additional demand that may arise during the local plan period. Subject to successful piloting, it will provide information about the:

- overall demand for Custom and Self Build housing in the district, or housing market area, to which it has been applied;
- demand for different types of Custom and Self Build homes (principal build routes);
- demand for different types of building plots;
- demand from households unable to afford to access the market;
- potential cost of local building plots (where there is available data);
- interest in collective projects ('associations of individuals').

## How does the tool relate to the new approach to assessing local housing need?

The Government's proposed new national approach to assessing local housing need set out in Planning for the right homes in the right places: consultation proposals (DCLG, September 2017) makes clear that the Government wants to make it easier for local planning authorities to identify the need for other types and tenures in their area,

including Custom and Self Build housing. The new tool will assist with the process of making evidence based judgements and will be fully compatible with the new approach.

## When will the tool be available?

The tool is currently being finalised and will be piloted with several local planning authorities between November 2017 and March 2018. It will be formally launched in Spring 2018.

## For more information about the new tool please contact

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If you are interested in the work of the Right to Build Task Force please contact –  
[taskforce@nacsba.org.uk](mailto:taskforce@nacsba.org.uk)

Or download more information here:  
[www.righttobuildtoolkit.org.uk](http://www.righttobuildtoolkit.org.uk)



## References

<sup>1</sup> The Task Force was launched by the National Custom and Self Build Association in February 2017 with funding from the Nationwide Foundation to support local authorities, community groups and other organisations across the UK to deliver significantly more affordable Custom and Self Build housing projects. The Task Force is endorsed by the Government in its White Paper *Fixing our broken housing market* and is supported by several partners including the Building and Social Housing Foundation, Local Government Association, National Housing Federation, Royal Institution of Chartered Surveyors and Royal Town Planning Institute.

<sup>2</sup> Self Build housing can involve people doing some of the construction work of their homes themselves, through to working with 'turn-key' design and build contractors on their plots of land. Custom Build housing can involve a housebuilder offering a pattern book of options through to models where multiple home manufacturers can be chosen, giving an almost infinite variety of house designs. It does not include developer off-plan sales, nor developers giving clients limited fit-out choices. The legal definition is set out in Section 9 of the Housing and Planning Act 2016.

<sup>3</sup> Although the main customers for the tool will be local authorities who are preparing or reviewing their local plan, the tool will also be of interest to neighbourhood planning groups and larger site promoters, such as garden town and villages, to assess the local demand for Custom and Self Build housing to inform their proposals.