



Campaign to Protect
Rural England
Standing up for your countryside



INCREASING DIVERSITY IN THE HOUSE BUILDING SECTOR

The Need to Re-establish Small and Medium Sized
Enterprises in Housing Construction

Foresight Paper No.1

Campaign to Protect Rural England: Housing Foresight Series

The objective of the Campaign to Protect Rural England's Housing Foresight Series is to provide evidence-based research papers that support innovative policy solutions to critical housing issues.

The purpose of the series is not to set out the Campaign to Protect Rural England's official policy position on the future delivery of housing. Rather, it will explore a number of 'blue-sky' policy solutions with the aim of inciting and provoking wide ranging discussion over the future shape of housing policy.

With this in mind, we welcome comment on the policy solutions identified within the Housing Foresight Series.

Over the next two years, eight research papers will be released that examine different areas that are impacting upon the delivery of housing in England. We welcome any recommendations on subject matters for these papers. Please email lukeb@cpre.org.uk

Housing Foresight Series Papers So Far

1. **Increasing Diversity in the House Building Sector (Published: July 2014)**
2. **Residential Development, Viability and Brownfield Land (Working Title, Proposed Publication Date: August 2014)**

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Executive Summary

- Traditionally, small and medium sized house builders have played a crucial role in the construction of new housing in England and they have been responsible for delivering over 40% of housing stock as recently as 1995. Since 2008 however, the residential construction sector has been increasingly dominated by volume house builders.
- This paper explores the consequences of the dominance of volume house builders in the construction of new housing. It shows that the current structure of the sector is having potentially harmful impacts on the supply levels, location and design of new housing in England.
- The paper shows that the re-establishment of smaller and medium sized house builders in the residential construction sector carries a number of benefits. These include the potential to increase housing supply levels to aid in meeting the current high levels of national demand.
- Small and medium sized house builders can deliver property to a high design specification, especially through mechanisms such as custom/self build which is being supported by the current Government. Encouraging increased housing development by these companies can also prevent unnecessary and inappropriate housing development on the Green Belt and in rural areas as they are well placed to deliver new homes on smaller brownfield sites located within urban areas.
- A number of barriers exist that prevent small and medium sized house builders from entering the market. These include the ability of smaller organisations to access finance and purchase developable land due to the high expense and constrained supply of land available on the open market. The cost and complexity of the information required to obtain planning permission has also acted as a barrier that prevents smaller and medium sized organisations delivering more housing. To overcome these barriers, the paper suggests the following potential policy options.

Summary of Policy Options for Discussion

1. Promoting Small-Scale Brownfield Sites:

The obligatory identification and allocation of smaller brownfield sites in the preparation of housing supply plans

2. Funding Smaller Builders:

Facilitating access to finance for small and medium sized house builders

3. Simplifying Small Applications:

Decreasing the cost of obtaining planning permission for residential development of under ten units on brownfield land

4. Providing Design Codes:

Using Design Codes that can facilitate the planning process of custom/self-build housing delivered by smaller and medium sized house builders



Introduction and Background

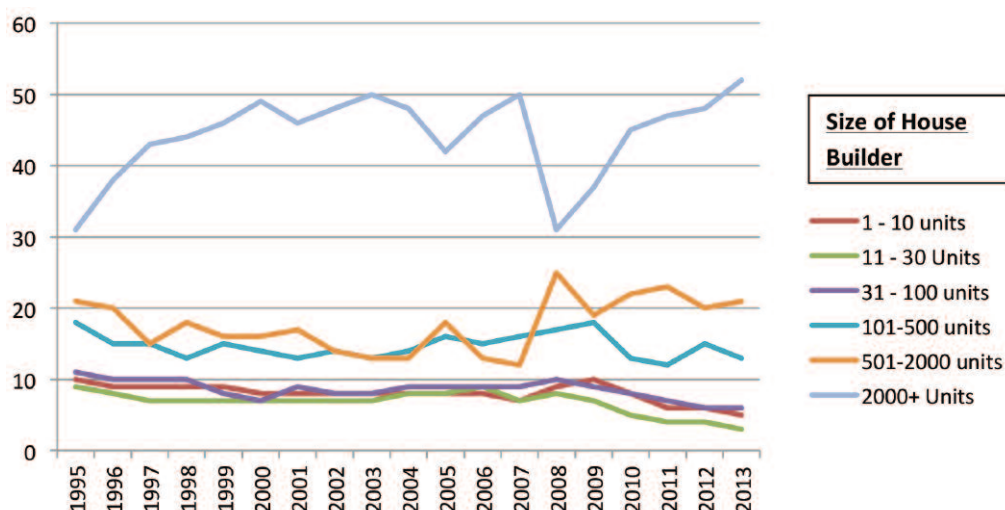
1.0 The Demise of smaller and medium sized house builders

Over the past 25 years, the scale and type of the companies that deliver new housing in England has undergone significant transition. The role of smaller and medium sized house builders (organisations that deliver between 1 – 500 new houses annually¹) in the construction sector has been significantly reduced. As recently as 1995, small and medium sized house builders were responsible for delivering approximately 40% of new housing stock. However, in 2013 small and medium sized house builders delivered less than a quarter of all new dwellings. Large scale volume house builders are now the dominant force in housing construction, with approximately half of all new homes developed by just eight organisations in 2013.

¹ Griffiths, M. and Jeffreys, P. 2013, Solutions for the housing shortage: How to build the 250,000 homes we need each year, A Report For Shelter

Proportion of Output by Size of House Builder - Percentage of New Housing Registrations by Companies Annually Registering with the NHBC²

² National House Building Council, 2013, Registration Output by Size Statistics, National House Building Council.



(Source, NHBC Statistics 2014)

³ FTI Consulting, 2012, Understanding Supply Constraints in the Housing Market, A Report Prepared for Shelter.

⁴ Royal Institute of British Architects, 2009, Improving Housing Quality: Unlocking the market, RIBA

This policy paper explores the consequences of the current lack of diversity in the housing construction sector on the location, supply levels³ and design⁴ of new housing delivered in England. It argues that the re-establishment of small and medium sized house builders is essential to protect the English countryside from unnecessary and inappropriate housing development, boost the amount of new housing delivered on brownfield sites and improve the specification of new housing in terms of design and sustainability. The paper concludes by identifying potential policy options that can increase the number of appropriately located and well-designed dwellings delivered by small and medium sized house builders.

2.0 The Need to Re-establish Small and Medium Sized House Builders

2.1 Increasing the supply of housing on brownfield land and the speed at which housing enters the open market.

⁵ Department of Communities and Local Government, 2011, The National Planning Policy Framework, UK government

⁶ The Campaign to Protect Rural England, 2014, Community Control or Countryside Chaos?, The Campaign to Protect Rural England

⁷ Jenks, M., Burton, E. and Williams, K. 1996, The Compact City: A Sustainable Urban Form?, Spon Press.

⁸ Power, A. 2013, Green Social Democracy: Better Homes in Better Places, The Green Alliance

⁹ Power, A. and Lane, L. 2010, Housing Futures: Our Homes

The national planning policy framework has placed less policy emphasis on the development of brownfield land than previous national planning guidance documents⁵. This has led to an increase in development proposals on Green Belt and in rural areas⁶. Volume developer's favour these greenfield sites because they are typically less complex to develop than brownfield sites and can usually deliver a larger quantity of profitable housing⁷. Local housing supply plans rarely take into account available small brownfield sites of under two hectares.⁸ Small and medium sized house builders have the potential to alleviate pressure on unsuitably located housing development by boosting housing supply levels on these small brownfield sites. Due to their size, specialisms and adaptability smaller companies are more likely to be attracted to the returns that these smaller brownfield sites can offer than volume house builders and can increase housing delivery on sites of this capacity.⁹

The business plans of smaller organisations rely on the quick completion and marketing of dwellings to ensure returns. This allows development proposals to be built out and marketed rapidly, unlike the drip feed and phased marketing techniques¹⁰ utilised by volume house builders on large greenfield sites that ensure maximum profits but mean that housing is slow to come onto the open market. Increasing the number of high quality dwellings delivered on suitable small scale brownfield sites by small and medium sized house builders has the potential to meet a significant amount of housing demand and prevent inappropriate development on Green Belt and rural sites¹¹. Please see Good Practice Case Study One on page 17 for an example of a small sized and complex urban brownfield site developed successfully by a small house builder.

2.2 Delivering housing that is sensitively designed, sustainable and embraces the unique character of local areas.

When developing housing, previous evidence has suggested that volume house builders often adopt a formulaic and mechanistic approach to design, focusing on cost and space efficiency¹², and housing delivered frequently lacks a 'sense of place, character and identity'¹³. This has led to widespread consumer dissatisfaction with the design of new housing. A recent Royal Institute of British Architect's survey identified that only around 25% of respondents stated that they would choose to buy a home built within the last ten years due to perceived problems with character, size and storage space¹⁴. Furthermore, housing in England fares poorly in terms of energy efficiency when compared with many European countries¹⁵.

¹⁰ McDonald, N. 2014, LSE
London Response to
Consultation on Mayor's Draft
Housing Strategy, London
School of Economics.

¹¹ Green Balance, 2011, Building
on a Small Island: Why we Still
need the Brownfield First
Approach, The Campaign to
Protect Rural England

¹² Tiesdell, S. and Adams, D. 2004,
Design matters: major house
builders and the design
challenge of brownfield
development contexts, Journal
of Urban Design

¹³ Payne, S. 2013, Pioneers,
pragmatists and sceptics:
Speculative house builders and
brownfield development in the
early twenty-first century, Town
Planning Review

¹⁴ Royal Institute of British
Architects, 2011, RIBA/
YOUGov poll in "Case for
Space", RIBA

¹⁵ Guertler, P. 2013 Fact-file: The
Cold Man of Europe,
Association for the
Conservation of Energy



It is recognised that there is a need to deliver new housing in urban and rural England, but it is essential these new homes are appropriately and sensitively designed and located. Many locally based small and medium sized house builders are more accustomed to building at a higher specification in terms of building standards and sustainability¹⁶ than volume house builders. This specialism means that smaller companies are well placed to develop housing that better embraces, and is sensitive to, the unique design characteristics of local areas as well as being more energy efficient¹⁷. Please see Good Practice Case Study Two on Page 18 for an example of high quality and appropriately designed rural housing developed by a small sized house builder.

Smaller and medium sized house builders have the potential to take advantage of the current Government's focus on increasing the amount of custom/self build housing in England. This type of housing is often tailored to individuals and therefore requires higher design specification than generic housing built by volume developers. It is not an objective of volume house builders to deliver custom/self build housing due its small scale nature and limited returns¹⁸. The small scale and specialist nature of custom/self build development is compatible with the business strategies of many small and medium sized house builders and through this supply method these smaller companies can increase the overall supply of housing¹⁹.

¹⁶ Building and Social Housing Foundation , 2013, Creating the Conditions for New Settlements in England, BSHF

¹⁷ Power, A. and Lane, L. Housing Futures: Our Homes and Communities, A Report for the Federation of Master Builders

¹⁸ Wallace, A. Ford, J. and Quilgars, D. 2013, Build-it-yourself? Understanding the changing landscape of the UK self-build market, Centre for Housing Policy

¹⁹ Ibid

3.0 The Barriers Preventing Small and Medium Sized House Builders from Delivering Housing

3.1 Access to land

Accessing and assembling land for residential development is the most important element in delivering new housing. However, evidence suggests that small and medium sized house builders may be prevented from delivering housing because they cannot access development land due to the high expense and low supply levels of land that is available to purchase. The planning system necessarily limits the amount of land allocated for housing development with the aim of preventing urban sprawl and inappropriate development. This contributes to the low supply and high expense of land for residential development, but is not the only factor creating this barrier to entry for small and medium sized house builders.

Volume house builders often purchase land in advance of development creating both short term and strategic, longer term land banks²⁰. These longer term sites are often purchased via option agreements with landowners. This type of agreement typically sees a developer pay a landowner the existing use value for land, with the option of paying them increased amounts in the future with the granting of planning permission to a more valuable land use. This type of agreement benefits the developer as it gives them long term security and the opportunity to gain from rising land prices²¹. Volume house builders are generally better placed to have an extensive knowledge of the planning system and can therefore identify sites that are likely to be allocated for housing in the medium or long term and can even influence local planning authorities to allocate these sites²². This means that a local planning authority is likely to grant planning permission for housing to land held by volume house builders, especially if it under pressure to meet targets.

Volume house builders are also usually very well connected and have access to a network of local agents and buyers. Land buying often depends on local knowledge and land which is suitable for residential development may not reach the open market if volume developers use local agents to agree a purchase with the landowner before sites become available on the open market²³.

The above factors show that the land banking strategies utilised by volume house builders ensure that any land released by the planning system is 'highly likely to be retained by existing actors, while the vertical integration model of UK builders ensures that land is captured far upstream of the actual building process²⁴.' The current system of identifying and purchasing land prevents small and medium sized house builders from being able to access land on which they can build new homes.

Furthermore, volume house builders often acquire land through merger and acquisition activity, rather than organic business growth²⁵. This strategy of acquisition stifles the growth of smaller and medium sized house builders and prevents land from becoming available on the open market and this leaves no chance for smaller and medium sized house builders to be able to purchase land on the open market.

Land ownership in England is fragmented with a range of organisations including trusts, institutions, educational bodies, volume house builders and the public sector owning a significant amount of land that is potentially appropriate for residential development²⁶. However, each organisation has the objective of maximising returns on the sale of land this is often the key determinant on the timing of which, and whether land becomes available on the market. This need for the maximisation of returns limits the availability of appropriate land for residential development on the market and increases expense, which means that many smaller and medium sized house builders, with limited resources cannot afford to access land to develop housing.

²⁰ Cochrane, A. 2014, Spatial policy and Volume House-Building: Lessons from a Growth Region

²¹ FTI Consulting, 2012, Understanding Supply Constraints in the Housing Market", FTI Consulting Report of Shelter

²² Bramley, G., Bartlett, W. and Lambert, C. 1995 Planning, the Market and Private House Building, University College London Press

²³ Griffith, M. 2011, We Must Fix it, Delivering Reform of the Building Sector to Meet the UK's Housing and Economic Challenges, The Institute of Public Policy Research

²⁴ Ibid

²⁵ Office of Fair Trading, 2008, Investigating Financing for Homebuilders

²⁶ Royal Town Planning Institute, 2013, Delivering Large Scale Housing

3.2 Access to finance

The inability of small and medium sized house builders to access finance through loans is a key barrier that prevents these organisations from being able to deliver housing²⁷. Unlike volume house builders that can use a range of financial instruments to raise capital such as bond financing, small and medium sized house builders are constrained in their financial options, relying on loans to finance business activities. Since the recent financial crisis, the volatile and unpredictable nature of residential development has impacted especially upon small and medium sized builders. This has made these organisations an unattractive proposition to potential lenders²⁸.

Historically, small and medium sized house builders have relied on banks to provide them with finance to carry out development. However, even though 20% of small and medium sized enterprises in England are construction based companies, Bank of England lending figures indicate that these companies account for only 7% per cent of all bank lending to firms of a comparable size²⁹. These statistics show that banks have increasingly ceased lending to smaller and medium sized builders as a result of the financial crisis and this has had key implications on entry to the market and the level of housing supply delivered by small and medium sized house builders.

3.3 Access to public sector contracts for affordable housing delivery

Public sector construction contracts, which cover spending by organisations in the public sector such as local government and housing associations, are worth '£37 billion per annum representing 38% of UK construction output³⁰.' However, despite the Government's intention to increase the number of small and medium sized house builders contracted by the public sector, many smaller construction firms are finding it difficult to win public sector work. The key barrier that prevents smaller companies winning these types of contract is the high level of resources required to fill out pre-qualification questionnaires. These are highly complex and require detailed knowledge and can be up to 100 pages long. As a result of this length many organisations without dedicated administrative staff may struggle to fill out these forms.³¹

²⁷ FTI Consulting, 2012, Understanding supply constraints in the housing market", FTI Consulting Report of Shelter

²⁸ Europe Economics, 2014, How to Increase Competition, Diversity and Resilience in the Housebuilding Market? A Report for Shelter

²⁹ Bank of England, 2014, Trends in Lending: January 2014.

³⁰ The Federation of Master Builders, 2013, Improving public procurement for construction SMEs, The Federation of Master Builders

³¹ Ibid

The design of framework agreements favour major contractors as points are awarded at the prequalification stage based on the capacity of the firm, including whether or not it has the resources required to successfully deliver the contract. Smaller companies find it difficult to prove to public sector clients that their annual turnover is sufficient to cope with the size of contract being offered. The Federation of Master Builders evidence suggests that public sector clients are being overly cautious when assessing a firm's capacity to deliver in terms of its annual turnover and as such they are not awarding contracts to smaller firms³². These two barriers are preventing small house builders from being able to deliver affordable housing with the result that this market is dominated by large contractors.

³² Ibid

3.4 The high costs incurred in obtaining planning permission

The range of costs incurred in applying for planning permission for residential development is a key barrier that prevents smaller and medium sized house builders from being able to deliver significant amounts of new housing. To successfully obtain outline or full planning permission, applicants typically have to pay four significant costs³³: planning application fees, professional fees to acquire the complex information needed to submit a planning application, the time spent by company employees engaging in the planning process, and the incurred cost of planning delay while applications are considered.

³³ Cardiff University School of City and Regional Planning, 2008, Small Businesses and the Planning System in Wales, Federation of Small Businesses in Wales

Small and medium sized house builders generally have limited resources. Obtaining planning permission for small scale residential development is uncertain and even outline permission requires a very detailed level of information to be submitted with applications. This information can be expensive to acquire³⁴ and often relies on the knowledge of external consultants. The current system of submitting applications is expensive and risky as there is no guarantee that the local authority will view the development proposal as acceptable. This uncertainty and expense has the potential to act as a key barrier preventing smaller and medium sized house builders from entering the market.

³⁴ Greater London Authority, 2014, Encouraging Diversity in London's House Building Industry: Report to Housing Committee (25 March 2014)

On top of these costs, small and medium sized house builders generally also have to deliver the same levels of contribution to secure planning permission via section 106 agreements and the community infrastructure levy as volume developers. The high levels of contribution required can be a key factor in making development schemes economically unviable to small and medium sized house builders while volume house builders are more able to meet the requirements or challenge them through negotiations with local planning authorities.

4.0 Policy Solutions to Increase the Role of Smaller and Medium Sized House Builders in Housing Delivery

4.1 The obligatory identification and allocation of smaller brownfield sites in the preparation of housing supply plans

³⁵ The Campaign to Protect Rural England, 2014, Community Control or Countryside Chaos?, The Campaign to Protect Rural England

³⁶ The National Trust, 2013, Research Survey by Local Government Information Unit on Local Authorities Attitude to Greenbelt available from <http://www.nationaltrust.org.uk/article-1355816496611/>

The adoption of the national planning policy framework has led to more housing being allocated on greenfield sites³⁵. A 2013 Local Government Information Unit survey identified that '51% of councils in England with Green Belt land are preparing to allocate some of it for development whilst brownfield sites throughout the country are overlooked'³⁶. The allocation of large greenfield sites has negative consequences for the countryside and also prevents small and medium size house builders entering the market as they do not have the resources to develop such sites. It also increases the amount of time it takes for new houses to come to market due to the complex assembly and planning process associated with such sites.

To incentivise the development of appropriate brownfield sites it is essential that a sequential method of allocating land for development which places brownfield land as a priority over greenfield land is applied. This can build upon previous methods such as those seen in Planning Policy Guidance Three (2000) and Planning Policy Statement Three (2006). There is a particular opportunity for appropriate brownfield sites owned by the public sector and brownfield sites of under two hectares to take precedent and be allocated for development by smaller and medium sized companies before the allocation any greenfield sites.



A sequential brownfield land first policy and the obligatory identification and allocation of smaller brownfield sites for residential development would support the re-establishment of small and medium sized house builders, increase housing supply and help ensure that greenfield land is protected from inappropriate housing development.

4.2 Improving access to finance for small and medium sized house builders

As identified above, a key barrier that prevents small and medium sized house builders being able to deliver significant amounts of housing on appropriate brownfield sites is access to finance. Lenders make a decision to invest on a site based on the risk taken and the financial reward gained; many institutions consider the volatile nature of the housing market and the cash flow structure of small developers as high risk and therefore withhold finance to small developers.

It is essential that the Government takes steps to facilitate lending to smaller and medium sized house builders. The £525 million builders finance fund³⁷ announced in the 2014 budget is focused on unlocking existing 'stalled' development sites already held by house builders. If market entry for smaller house builders is going to be facilitated, the government may need to implement initiatives that alleviate the wider issue of the ability of these companies to access finance to purchase land for new development rather than focusing on existing stalled sites.

The Government consultation that is currently being carried out regarding the matching of small and medium sized enterprises rejected for finance with alternative lenders³⁸ may potentially facilitate small and medium sized house builders to secure finance. However, it is clear that the Government needs to do more to support smaller and medium sized house builders borrowing from banks, and a system of government guarantees on money loaned to these companies (a policy idea which has been preliminary suggested by Labour as part of their 'help to build' scheme³⁹) may be the most effective way of ensuring that small and medium sized house builders can access finance.

The establishment of a municipal investment corporation linked to a British investment bank can allow private investment to be mobilised and fund house building by small and medium sized companies.⁴⁰ The establishment of such an organisation would incentivise local authorities to promote housing development and local growth as there would be a secure source of finance that can be lent to organisations to deliver infrastructure and new housing⁴¹. Such a mechanism would facilitate access to finance to small and medium sized house builders and aid them in delivering an increased number of homes.

³⁷ HM Treasury, 2014, The Budget 2014

³⁸ Government Consultation, 2014, SME finance: help to match SMEs rejected for finance with alternative lenders

³⁹ The Guardian, 2014, Cut Help to Buy, Start Helping to Build, says Ed Balls, The Guardian Article and Interview available from <http://www.theguardian.com/politics/2014/mar/14/cut-help-to-buy-ed-balls-shadow-chancellor-economic-recovery>

⁴⁰ Falk, N. 2014, Funding Housing and Local Growth: How a British Investment Bank Can Help, The Smith Institute

⁴¹ Dolphin, T. and Nash, D. 2012, Why We need a British Investment Bank, The Institute of Public Policy Research

4.3 Decreasing the cost of obtaining planning permission for residential development of under ten units on brownfield land.

⁴² The Cambridge Centre for Housing and Planning Research (Burgess, G. et al.), 2014, The nature of planning constraints, Report to the House of Commons Communities and Local Government Committee

⁴³ The Federation of Master Builders, 2012, Communities and Local Government - Planning, Housing and Growth, Written evidence from the Federation of Master Builders, UK Parliament

⁴⁴ UK Parliament, 2013, The growth and Infrastructure Act, Parliament

As stated above, the complexity of information required by local planning authorities and the expense of obtaining this information from external experts is a key barrier preventing small and medium size house builders from delivering housing⁴². If the chances of achieving an implementable planning permission for a financially viable project are not sufficiently strong to outweigh the time and expense of submitting a planning application often smaller and medium sized house builders will not take the risk of making an application⁴³. It is essential to reduce the uncertainty caused by planning and to limit the costs of planning applications.

Information submitted with planning applications 'must be reasonable, having regard to the nature and scale of the proposed development, and may require particulars or evidence about a matter only if it is reasonable to think that the matter will be a material consideration in determining the application'⁴⁴ To ensure that housing supply is boosted and to facilitate the development of appropriate and well-designed housing on brownfield land, local authorities have the opportunity to consider and clarify what necessary information is required to secure planning permission for proposed residential development on brownfield sites of under ten units. This fast track mechanism would reduce risk in the planning process on appropriate small scale brownfield sites and would help increase the number of dwellings delivered by small and medium sized house builders.

There is also the opportunity for local authorities to explore the reduction or exemption of the community infrastructure levy for residential development proposals of ten units or under by smaller and medium sized house builders on complex small scale brownfield sites of under ten units. This has the potential to facilitate the development of housing on small scale brownfield sites that have previously proved too complex to deliver and increase overall housing supply on brownfield land.



4.4 Using design codes to facilitate custom/self build housing by smaller and medium sized house builders

As stated above, the Government's current policy focus is on increasing custom/self build housing and local authorities are being encouraged to identify suitable land for custom/self build development⁴⁵. Government policy has also recently eased the financial burdens⁴⁶ of delivering this type housing by exempting it from the community infrastructure levy⁴⁷. However, a potentially complex barrier to the delivery of custom/self build housing is the planning and design process, in which the stakeholders involved in a development (developer, landowners, local communities, purchasers and planning authority) each wish to have control over the design process of a development⁴⁸. The uncertainty and delays associated with negotiations surrounding the design and planning process can increase costs for smaller and medium sized house developers making custom/self build unattractive.

While the custom/self build method of housing delivery has a strong opportunity to deliver increased amounts of well-designed housing on appropriate development sites, it is essential that this type of development is community led, with the design of developments considered to be acceptable by local communities. The use of design codes that have been drawn up collaboratively between the local planning authority, developers, the local community and landowners can facilitate the planning process and ensure the appropriate and sustainable design of projects⁴⁹. Design codes can also provide greater transparency and reduce risk in the development, allowing smaller specialist house builders, who are best placed to carry out this type of development, to successfully deliver this type of development. Please see Good Practice Case Study Three Page 19 for an example of custom or self build housing successfully being delivered with the use of design agreements in place.

⁴⁵ UK Government, 2014, Community Right to Build, available from <https://www.gov.uk/government/policies/giving-people-more-power-over-what-happens-in-their-neighbourhood/supporting-pages/community-right-to-build>

⁴⁶ UK Parliament, 2014, Community Infrastructure Levy England and Wales, UK Parliament

⁴⁷ The National Self Build Association, 2013, How private sector builders and developers can get involved in delivering more Custom Build Homes- A Practice Guide

⁴⁸ Building and Social Housing Foundation, 2013, Creating the Conditions for New Settlements in England, BSHF

⁴⁹ Building and Social Housing Foundation, 2013, Creating the Conditions for New Settlements in England, BSHF



Conclusion

The consolidation of large scale volume house builders in the housing construction market has created a lack of diversity in the organisations that are delivering new housing in England. A consequence of this lack of diversity has been increasing pressure for inappropriate housing development on Green Belts and in rural areas.

Small and medium sized house builders have the potential to alleviate pressure for unsuitable housing development on Green Belt and in rural areas by boosting housing supply levels on small brownfields sites and delivering sensitively designed housing that embraces the character of areas in appropriately located rural development sites. However, these organisations are prevented from delivering new housing by a number of key barriers including access to land, access to finance and the cost of obtaining planning permission. This document has recommended four potential policy options for discussion that can facilitate the re-establishment of small and medium sized house builders in the construction industry.

Policy Options for Discussion

1. Promoting Small-Scale Brownfield Sites:

The obligatory identification and allocation of smaller brownfield sites in the preparation of housing supply plans

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Good Practice Case Study 1.

Example of a small urban brownfield site successfully developed by a small sized house builder **CO2 Zero, Wilder Street, Bristol: LOGIC CPS Limited**

- CO2 Zero is a code for sustainable home level 5 development located in the centre of Bristol.
- The development consists of nine, three storey live-work units located on a brownfield, infill site that was formerly car park in a central area of the City.
- The developer of the site was Logic CPS Limited, a Bristol based small development company specialising in sustainable development in urban areas.
- The brownfield development aims to generate the maximum amount of renewable energy from within the site as possible whilst minimising the demand on scarce natural resources.
- This case study is a strong example of how smaller house builders can be flexible and innovative in their approaches to developing small, complex plots of vacant brownfield land in the heart of cities, providing sustainable development of a high design quality that benefits existing settlements by delivering new dwellings and employment spaces.



(Information for case study taken from :

<http://www.co2zero-livework.com/> and Code for Sustainable Homes Case Studies

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7787/1161997.pdf)

Good Practice Case Study 2.

High quality and appropriately designed rural housing developed by a small sized house builder

The Old Apple Store, Stawell, Somerset: Pippin Developments

- The Old Apple Store was the first code for sustainable homes level 5 development in England and is located in the rural village of Stawell, Somerset.
- The development is situated on brownfield land in a rural setting (a former apple store). The development consists of five private family homes; two detached four- bedroom houses and three three-bedroom terraces.
- The development was carried out by Pippin Properties Limited - a small house builder local to Somerset.
- The developer 'realised the commercial viability in creating a development of high quality sustainable development'. The desired level of code for sustainable homes was reached by reducing build times and using the most maintainable materials on the market. This shows the advantage that small developers have in being able to be flexible in their design and construction strategies.
- The development is a strong example of how small house builders can deliver well designed, sustainable homes that embrace the unique characteristics of rural locations and are supported by the local population.



(Information for case study taken from <http://theoldapplestore.weebly.com/the-old-apple-store.html> and Code for Sustainable Homes Case Studies https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7787/1161997.pdf)

Good Practice Case Study 3.

Example of a custom/self build development that has used design agreements approved by a local planning authority

Hempsted Green, Peterborough: Urban Self Build

- Hempsted Green is brownfield land located on the site of a former London Brickworks. The site is located two miles south of the centre of Peterborough and is currently owned by Urban Self Build, a small scale specialist self build company. They are currently in the process of marketing the plots for purchase.
- 
- The site has eleven plots suitable for a single custom or self build dwelling. To facilitate and de-risk the planning process, each individual plot has detailed planning agreements in place with the local planning authority in terms of the design of the dwellings that can be constructed on the site.
 - Potential purchasers have three options after buying a plot, they can: build a dwelling to the exact specification agreed with the local planning authority, make slight alterations to the existing permitted designs to suit individual design requirements or buy a plot and design their own dwelling.
 - Any purchaser that chooses to make alterations to the existing permitted design of dwellings, or chooses to design their own dwelling will need to adhere to a design agreement established with the local planning authority. This covers factors such as the scale of development and the materials used in the development that will need to be chosen from a pre-selected palette. Developments that adhere to this code will secure planning permission.
 - This case study is a strong example of how the early involvement of multiple parties and design code agreements between land owners, developers and local planning authorities from an early stage can potentially de-risk and facilitate the planning process for custom/self build development.

(Information for case study taken from <http://www.selfbuildportal.org.uk/hempsted-green-peterborough> and <http://www.urbanselfbuild.com/usb%20self%20build%20brochure.pdf>)



CPRE is an environmental charity campaigning for a beautiful and living countryside that everyone can value and enjoy.

We aim to defend the countryside from damaging development by:

- influencing national and local planning policy relating to housing
- promoting appropriate brownfield development
- promoting examples of sustainable urban and rural development and good practice
- influencing the approach of the Government towards the countryside and planning

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