

Press release, embargoed until 11 September 2020

Press Release:

“Housing sector needs diversity in order to build back better” – New Housing Diversification group calls for substantive government action

The government’s housing ambitions cannot *only* rely upon volume house builders, says Housing Diversification, a new action group. It is calling on Government to deliver on its commitment to support a much wider range of routes to housing development and to boost the number of small-to-medium (SME) housebuilders who deliver them.

Housing Diversification is made up of the Federation of Master Builders, the UK Cohousing Network, the National Community Land Trust Network and the National Custom and Self Build Association, working under a common banner.

The group is proposing that **a new, high-level Housing Diversification Taskforce be created to support greater housing diversity**. This is crucial, as currently, volume house builders and the housing association sector deliver the majority of England’s housing, and yet together they are not able to deliver on Government’s ambitions for 300,000 homes per year.

The number of SME housebuilders halved following the last recession, and we must avoid a repeat of this as we scale up housing delivery in 2021. Currently, the SME sector, comprising small housebuilders, community led housing and custom and self build, is delivering a minimum of 20,000 homes annually, **but it has the potential to deliver significantly more housing – up to 130,000 extra homes by 2025***. **These homes are sustainable, beautiful, innovative, of high quality, support local economies and provide training and employment.**

Diversifying the housing market is a core pillar of the Government’s housing policy, but to ensure we ‘Build Back Better’ it must be a core part of a wider strategy for recovery from Covid-19. To ensure Government delivers on its pledges, Housing Diversification is calling for:

1. The establishment of a **high-level Housing Diversification Taskforce**, with a range of items set out for consideration (see Appendix).
2. Commitment to a **five-year renewal of the Community Housing Fund** as part of the Comprehensive Spending Review.
3. The creation of a **robust and statutory system of reporting on diversification as part of Government housing statistics**, including on the NPPF requirement for 10% of homes to be delivered on small sites (one hectare or less).

Andrew Baddeley-Chappell, CEO, National Custom and Self Build Association and spokesperson for the group said: “Despite the importance of houses to our lives and the scale of their cost, there is currently too little choice when it comes to new homes in this country.

“We have come together as Housing Diversification to deliver more passion, quality, and care into the new homes and the new communities that we, as a nation, need to be creating. Just like any other market, increasing diversification will improve quality, innovation, and value. We will deliver homes more people want to live in and that more welcome being built.”

APPENDIX

Recommendations for consideration by the Housing Diversification Taskforce:

- Invest in local authority planning departments to help them make determinations quicker and address the bottleneck created by lockdown;
- Address loopholes in the Right to Build legislation and how activity is reported;
- Deliver on Government's commitment to extend Help to Buy (or introduce a new loan scheme) to custom and self build to address the current unfair competition;
- Create a strategy for Homes England that supports diversification, including ensuring it is embedded and actively encouraged through the upcoming DPP3 process.
- Require Homes England to adopt a policy whereby 10% of homes that are delivered as a result of their investment or land disposals are built on sites of no more than one hectare.
- Explore the scope for local authorities to routinely set up developer forums that bring together a range of views (planning officers; SME house builders; community representatives) to assess housing demand and strategies to meet this.

*Size of the respective markets:

- The Federation of Master Builders represents 7,500 SME firms across the UK, half of which build new homes. FMB members expect to build more than **12,000 new homes in 2021**.
- NaCSBA reports that **Custom and Self Build delivers 14,000 homes annually** - with full support this could be 73,500 by 2025.
- There are 10,780 community led homes in 'live applications' on Homes England system awaiting delivery, part of a **wider pipeline of 23,000 homes**.
(Source: <http://www.communitylandtrusts.org.uk/filecache/387/a2e/905-clh-pipeline-analysys-dr-tom-archer-feb-2020.pdf>.)
Many of the live projects are reliant on the Community Housing Fund 5-year renewal.
- The figure of 130,000 extra homes by 2025 is made up of an extra 73,500 custom and self build homes and half (see note below) of the potential 65,000 homes that could be delivered by SMEs, were the sector to return to delivering 40% of all new homes, as it did in the 1980s. Finally, the 23,000 community led homes figure is added to this total to reach 129,000 homes, rounded up to 130,000.

A note on counting: Roughly 50% of SME housebuilder output is custom or self build, so the 20,000 figure represents 14,000 custom and self-build homes and half the annual FMB delivery figure of 12,000 homes to prevent double counting. Community led homes are, therefore, in addition to this figure.

Twitter: #DiversifyHousing

Interviews: Interviews are available on request with a member of each body. Please contact the press officers below for case studies.

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Notes to Editors:
About NaCSBA:

The National Custom and Self Build Association (NaCSBA) is the voice for the Custom and Self Build industry across the UK. Its vision is to make Custom and Self Build a mainstream choice for all those seeking a home of their own. Visit www.nacsba.org.uk.

About the Federation of Master Builders:

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing thousands of firms in England, Scotland, Wales and Northern Ireland. Established in 1941 to protect the interests of small and medium-sized (SME) construction firms, the FMB is independent and non-profit making, lobbying for members' interests at both the national and local level. Visit www.fmb.org.uk

About the National Community Land Trust :

The National CLT Network is the official charity supporting Community Land Trusts (CLTs) in England and Wales. It works on behalf of CLTs and, in turn, its members shape and govern its work. It provides funding, resources, training and advice for CLTs and works with Government, local authorities, lenders and funders to establish the best conditions for CLTs to grow and flourish. Its aim is to mainstream the community ownership of affordable housing and land. Visit www.communitylandtrusts.org.uk

About the UK Cohousing Network:

Established in 2007, the UK Cohousing Network works to promote awareness of cohousing and support the development of new cohousing communities. The UK Cohousing Network is a membership organisation with a mission to enable communities to use the cohousing principles to create better places to live by reducing isolation and loneliness, and by sharing facilities and services reduce living costs. Its primary focus is to find ways to make cohousing more accessible, and to help shape the policy and public funding environment to achieve this goal. Visit www.cohousing.org.uk