



Press release

NEW COMMUNITY INFRASTRUCTURE CHARGES FORCE SELF BUILDERS TO CUT BACK ON THEIR HOMES, OR SCRAP THEIR SELF BUILD PROJECTS

Excessive Community Infrastructure Levy (CIL) charges are forcing self-builders to trim back on the specification, or reduce the size of their homes. And one in eight self-builders say the charges are so high their projects are no longer viable.

These are the findings of an exclusive survey of self-builders undertaken by the National Self Build Association (NaSBA) – which is published today.

More than 500 would-be self-builders completed the survey. They reported CIL charges as high as £35,000 per home. The majority of the CIL charges they are being asked for have been set at between £10,000 and £15,000 for each new self build property.

12 per cent of those surveyed said the new CIL charge was so high it was no longer possible to proceed with their project. 47 per cent said they would trim back on the specification of their new home in order to pay the Levy, and seven per cent said they would be forced to reduce their overall floor area. 29 per cent said they would find the money from somewhere or increase their borrowings.

A number of self-builders are also being hit with an additional charge under a 'section 106' agreement to help their local council fund affordable/social housing and other local amenities. One in ten said they had been asked for this additional contribution. The charges levied here varied significantly – several would-be self-builders face additional charges (on top of their CIL charge) of more than £25,000.

“The survey shows the significant scale of the new CIL charges, and the impact they are having. For some people it’s clearly affecting the viability of their projects, and, if they continue to be set at these levels they will certainly make many self-builders think again,” said Ted Stevens, Chairman of NaSBA.

“At the moment the Government is very keen to encourage more people to build their own home – so the CIL charges, and the additional Section 106 obligations that are being levied by some councils, may reverse this. The former Housing Minister, Grant Shapps, promised to ask his team from the Department of Communities and Local Government to see if there was something that could be

done to help self-builders. Based on the findings of this we believe this is now an urgent priority.”

Mr Stevens pointed out that any self-builder could challenge an excessive CIL or Section 106 payment request – if it made their project no longer viable. “But rather than self builders having to prepare complex viability analysis, and arguing with their local planning department we’d like to see some clear guidance that enables councils to classify self build projects more clearly and more reasonably. We would also like to see smaller self build homes considered as ‘affordable’ housing which would mean they are completely exempt from CIL”.

A small proportion of self builders (8 per cent) had been able to reduce the impact of the new CIL charges by negotiating a price reduction with the owner of the land they bought; the vast majority, however, had already bought their plots.

Among the many reactions from angry self-builders who completed the survey were these:

“This additional tax makes building your own home even more difficult than it already is”

“The CIL charge means we cannot afford to build a home big enough to last us for life; instead we will have to move when our family grows”

“CIL is an unfair tax on those trying to better their situation”

“We are having to pay nearly £36,000 in CIL and a contribution to affordable housing. This is a terrific strain on us. The only way we can afford this is by cutting back – for example we won’t be building a garage as this would add even more to the bill”

“The expected CIL charge represents 15% of my build budget. We will have to reduce the size of the house and we cannot afford to make it as green as we had hoped”

“I am struggling to raise the money (for the CIL). I may have to sell the land”

For further information contact Ted Stevens on 07860 336087

Editor’s note: CIL is a local charge made by Councils to contribute towards providing a wide range of local infrastructure (including schools, roads and community facilities) – all of which will be required and used by self builders.