

## SELF-BUILD PARTNERSHIP – SOFT LAUNCH 4/10/23

### **Q: Can copies of the slides be circulated after the presentation?**

A: Yes, the slide pack will be circulated after the meeting alongside the document pack. The slides will also be available on the [South Gloucestershire website](#).

### **Q: Will Enablers have to pay a fee to join the partnership?**

A: As the Self-build partnership is new and we are eager for it to get under way, no fee will be charged during the initial 12 month period. In the future we may require a nominal fee, to cover the cost of overheads, events and meetings, etc.

### **Q: Who pays the 1% plot fee?**

A: Enablers who are members of the partnership are required to pay the plot fee to the Council.

Once the planning application has been approved and the number of self-build plots has been secured through the s106, the Enabler/s can get in to contract with the Developer to acquire the plots. the partner will be required to pay a fee of 1% of the market value of the plot to the Council once the Partner has acquired the plot.

The Enabler and the Developer would negotiate the market value and the price paid for the plots, without any Council involvement.

NOTE: The mechanism for transferring land between the Developer and the Enabler to mitigate risk will be explored in an engagement Round Table session to be held in November as per the amended timescales at the end of this document. Details will be sent out in due course.

### **Q: Would marketing to Enablers be a competitive situation, with several partners bidding for the same site?**

A: Yes, the proposed partnership would operate like the HomesWest partnership model, whereby Developers of a site would approach partners on our list and ask for prices. Partners can then decide whether or not they would want to bid for those plots.

### **Q: Will the Developer be required to seek bids only from members of the partnership? Can they bring people from outside as well?**

A: The s106 agreement will seek that Developers work with approved partners. If the Developer works with someone outside of the partnership, we will require assurance that they can deliver in the same way as an approved partner. Members of the partnership will need to demonstrate that they can deliver good quality products, that they have experience in delivery and that they are financially sound.

### **Q: Based upon experience of the HomesWest model for the delivery of Affordable Housing, do developers keep to the list of approved partners?**

A Yes, in our experience they do.

### **Q: When is the plot purchased by the end user, and from whom?**

A: The assumption is that Enablers would acquire the plots and market them to the Self-build register. The purchaser can either construct their own self-build model or can use a product from the

Enabler. In our experience self-builders tend to commission somebody to build a home for them, selecting a product that can be reconfigured to suit their needs.

**Example:** On a site with 6 self-build plots, the Enabler partner would buy the 6 plots and would be responsible for marketing and selling the plots. Once acquired, the Enabler would pay the 1% fee for each plot to the Council.

**Feedback:** The Potton Model is to buy plots but sell them to the end user on the same day, due to stamp duty etc.

Developers may prefer selling plots in a bundle, due to the health and safety issues associated with having multiple project managers, their companies and the end users' families on site at the same time.

**Q: Is it expected that the Enabler would be contracting with the Developer or Landowner once all matters involving the Council have been completed?**

A: The s106 would secure the number of self-build plots required, but the detailed layout and design would need to be agreed with the Council. Under the terms of the s106, we would require the Enabler to deliver the marketing strategy, plot passports and the design codes.

**Q: Does the s106 require the Developer to put in services alongside the access roads to each of the plots?**

A: Yes, the site would be procured as serviced plots, with access and services in place.

**Q: Has the Council carried out any research on market demand?**

A: We've assessed the demand on our Self-build Register, and we must ensure that sites are available to meet our plot duty. We've not undertaken any detailed market research into location demand or the effects of rising interest rates and build costs.

Note: Following this event, we will undertake further assessment of our register to provide more detailed information on demand.

**Feedback:** Financing has been really challenging due to interest rates and the rise in build costs. It's actually cheaper to buy a completed house on a development than build your own to the design code on development schemes. Prospective Self-builders will need a minimum of 50% equity to undertake a self-build project. Suggest that the registration form should include a question 'Do you have access to 50% equity in a project of this nature? What is the sort of value that you are assessing?'

Also, are people interested in specific set design code products or are they interested in wholly custom build?

This [information on demand from the register] will give Enablers confidence that there is a list of people who want to Self-build, can afford to do it and have provided evidence of that, and have specified whether they want a fixed product or custom build.

**Feedback:** Based on feedback from potential Self-builders who have viewed some of the SG Self-build plots, there is concern that plots on a volume house-builders development site are not going to work [for what they want]. People are looking towards self-build because they want to build a custom

home or to beat market prices. The reality is that they will be selling their current home, living in rented accommodation or with family members while the build is on-going, whilst trying to raise finance, to build something that isn't their dream home.

A: We don't expect that every self or custom builder wants to live on a large estate or that they would want to purchase a plot like that. Under the Partnership, we want to provide plots and then develop our policy and delivery arrangements. If plots aren't appealing, how can we make them more attractive? Part of the Self-build Officer's role is to negotiate where plots are and where parcels of land are. We know that we don't want plots "pepper-potted" and we do want them to have good access etc.

Answer post event: We have acquired outline permitted plots on a site in South Gloucestershire which have now all sold. Other sites are also in the process of selling plots permitted through PSP 42. Through engaging with our Partners, we hope to improve how plots are better delivered in South Gloucestershire.

Feedback: Self-builders don't want to be intermingled in a development the way that Affordable Housing is. Self-builders want to be unique. When negotiating with Developers about the location of self-build plots, it needs to emphasise that they have particular requirements; they want to be different and they want to be away from the crowd.

Feedback: Also need to recognise that Self-builders are going to take a while to build their home. For developers there is the concern that the self-build will not be on brand. The rest of the development is completed and to the casual observer there is an area of scrubland where someone is having a bash at building a home. Developers will be wary of this.

Feedback: Plots need to be isolated in a pocket that can be screened, so that it doesn't interfere with the Developer's scheme and won't damage their brand. It's a separate entity that can be boarded up so that it's not an unsightly site.

Feedback: Volume housebuilders prefer that the plots are clustered towards the end of the site, so that self-build can be constructed once the volume builders are off site.

A: We find that during the negotiation on outline applications regarding the phasing plan, self-build will usually be towards of the end of scheme, after the infrastructure is in place.

**Q: Where does the 5% requirement come from? Is it pro-rata for the people on the self-build register?**

A: The 5% requirement is derived from the Teignbridge rule; Teignbridge District Council being the first to adopt a percentage policy. For custom and self-build their policy is 5% on sites over 20 units. South Gloucestershire has a lot of larger sites, and our assessment was that over 100 units was an appropriate figure. Other councils have slightly lower or higher policy requirements depending on their circumstances. Our policy does provide South Gloucestershire with a steady self-build pipeline.

**Q When was the 5% figure set? When will it be reviewed?**

Answer post event: Policy PSP 42 was adopted in November 2023. To date 193 plots have been acquired outline planning permission through it. The council is currently reviewing its local plan and will be reviewing its self-build planning policy as part of the process. Some of the benefits of the partnership are that partners will have the opportunity to feed into South Gloucestershire Council policy and s.106 model clauses in the future.

Feedback: People are getting too fixated on the numbers on the self-build register. Not sure how easy it is to get on the South Glos register but there is anecdotal evidence of the difficulties with others – having to pay a fee; forms buried within websites etc. From experience delivering sites, there is more demand than shown on the registers. People want to self-build and they can get finance; they don't need 50% equity to get a mortgage.

A: The registers are a snapshot, and they don't show full demand. While we can put messages out to people on the register, there are other means to communicate with SG residents. With this partnership we can highlight when there is land available, we can marry Enablers and Developers, we can give some of the Customers and Enablers that don't work in this area an opportunity to purchase land, show their product and deliver custom and self-build housing.